PALMDALE

a place to call home

CITY COUNCIL
SUCCESSOR AGENCY
HOUSING AUTHORITY
PALMDALE FINANCING AUTHORITY
CITY COUNCIL CHAMBER
38300 SIERRA HIGHWAY
SUITE B
PALMDALE, CA 93550
TUESDAY, DECEMBER 1, 2026
5:00 PM
www.cityofpalmdaleca.gov

WELCOME

LEGISLATIVE BODY

ERIC OHLSEN, MAYOR
AUSTIN BISHOP, MAYOR PRO TEM
RICHARD J. LOA, COUNCILMEMBER
LAURA BETTENCOURT, COUNCILMEMBER
ANDREA ALARCÓN, COUNCILMEMBER

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Translation QR Code.
Translation QR Code.pdf

Americans with Disabilities Act (ADA) Accommodations
In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification or accommodation to participate in this meeting, please contact the City Clerk's Office at (661) 267-5151 at least 48 hours prior to the meeting.

Public Comment Information

Members of the public may speak for up to **two (2) minutes** on the Consent Calendar, Public Hearings, Appointments, New Business, and Closed Session items. To address the Legislative Body on any agendized item, please complete a speaker card for the City Clerk and indicate the item you wish to speak on. Speaker cards are available in the foyer of the Council Chambers.

Zoom Meeting Room ID: 811 2631 3794
Number: +1 669 444 9171 US
Passcode: 549927

- Please press *9 to "Raise Your Hand" and wait for the host to ask you to unmute yourself.
- Press *6 to unmute your microphone
- Please state your name and city of residence for the record and begin

Please follow these guidelines to ensure the meeting runs smoothly:

- All comments must be respectful and courteous.
- Comments that are personal, threatening, obscene, insulting, or that attack others or berate differing viewpoints will not be allowed.
- Individuals who violate these rules or disrupt the meeting will be ruled out of order by the Chair and must immediately stop speaking.
- Disruptive individuals may be asked to leave the meeting.

1. **CALL MEETING TO ORDER**

Note: All City Council memberships are reflected in their City Council titles.

2. **ROLL CALL**
   MAYOR OHLSEN, MAYOR PRO TEM BISHOP, COUNCILMEMBERS LOA, BETTENCOURT, ALARCÓN
   COMMISSIONERS FRAGA-SAENZ, BETTS

3. **PLEDGE OF ALLEGIANCE**

4. **PRESENTATIONS**

   4.1 Recognition of AV ALTA Youth Academy.

   4.2 Commendation to Garrett Rickert in honor of his retirement from the City of Palmdale.

5. **RESOLUTION RECITING ELECTION RESULTS**

5.1 Adopt Resolution No. CC 2026-068, a Resolution of the City Council of the City of Palmdale California, reciting the fact of the General Municipal Election held on November 3, 2026, declaring the result and such other matters as provided by law.

SR Reso. No. CC 2026-068.docx
Reso. No. CC 2026-068 Reciting Facts of Election.docx
Exh A - Placeholder.pdf

6. **ADMINISTRATION OF OATH OF OFFICE**

7. **NON-AGENDA PUBLIC COMMENTS - Now is the time for public participation.**

8. **JOINT CONSENT CALENDAR CC/SA/HA/PFA - Now is the time for public participation**

All matters listed under the Joint Consent Calendar will be enacted by one motion unless an item(s) is pulled by Council/Authority, in which case the item(s) will be removed from the Consent Calendar and will be considered separately following this portion of the Agenda.

8.1 Receive and file the City of Palmdale Housing Authority's 2025-26 Housing Asset Fund Annual Report prepared pursuant to California Health and Safety Code Section 34176.1 and direct staff to post the report on the City's website.

SR HA 2025-26 Housing Asset Fund Report.docx
Rpt. Housing Authority of the City of Palmdale 2025-26 Asset Fund Annual Report.docx

8.2 Receive and file the Annual Comprehensive Financial Report (ACFR) for the year ended June, 30, 2025, for the City of Palmdale, the Housing Authority of the City of Palmdale, the Palmdale Financing Authority and the Palmdale Community Foundation.

SR Annual Comprehensive Financial Report (ACFR) FY 2025.docx
Rpt. City of Palmdale Annual Comprehensive Financial Report (ACFR) FY 2025.pdf
Rpt. Housing Authority of the City of Palmdale Financial Report FY 2025.pdf
Rpt. Palmdale Financing Authority Financial Report FY 2025.pdf
Rpt. Palmdale Community Foundation Financial Report FY 2025.pdf

8.3 Approve the minutes from the previous meeting.

Mins 10 06 2026.pdf

9. **CONSENT CALENDAR - Now is the time for public participation**

All matters listed under the Consent Calendar will be enacted by one motion unless an

item(s) is pulled by Council, in which case the item(s) will be removed from the Consent Calendar and will be considered separately following this portion of the Agenda.

9.1 Waive full reading of the Resolution(s) and/or Ordinance(s) to be considered and voted on at this meeting. (This allows for reading the title only in lieu of reciting the entire text).

9.2 Receive and file the Monthly and Quarterly Investment Activity Reports for September and October 2026.
SR Monthly Investment Report for September and October 2026.docx
Rpt. Monthly and Quarterly Investment Report September 2026.pdf
Rpt. Monthly Investment Report October 2026.pdf

9.3 Receive and file the Special Tax Annual Report for CFD 2003-1 (Anaverde), CFD 05-1 (Trade and Commerce), CFD 16-1 (Joshua Ranch Water Supply and Maintenance Services), CFD 2022-1 (Citywide Maintenance and Services), CFD 2022-2 (Ritter Ranch Maintenance Services), and CFD 2022-3 (Ritter Ranch Phase I Public Facilities) in accordance with the Local Agency Special Tax and Bond Accountability Act, Sections 50075.1 and 53410 of the California Government Code.
SR Special Tax Annual Report Fiscal Year 2025-26.docx
Rpt. Special Tax Annual Report Fiscal Year 2025-26.pdf

9.4 Approve Agreement with Accela, Inc., for the City's plan review, permitting, and inspection tracking software system for a total not-to-exceed amount of $1,927,800 for a seven-year term through December 31, 2033.
SR Agrmt No. A-10114 with Accela, Inc.docx
Agrmt No. A-10114 with Accela, Inc.pdf
Cost Proposal.pdf

9.5 Approve Requisitions with Merjan Enterprises, Inc. dba SOV Security for the purchase of surveillance camera and access control equipment for a total not to exceed amount of $670,092.13.
SR Requisition Nos. 270543 and 270561 with Merjan Enterprises Inc.docx
Requisition No. 270543.pdf
Requisition No. 270561.pdf

9.6 Receive and file the Annual Activity Report for the Development Agreement pertaining to the Oasis Wellness Village Project located at the southeast corner of Palmdale Boulevard and Tierra Subida Avenue.
SR Agrmt No. A-5595 Development Agreement with Oasis Wellness Village Project.docx
Development Agrmt No. A-5595.pdf

9.7 Approve First Amendment to Agreement with Avant-Garde, Inc., for an interim Housing Manager and Housing Division support services, increasing the Agreement amount by $100,000 for a total not to exceed amount of $225,000, and extending the term through June 30, 2027.

SR Agrmt No. A-9872 First Amendment with Avant-Garde, Inc.docx
Agrmt. No. A-9872 First Amendment with Avant-Garde, Inc.pdf
Agrmt. No. A-9872 with Avant-Garde, Inc.pdf

9.8 Approve Agreement with Converge Strategies, LLC, for Planning and Engineering Services to support the U.S. Air Force Plant 42 (Plant 42) Installation Readiness Project for a total not to exceed amount of $724,199 for a term of 18 months from the date of the Notice to Proceed.

SR Agrmt No. A-10116 with Converge Strategies LLC.docx
Agrmt No. A-10116 with Converge Strategies LLC.pdf

9.9 Approve Fourth Amendment to Agreement with Pacific West Sound, Inc., to provide audio production and equipment services at the Palmdale Amphitheater increasing the amount of the agreement by $28,000 for a total amount not to exceed $1,116,475 for a term through June 30, 2027.

SR Agrmt No. A-7866 Fourth Amendment with Pacific West Sound, Inc.docx
Agrmt No. A-7866 Fourth Amendment with Pacific West Sound Inc.pdf
Agrmt No. A-7866 Third Amendment with Pacific West Sound, Inc.pdf
Agrmt No. A-7866 Second Amendment with Pacific West Sound, Inc.pdf
Agrmt No. A-7866 First Amendment with Pacific West Sound, Inc.pdf
Agrmt No. A-7866 with Pacific West Sound, Inc.pdf

9.10 Adopt Resolution No. CC 2026-069, a Resolution of the City Council of the City of Palmdale approving the application for Statewide Park Development and Community Revitalization Program Funds for the Arnie Quinones Project.

SR Reso. No. CC 2026-069.docx
Reso. No. CC 2026-069.docx

9.11 Approve Agreement with Phoenix Group Information Systems for Citation Processing Software and Related Services in an amount not to exceed $600,000 for a five-year term through November 3, 2031.

SR Agrmt No. A-10074 with Phoenix Group Information Systems.docx
Agrmt No. A-10074 with Phoenix Group Information Systems.pdf
Exh A - Scope of Work.pdf
Exh B - Cost Proposal.xlsx

9.12 Approve Agreement with Mohawk Commercial, Inc., for flooring replacement services at the Development Services Building and the Palmdale Playhouse for a total not to exceed amount of $373,132 and for a term of one year from the date of the Notice to Proceed.

SR Agrmt No. A-10100 with Mohawk Commercial, Inc.docx

Agrmt No. A-10100 with Mohawk Commercial, Inc.pdf
CMAS Cooperative Agreement 4-24-06-1007.pdf

9.13 Approve Eighth Amendment to Agreement with SVA Architects, Inc., for design and construction support services for Chimbole Center/Library Renovation Project for a total not to exceed amount of $2,238,768 and extending the term to April 17, 2028.

SR Agrmt No. A-9097 Eighth Amendment with SVA Architects, Inc.docx
Agrmt No. A-9097 Eighth Amendment with SVA Architects Inc.pdf
Proposal SVA Architects, Inc.pdf
Agrmt No. A-9097 Seventh Amendment with SVA Architects, Inc.pdf
Agrmt No. A-9097 Sixth Amendment with SVA Architects, Inc.pdf
Agrmt No. A-9097 Fifth Amendment with SVA Architects, Inc.pdf
Agrmt No. A-9097 Fourth Amendment with SVA Architects, Inc.pdf
Agrmt No. A-9097 Third Amendment with SVA Architects, Inc.pdf
Agrmt No. A-9097 Second Amendment with SVA Architects, Inc.pdf
Agrmt No. A-9097 First Amendment with SVA Architects, Inc.pdf
Agrmt No. A-9097 with SVA Architects, Inc.pdf

9.14 Ratify the approval of Change Order No. 2 and approve Amendment No. 1 to Agreement No. A-9352 with E&M Constructors Inc. for the Domenic Massari Park ADA Walkway Project, PN 853, to increase compensation by $27,924 and extend the term to January 31, 2027.

SR Agrmt No. A-9352 First Amendment with E&M Constructors, Inc.docx
Agrmt No. A-9352 First Amendment with E&M Constructors, Inc.pdf
Agrmt No. A-9352 with E&M Constructors, Inc.pdf

9.15 Approve Agreement with Select Electric, Inc., for construction services for Highway Safety Improvement Program (HSIP) Cycle 11 Citywide Signal Modernization Project, PN 895, for a total not to exceed amount of $3,525,670 for a term of 90 working days from the date of the Notice to Proceed.

SR Agrmt No. A-10157 with Select Electric, Inc.docx
Agrmt No. A-10157 with Select Electric, Inc.pdf
Bid Schedule.pdf
Location Map.pdf

9.16 Approve First Amendment to Agreement with New Creation Builders for Design Services Phase I for South Antelope Valley Emergency Services (SAVES) Tenant Improvements and Relocation Project for a total not to exceed amount of $712,937, and extending the contract term to December 31, 2026.

SR Amendment No. 1 to Agrmt No. A-9143 with New Creation Builders.docx
Amendment No. 1 to Agrmt No. A-9143 with New Creation Builders Inc.pdf
Agrmt No. A-9143 with New Creation Builders.pdf

9.17 Accept Notice of Completion (NOC) for Public Sewer and Drainage Improvements for Trader Joe's Distribution Center located at the southeast corner of 10th Street

West and Columbia Way.
SR NOC.docx
NOC.docx
List of Completed Public Improvements.pdf
Site Map.pdf
Project Photos.pdf

9.18 Accept Notice of Completion (NOC) for Public Drainage Improvements for COPART located at the northwest corner of 40th Street East and Avenue L-8.
SR NOC Copart.docx
NOC.docx
Exh A List of Completed Public Improvements.pdf
Exh B Site Map.pdf
Exh C Project Photos.pdf

9.19 Approve the Amended and Restated Memorandum of Understanding of the Antelope Valley Regional Water Management Group IRWMP Cost Sharing Agreement for a total not to exceed amount of $16,923 for a term of three years from the effective date of January 1, 2027, to December 31, 2029.
SR Amended and Restated MOU.docx
2027 Amended and Restated MOU No. A-6389.docx
2025 Amended and Restated MOU No. A-6389.pdf

9.20 Approve Agreement with Kimley-Horn and Associates, Inc., for Engineering Design Services for Safer Streets for All (SS4A) 20th Street East Corridor Project, PN 930, for a total not to exceed amount of $446,050 for a term of 150 calendar days from the date of the Notice to Proceed.
SR Agrmt No. A-10002 with Kimley Horn and Associates Inc.docx
Agrmt No. A-10002 with Kimley Horn and Associates.pdf
Proposal.pdf
Rate Schedule.pdf
Location Map.pdf

9.21 Approve Agreement with HL Hitchcock Construction Services, Inc., for construction services for ADA Improvements and Sidewalk Gap Closure Project, PN 923, along Rancho Vista Boulevard, for a total not to exceed amount of $1,015,525 for a term of 35 working days from the date of the Notice to Proceed.
SR Agrmt No. A-9877 HL Hitchcock Construction Services, Inc.docx
Agrmt No. A-9877 with HL Hitchcock Construction Services, Inc.pdf
Bid Schedule.pdf
Location Map.pdf

9.22 Adopt Resolution Nos. CC 2026-062 and CC 2026-063, Resolutions of the City Council of the City of Palmdale, initiating proceedings for the annexation of territory to the City of Palmdale Streetlight Maintenance Assessment District No.

1, as Annexation 2026-204, preliminarily approving the Annexation and Annual Levy Report, declaring the City's intention to annex territory to the City of Palmdale Streetlight Maintenance Assessment District No. 1, as Annexation 2026-204 and to levy and collect assessments for Fiscal Year 2026-27.
SR Reso. Nos. CC 2026-062 and CC 2026-063.docx
Reso. No. CC 2026-062.docx
Reso. No. CC 2026-063.docx
Rpt Annexation and Annual Levy.pdf
Assessment District Diagram.pdf

9.23 Authorize the purchase of furnishings in an amount not to exceed $660,000, using a cooperative agreement pursuant to Palmdale Municipal Code (PMC) §3.08.140(D) for the Chimbole Center Project.
SR Authorize Purchase of Furnishings for Chimbole Center Project.docx
Exh A Furnishing Listing.pdf

9.24 Automated External Defibrillator (AED) update.
SR AED Update.docx

9.25 City Attorney Oversight Policy.
SR Adopt City Attorney Oversight Policy.docx
City Attorney Oversight Policy.docx

9.26 Adopt Resolution No. CC 2026-056, a Resolution of the City Council of the City of Palmdale adopting a policy establishing procedures for community meetings.
SR Reso. No. CC 2026-056 Community Meetings Policy.docx
Reso. No. CC 2026-056 Community Meetings Policy.docx
Exh. 1 Reso. No. CC 2026-056 Community Meetings Policy.docx

9.27 Adopt Resolution No. CC 2026-061, a Resolution of the City Council of the City of Palmdale adopting an amended Conflict of Interest Code containing revised designated positions and disclosure categories and repealing all prior resolutions.
SR Reso. No. CC 2026-061 Conflict of Interest Code.docx
Reso. No. CC 2026-061 Conflict of Interest.docx
Appendices.docx

9.28 Approve the minutes from the previous meeting.
Mins 10 20 2026.pdf

10. **APPOINTMENTS - Now is the time for public participation.**

10.1 Nominate and appoint two Directors to represent the City of Palmdale on the Palmdale Aerospace Academy (TPAA) Board of Directors.
SR TPAA Appointments.docx
Apps TPAA.pdf

10.2 Nominate and appoint one member to serve on the Antelope Valley Mosquito and Vector Control District Board.
SR AV Mosquito Vector Appointment.docx
Apps AVMVD.pdf

10.3 Appoint the Director of Economic and Community Development as the City staff person to the Palmdale Tourism Improvement District Board (Visit Palmdale).
SR Appoint to the Visit Palmdale Board of Directors.docx

10.4 Review and provide direction on changes to existing committee appointments.
SR City Council Committee Appointments.docx

11. **NEW BUSINESS - Now is the time for public participation.**

11.1 Approve Agreement with Colantuono, Highsmith & Whatley, PC, for legal services, including the appointment of Aleks Giragosian as City Attorney.
SR Agrmt No. A-10093 with Colantuono, Highsmith, & Whatley, PC.docx
Agrmt No. A-10093 with Colantuono, Highsmith & Whatley, PC.pdf
Exh A - Exh E - Exhibits to Agrmt No. A-10093

11.2 UPCCAA Participation and Purchasing Ordinance Amendments, SB 1169 Implementation, and Municipal Code Amendment Procedures.
SR UPCCAA Participation and Purchasing Ordinance Amendments SB 1169 Implementation and Municipal Code Amendment Procedures.docx

11.3 Adopt Ordinance No. 1671, an Ordinance of the City Council of the City of Palmdale amending Palmdale Municipal Code Section 3.08.240 to establish reporting requirements for the exercise of delegated authority to the City Manager.
SR Ord. No. 1671 Amending PMC Section 3.08.240.docx
Ord. No. 1671 Amending PMC Section 3.08.240.docx

11.4 Adopt Ordinance No. 1674, an Ordinance of the City Council of the City of Palmdale amending Palmdale Municipal Code Section 2.08.040, changing the regular meeting day of the City Council.
SR Ord. No. 1674.docx
Ord. No. 1674.docx

11.5 Adopt Resolution No. CC 2026-067, a Resolution of the City Council of the City of Palmdale authorizing a $100,000 reward.
SR Reso. No. CC 2026-067.docx
Reso. No. CC 2026-067 to Authorize Reward.docx

12. **PUBLIC HEARING - Now is the time for public participation. Each public hearing**

will have its own public testimony.

12.1 Adopt Resolution No. CC 2026-064, a Resolution of the City Council of the City of Palmdale approving the annexation and annual levy report for the annexation of certain territory to the City of Palmdale Streetlight Maintenance Assessment District No. 1, as Annexation 2026-204, and ordering the levy and collection of assessments within said assessment district for Fiscal Year 2026-27.

SR Reso No. CC 2026-064.docx
Reso. No. CC 2026-064.docx
Rpt Annexation and Annual Levy.pdf
Exh A - Certificate of Tabulation Official.docx
Assessment District Diagram.pdf

12.2 Adopt Ordinance No. 1672, an Ordinance of the City Council of the City of Palmdale, approving Zoning Ordinance Amendment No. 26-0001 to modify Chapter 17.88 Signs and finding that the amendment is exempt from environmental review.

SR Ord. No. 1672.docx
Ord. No. 1672.docx
Resolution No. PC-2026-004.pdf

12.3 Public Hearing to receive comments on the Draft Substantial Amendments to the FY 2024-25 and FY 2026-27 Annual Action Plans; and Adopt Resolution No. CC 2026-066, approving and authorizing submittal of the amendments to the United States Department of Housing and Urban Development (HUD).

SR AAP Substantial Amendments for FY 24-25 and FY 26-27.docx
Reso. No. CC 2026-066 AAP Substantial Amendments for FY 24-25 and FY 26-27.docx

12.4 Approve Purchase and Sale Agreement with Belldale LLC, to acquire 26.18 acres of real property (APNS: 3009-026-004, 3009-026-004, 3009-026-011, and 3009-026-012) located at the Southeast corner of State Route 14 and Palmdale Boulevard for $9,127,392.

SR Agrmt No. A-10177 with Belldale LLC.docx
Agrmt No. A-10177.pdf

13. **CITY MANAGER'S REPORT**

14. **COUNCIL REPORTS, ANNOUNCEMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS**

15. **SELECTION OF MAYOR AND MAYOR PRO TEM ACCORDING TO PALMDALE MUNICIPAL CODE SECTION 2.08.010**

16. **CLOSED SESSION - Now is the time for public participation.**

PRESENTATION BY CITY ATTORNEY

16.1 Conference with Legal Counsel; Existing Litigation (GC 54956.9(d)(1))

1. *Stella Gutierrez v. City of Palmdale*, Case No. 25AVCV00843 (Plaintiff: Stella Gutierrez; Defendants: City of Palmdale, County of Los Angeles)
2. *Francisco Heredia v. City of Palmdale*, Case No. 26AVCV01380 (Plaintiff: Francisco Heredia; Defendants: City of Palmdale, Department of Public Works)
3. *Menjahn Cherokee Hill v. City of Palmdale*, Case No. 25AVCV00746 (Plaintiff: Menjahn Cherokee Hill; Defendants: City of Palmdale, County of Los Angeles)
4. *Marie Del Carmen Marroquin v. City of Palmdale*, Case No. 25AVCV00300 (Plaintiff: Marie Del Carmen Marroquin; Defendants: City of Palmdale, Southern California Edison Company)
5. *Michael McIntyre v. City of Palmdale*, Case No. 25AVCV00924 (Plaintiff: Michael McIntyre; Defendant: City of Palmdale)
6. *Carlos Rosales v. City of Palmdale*, Case No. 26AVCV01013 (Plaintiff: Carlos Rosales; Defendant: City of Palmdale)
7. *Patricia Sanchez v. City of Palmdale*, Case No. 25AVCV01580 (Plaintiff: Patricia Sanchez; Defendants: City of Palmdale, City of Los Angeles, County of Los Angeles, Bonnie McPherson, Anna Romero)
8. *Sandra Velazquez-Betancourt v. City of Palmdale*, Case No. 23AVCV01421 (Plaintiff: Sandra Velazquez-Betancourt; Defendants: City of Palmdale, Parks and Recreation, Rich Meiers Landscaping, Jeff Miller, Hector Huerta, Aden Dueitt)
9. *Latasia Ventus v. City of Palmdale*, Case No. 26AVCV01016 (Plaintiff: Latasia Ventus; Defendants: City of Palmdale, the Gutierrez Living Trust, 2019, Oscar Gutierrez, Dora Gutierrez)
10. *Benjamin Bach v. City of Palmdale*, Case No. 25AVCV00505 (Plaintiff: Benjamin Bach; Defendant: City of Palmdale)
11. *Leon Brown v. City of Palmdale*, Case No. 24AVCV00730 (Plaintiff: Leon Brown; Defendant: City of Palmdale)
12. *Ryan Rimmer v. City of Palmdale*, Case No. 24AVCV01428 (Plaintiff: Ryan Rimmer; Defendant: City of Palmdale)
13. *Chasandra Smith v. City of Palmdale*, Case No. 24AVCV00764 (Plaintiff: Chasandra Smith; Defendant: City of Palmdale)
14. *Thorstensen / Murphy Cross-Complaint v. City of Palmdale*, Case No. 22STCV29463 (Cross-Complainants: Thorstensen, Murphy; Cross-Defendant: City of Palmdale)

15. *Maria Martinez v. City of Palmdale* , Case No. 25AVCV00650 (Plaintiff: Maria Martinez; Defendant: City of Palmdale)
16. *Rafael Rodriguez v. City of Palmdale* , Case No. 26AVCV01163 (Plaintiff: Rafael Rodriguez; Defendant: City of Palmdale)
17. *Brady Kay Barker and Warren Wayne Reese v. City of Palmdale* , Case No. 26AVCV00524 (Plaintiffs: Brady Kay Barker, Warren Wayne Reese; Defendant: City of Palmdale)
18. *Tonya Anthony v. HHS Communications, et al.* , Case No. 26AVCV00457 (Plaintiff: Tonya Anthony; Defendants: HHS Communications, City of Palmdale, Gregori Garcia.)
19. *Alejandro Perez v. City of Palmdale, Case No. 25STCV19238 (* Plaintiff: Alejandro Perez; Defendants: City of Palmdale, Richard Loa, Sophia Reyes, Heather Nichols, Steve Hofbauer*)*
20. *Matrell D. Epps v. City of Palmdale* , Case No. 23STCV19417 (Plaintiff: Matrell D. Epps; Defendant: City of Palmdale)

16.2 Conference with Legal Counsel; Initiation of Litigation (Gov. Code § 54956.9(d)(4))
Number of Potential Cases: 1

16.3 Conference with Legal Counsel; Anticipated Litigation (Gov. Code § 54956.9(d)(2); Gov. Code § 54956.9(e)(1))

A point has been reached where, in the opinion of the City Council on the advice of its legal counsel, based on the below-described existing facts and circumstances, there is a significant exposure to litigation against the City, as follows: facts and circumstances that might result in litigation but which the City believes are not yet known to potential plaintiff or plaintiffs.

Number of Potential Cases: 2

17. **ANNOUNCEMENT BY CITY ATTORNEY**

18. **ADJOURN** meeting to _____ __, 2027, at 5:00 p.m. in the City Hall Council Chamber located at 38300 Sierra Highway, Suite B, Palmdale, California.



https://attend.wordly.ai/join/SLOR-7400

City Council Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **CITY MANAGER DEPARTMENT**
CITY CLERK DIVISION

DISTRICT: **ALL**

SUBJECT: **ADOPT RESOLUTION NO. CC 2026-068, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE, CALIFORNIA, RECITING THE FACTS OF THE GENERAL MUNICIPAL ELECTION HELD ON NOVEMBER 3, 2026, DECLARING THE RESULT AND SUCH OTHER MATTERS AS PROVIDED BY LAW**

RECOMMENDATION

Staff recommend that the City Council:

1. Adopt Resolution No. CC 2026-068, a Resolution of the City Council of the City of Palmdale, California reciting the facts of the General Municipal Election held on November 3, 2026, declaring the result and such other matters as provided by law.

BACKGROUND

A General Municipal Election was conducted in the City of Palmdale on November 3, 2026, consolidated with the Statewide General Election for the purposes of electing three Councilmembers elected by geographic Districts 3, 4, and 5 for four (4) year terms and for City voters to consider a ballot measure, Measure DE, an ordinance establishing the office of Mayor as an at-large, elected position beginning with the November 2028 general municipal election.

DISCUSSION

Per Elections Code 10262(b), the City Clerk, acting as the City's election official is required to certify the results to the City Council. This staff report shall constitute that certification. Upon that certification, per Election Code 10263 (b), the City Council must declare the results of the election and install the newly elected council members. The County of Los Angeles Registrar of Voters has completed the canvass of the results, and the appropriate Resolution has been prepared for adoption, which is attached to this Report. The results are attached as Exhibit "A" to the above-entitled Resolution.

The California Elections Code states that the governing body of the City shall meet to approve the canvass of the election and install the newly elected officers.

FISCAL IMPACT

$0; There is no fiscal impact associated with adopting Resolution No. CC 2026-068

STRATEGIC PLAN

Goal II: Maintain a desirable community where everyone wants to live, work and play.

B. Provide inclusive access to a variety of supportive services that build a resilient and healthy community.

Prepared by:	Rochelle Scott, City Clerk
Certified as to availability of Funds:	Janelle Samson, Deputy City Manager
Approved by:	Salvador Mendez, City Manager
Approved as to form:	Taylor Anderson, Deputy City Manager

ATTACHMENTS

Reso. No. CC 2026-068

CITY COUNCIL
CITY OF PALMDALE, CALIFORNIA
RESOLUTION NO. CC 2026-068

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE, CALIFORNIA, RECITING THE FACTS OF THE GENERAL MUNICIPAL ELECTION HELD ON NOVEMBER 3, 2026, DECLARING THE RESULT AND SUCH OTHER MATTERS AS PROVIDED BY LAW

WHEREAS, a General Municipal Election was held and conducted in the City of Palmdale, California, on Tuesday, November 3, 2026, as required by law; and

WHEREAS, notice of the election was given in time, form and manner as provided by law; that voting precincts and vote-by-mail ballot drop-off boxes were properly established; that election officers were appointed and that in all respects the election was held and conducted and the votes were cast, received and canvassed and the returns made and declared in time, form and manner as required by the provisions of the Election Code of the State of California for the holding of elections in charter cities; and

WHEREAS*,* pursuant to Resolution Nos. CC 2026-022 and 2026-047, adopted by Council on May 5, 2026, the County Election Department canvassed the election returns and certified the results. The results were received and are attached, and made a part hereof as Exhibit "A."

NOW, THEREFORE, BE IT RESOLVED, THE CITY COUNCIL OF THE CITY OF PALMDALE DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

SECTION 1. That the whole number of ballots cast in the precincts except vote by mail voter ballots and provisional ballots was _____***.***

That the whole number of votes by mail voter and provisional ballots cast in the City was _____, making a total of _____ ballots cast in the City.

SECTION 2. That the names of persons voted for at the election for 12 members of the City Council for a full term of four years are as follows:

For Member of the City Council in District 3:

CARLOS D. CORDERO
FRANZELLE LOUIS JOHNSON JR.
LAURA BETTENCOURT
ANAIN ROBLES
JEREMIAH FARRELL

For Member of the City Council in District 4:

ERIC OHLSEN
FRANCISCO SANCHEZ
GETRO ELIZE
MARK MALDONADO
MICHELLE LEE-WHITAKER – WRITE-IN

For Member of the City Council in District 5:

V. JESSE SMITH
CYNTHIA “CYNDI” GARCIA
RAYCINE ECTOR

SECTION 3. That the number of votes given at each precinct and vote by mail drop-off box to each of the persons above named for the respective offices for which the persons were candidates were as listed in Exhibit “A” attached and made a part hereof.

SECTION 4. The City Council does declare and determine that:

Laura Bettencourt was elected Member of the City Council in District 3 for a full term of four years; and

Eric Ohlsen was elected as Member of the City Council in District 4 for a full term of four years; and

Cynthia “Cyndi” Garcia was elected as Member of the City Council in District 5 for a full term of four years; and

SECTION 5. That the following measure was submitted to the qualified electors at said election:

Mayor At-Large Measure: Shall the ordinance establishing the office of Mayor as an at-large, elected position beginning with the November 2028 general municipal election be adopted?

The number of votes cast in the City for and against the measure is listed in the attached Exhibit "A," and a majority of the qualified electors voting on the measure voted in favor of it. The City Council therefore declares that the measure carried and that Ordinance No. 1669 (the "Ordinance") has been adopted by the voters of the City of Palmdale. Pursuant to Elections Code Section 9217, the Ordinance shall take effect ten (10) days after the adoption of this Resolution. The City Clerk is directed to enter the Ordinance in the records of the City and to cause it to be codified in the Palmdale Municipal Code as appropriate.

SECTION 6. The City Clerk shall enter on the records of the City Council of the City, a statement of the result of the election, showing: (1) The whole number of ballots cast in the city; (2) The names of the persons voted for; (3) For what office each person was voted for; (4) The number of votes given at each precinct to each person; and (5) The total number of votes given to each person.

SECTION 7. That pursuant to Election Code §10265, the City Clerk shall immediately make and deliver to each of the persons so elected a Certificate of Election signed by the City Clerk and authenticated; that the Oath of Office shall also be administered to each person prescribed in the Constitution of the State of California and they shall subscribe to it, and it will be filed in the office of the City Clerk. All persons so elected shall then be inducted into the respective offices to which they have been elected.

SECTION 8. The City Council finds that this Resolution is not a "project" within the meaning of the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) ("CEQA") because it is an organizational and administrative activity of government that will not result in direct or indirect physical changes in the environment (CEQA Guidelines § 15378(b)(2), (b)(5)). Additionally, the Resolution is exempt under CEQA Guidelines § 15061(b)(3) because it can be seen with certainty that there is no possibility the action may have a significant effect on the environment.

SECTION 9. The City Clerk shall certify to the passage and adoption of this resolution.

PASSED, APPROVED and **ADOPTED** this 1st day of December, 2026.

Approved as to form:

Aleks Giragosian
City Attorney

Eric Ohlsen, Mayor

ATTEST:

Rochelle Scott, City Clerk

I, Rochelle Scott, City Clerk of Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the 1st day of December 2026 by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____ABSENT:_____

Date: _____ _____
Rochelle Scott, City Clerk

EXHIBIT A
FORTHCOMING UPON RECEIPT OF THE CANVASS RESULTS

Housing Authority
Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE CHAIR AND COMMISSIONERS OF THE HOUSING AUTHORITY**

FROM: **ECONOMIC AND COMMUNITY DEVELOPMENT DEPARTMENT HOUSING DIVISION**

DISTRICT: **ALL**

SUBJECT: **RECEIVE AND FILE THE HOUSING AUTHORITY'S 2025-26 HOUSING ASSET FUND ANNUAL REPORT PREPARED PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34176.1 AND DIRECT STAFF TO POST THE REPORT ON THE CITY'S WEBSITE**

RECOMMENDATION

Staff recommend that the Housing Authority:

1. Receive and file the Housing Authority 2025-26 Housing Asset Fund Annual Report prepared pursuant to California Health and Safety Code Section 34176.1; and,

2. Direct staff to post the report on the City's website.

BACKGROUND

California Health and Safety Code Section 34176.1 requires a housing successor to prepare an annual report regarding its Low- and Moderate-Income Housing Asset Fund (LMIHAF), present the report to its legislative body, and post the report on its website within six months following the close of the fiscal year.

The former Redevelopment Agency of the City of Palmdale was dissolved on February 1, 2012. Before dissolution, the City Council adopted Resolution No. CC 2012-003 designating the Housing Authority as the entity responsible for the former Redevelopment Agency's housing functions. The Housing Authority subsequently adopted Resolution No. HA 2012-001 accepting the designation and associated housing assets.

Senate Bill 341 and Assembly Bill 1793 established annual financial and activity reporting requirements for housing successors. As such, housing successors are required to submit annual financial and activity reports detailing the management, expenditures, and use of affordable housing funds to ensure transparency, accountability, and compliance

with state requirements. The attached report fulfills these requirements for the fiscal year ending June 30, 2026.

DISCUSSION

The LMIHAF holds housing assets transferred from the former Redevelopment Agency and revenues generated by those assets. These resources are maintained for eligible affordable housing purposes which may include the development and preservation of affordable housing, administration and monitoring of affordability requirements, and other housing activities authorized by State law.

Staff have prepared the 2025-26 Housing Asset Fund Annual Report for the Housing Authority's review, providing a consolidated summary of deposits and expenditures, year-end fund balance, real property and loans receivable, housing assets and activities, and required statutory calculations and inventories, while documenting fund activity and making this information available to the public.

The requested action is administrative and does not authorize new funding, projects, or agreements. Following Housing Authority action, staff will post the report on the City's website as required by State law.

FISCAL IMPACT

$0; There is no fiscal impact associated with receiving and filing this report.

STRATEGIC PLAN

Goal II: Ensure long-term fiscal health of the City and maintain funding for services.

C. Involve and expand engagement to enhance public oversight and transparency

Prepared by:	Megan Taggart, Director of Economic and Community Development
Certified as to availability of Funds:	Janelle Samson, Director of Operations
Approved by:	Salvador Mendez, Interim Executive Director
Approved as to form:	Aleks R. Giragosian, Authority Attorney

ATTACHMENTS

Rpt. Housing Authority of the City of Palmdale 2025-26 Asset Fund Annual Report

Housing Authority of the City of Palmdale

PALMDALE

a place to call home

Asset Fund Annual Report

Pursuant to Health & Safety Code Section 34176.1

For the Fiscal Year Ended June 30, 2026

Introduction

California Health & Safety Code §34176.1***** requires that each housing successor present to its legislative body and post on its Internet website an annual report that contains the following items for the previous fiscal year:

- The amount deposited to the Low- and Moderate-Income Housing Asset Fund distinguishing items listed on the Recognized Obligation Payment Schedule from other accounts.
- A statement of the balance in the fund as of the close of the fiscal year, distinguishing any amounts held for items listed on the Recognized Obligation Payment Schedule from other amounts.
- A description of expenditures from the fund by category, including but not limited to, expenditures for:
    - monitoring and preserving the long-term affordability of units subject to affordability restrictions or covenants entered by the redevelopment agency or the housing successor and administering activities funded with the Low- and Moderate-Income Housing Asset Fund
    - homeless prevention and rapid rehousing services
    - development of affordable housing.
- The statutory value of real property owned by the housing successor, the value of loans and grants receivable, and the sum of these two amounts.
- A description of any transfers made to a contiguous jurisdiction for the purpose of developing transit priority projects, permanent supportive housing, housing for agricultural employees or special needs housing in the previous fiscal year and, if still unencumbered, in earlier fiscal years and a description of and status update of any project for which transferred funds have been or will be expended if that project has not yet been placed in service.
- A description of any project for which the housing successor receives or holds property tax revenue pursuant to the Recognized Obligation Payment Schedule and the status of that project.
- For interests in real property acquired by the former redevelopment agency prior to February 1, 2012, a status update on compliance with Section 33334.16, as amended by Section 34176.1(e). For interests in real property acquired on or after February 1, 2012, a status update on the project.
- A description of any outstanding obligations pursuant to Section 33413 that remained to transfer to the housing successor on February 1, 2012, of the housing successor's progress in meeting those obligations, and of the housing successors plans to meet unmet obligations.
- The housing successor shall include in the report posted on its Internet website the implementation plans of the former redevelopment agency.
- If the housing successor fails to comply with the extremely low-income requirement in any five-year report, demonstrate progress to comply with the annual report.

- The percentage of units of deed restricted rental housing restricted to seniors and assisted individually or jointly by the housing successor, its former redevelopment agency, and its host jurisdiction within the previous 10 years in relation to the aggregate number of units of deed restricted rental housing assisted individually or jointly by the housing successor, its former redevelopment agency, and its host jurisdiction within the same time period.
- The amount of excess surplus, as defined in Section 34176(d), the amount of time that the housing successor has had excess surplus, and the housing successor's plan for eliminating the excess surplus.
- An inventory of homeownership units assisted by the former redevelopment agency or the housing successor that are subject to covenants or restrictions or to an adopted program that protects the former redevelopment agency's investment of money from the Low- and Moderate-Income Housing Fund pursuant to subdivision (f) of Section 33334.3. This inventory shall include all of the following information:
  (A) The number of those units.
  (B) In the first report pursuant to this subdivision, the number of units lost to the portfolio after February 1, 2012, and the reason or reasons for those losses. For all subsequent reports, the number of units lost to the portfolio in the last fiscal year and the reason for those losses.
  (C) Any funds returned to the housing successor as part of an adopted program that protects the former redevelopment agency's investment of money from the Low- and Moderate-Income Housing Fund.
  (D) Whether the housing successor has contracted with any outside entity for the management of the units and, if so, the identity of the entity.

***** *All references are to the Health & Safety Code unless otherwise stated*

The following information is presented in accordance with the requirements of Section 34176.1(f):

(1) The amount deposited to the Low- and Moderate-Income Housing Asset Fund.

The amount deposited to the Low- and Moderate-Income Housing Asset Fund includes deposits for items on the Recognized Obligations Payment Schedule and funds generated from the housing successor's assets, including revenues and loan payments. A summary of the funds deposited is below:

Description	Amount
Deposits for items on the ROPS	$350,000
Loan payments	$1,944,870
All other deposits	$3,407
Total	$2,298,277

(2) The cash balance in the fund as of the close of the fiscal year.

The balance of the Low- and Moderate-Income Housing Asset funds is $14,471,757

(3) A description of expenditures from the fund by category:

Description	Amount
Expenditure For ROPS Items	$ 33,977
Monitoring and preserving the long-term affordability of units & administration of Low- and Moderate-Income Housing Asset Fund activities	$1,001,480
Homeless Prevention and Rapid Rehousing Services	$ 179,572
Development* Expenditures	$135,721
Total	$1,350,750

*Section 34176.1(a)(3)(D) defines "Development" as "new construction, acquisition and rehabilitation, substantial rehabilitation as defined in Section 33413, the acquisition of long-term affordability covenants on multifamily units as described in Section 33413, or the preservation of an assisted housing development that is eligible for prepayment or termination or for which within the expiration of rental restrictions is scheduled to occur within five years as those terms are defined in Section 65863.10 of the Government Code."

(4) The statutory value of real property owned by the housing successor, the value of loans and grants receivable, and the sum of these two amounts.

Description	Statutory Value
Real Property	$12,229,395
Loans and Grants Receivable	$27,835,832
Total	$40,065,227

(5) A description of any transfers made to a contiguous jurisdiction for the purpose of developing transit priority projects, permanent supportive housing, housing for agricultural employees or special needs housing in the previous fiscal year.

None.

(6) A description of any project for which the housing successor receives or holds property tax revenue pursuant to the Recognized Obligation Payment Schedule and the status of that project.

Property tax revenue in the Low- and Moderate-Income Housing Asset Fund is encumbered to satisfy the obligation under a Standard Agreement with the California Department of Housing and Community Development to develop 46 affordable housing units. Construction of the infrastructure for 122 units has been completed. A parcel map for the project area has been completed and recorded.

(7) For interests in real property acquired by the former redevelopment agency prior to February 1, 2012, a status update on compliance with Section 33334.16, as amended by Section 34176.1. For interests in real property acquired on or after February 1, 2012, a status update on the project.

Acquired before February 1, 2012		
Parcel	**Date Acquired/ DOF Approved**	**Status**
3006-008-921, -922 (293-191120)	07/22/2005 10/5/2012	Agreement A-9121 for development affordable rental units with Linc Housing
503 East Avenue Q-3 3008-010-020 (-906) (293-191160)	07/19/2007 10/5/2012	Held for resale
5th St East and Avenue Q-2 3008-010-015 (-904) (293-191230)	10/15/2004 10/5/2012	Vacant land held for development

Acquired after February 1, 2012		
Parcel	**Date**	**Status**
38553 4th St East (3008-016-902)	10/02/2013	Held for resale
38627 32nd Street East (3021-005-900)	08/16/2013	Held for resale
1129 East Avenue R-4	04/23/2015	Rehabilitated and held for resale
5th and Q-3 3008-010-907 (293-191243)	04/26/2013	Vacant and held for resale/development
38301 11th Street East	09/03/2015	Rehabilitation
38272 11th Street East	09/03/2015	Rehabilitation
38204 11th Street East	09/03/2015	Rehabilitation
38045 & 38055 10th Street East	09/03/2015	Rehabilitation
513 East Avenue Q-4	11/05/2018	6/5/25 A-9241 AHA Victory Outreach
38107 10th Street East	04/06/2021	Vacant and held for resale
4th St East and Avenue P-14 (3006-006-915) 3rd St East and Avenue P-123006-006-916	03/20/2023 11/23/2023	Held for Resale Held for Resale

(8) A description of any outstanding replacement or production housing obligations pursuant to Section 33413 that remained to transfer to the housing successor on February 1, 2012, of the housing successor's progress in meeting those obligations, and of the housing successors plans to meet unmet obligations.

No outstanding or unmet obligations.

(9) The housing successor shall include in the report posted on its Internet website the implementation plans of the former redevelopment agency.

The most current implementation plan is posted at **https://www.cityofpalmdaleca.gov/300/Reports-and-Documents**

(10) If the housing successor fails to comply with the extremely low-income requirement in any five-year report, demonstrate progress to comply in the annual report.

N/A

(11) The percentage of units of deed restricted rental housing restricted to seniors and assisted individually or jointly by the housing successor, its former redevelopment agency, and its host jurisdiction within the previous 10 years in relation to the aggregate number of units of deed restricted rental housing assisted individually or jointly by the housing successor, its former redevelopment agency, and its host jurisdiction within the same time period.

Project	Date completed	Units	Senior or Family
La Quinta Apartments	09/03/2015	100	Family
Summerwood Apartments	09/03/2015	54	Family
Park Vista Apartments	09/03/2015	28	Family
Impressions Apartments	09/03/2015	109	Senior
Courson Arts Colony East	12/14/2016	81	Family
Courson Arts Colony West	05/08/2017	80	Family
ACT Duplex 513 E Avenue Q-2	07/19/2017	2	Family
38709 Larkin	02/28/2019	4	Family
507 East Avenue Q-4	05/11/2021	4	Family
Together CA 30th St East	09/30/2022	14	Family
Total		**476**	
Senior		**109**	**23% Senior**

(12) The amount of excess surplus, the amount of time that the successor agency has had excess surplus, and the housing successor's plan for eliminating the excess surplus. Section 34176.1(d) defines excess surplus as an unencumbered amount in the account that exceeds the greater of one million dollars or the aggregate amount deposited into the account during the housing successor's preceding four fiscal years, whichever is greater.

Computation of Low- and Moderate-Income Housing Asset Funds Excess Surplus

	Low- & Moderate-Income Housing Asset Funds July 1, 2025
Cash Balance (as of July 1, 2025)	$14,058,530
Less Encumbrances	($11,891,393)
Unencumbered Amount	$ 2,167,137

Limitation = greater of $1,000,000 or housing successor's preceding four fiscal years' deposits (§34176.1(d))

Deposits in Housing Successor's last four fiscal years:

Fiscal year 2024-2025	$5,237,712
Fiscal year 2023-2024	$2,413,231
Fiscal year 2022-2023	$2,467,488
Fiscal year 2021-2022	$2,476,629

Total housing successor's four fiscal years' deposits	$12,595,060	
Base Limitation	$1,000,000	
Limitation - Greater Amount		$12,595,060
Computed Excess Surplus [Unencumbered Amount exceeding the Limitation]		NONE

(13) An inventory of homeownership units assisted by the former redevelopment agency or the housing successor that are subject to covenants or restrictions or to an adopted program that protects the former redevelopment agency's investment of moneys from the Low and Moderate Income Housing Fund pursuant to subdivision (f) of Section 33334.3. This inventory shall include all the following information:

(A) The number of those units.
(B) In the first report pursuant to this subdivision, the number of units lost to the portfolio after February 1, 2012, and the reason or reasons for those losses. For all subsequent reports, the number of units lost to the portfolio in the last fiscal year and the reason for those losses.
(C) Any funds returned to the housing successor as part of an adopted program that protects the former redevelopment agency's investment of money from the Low- and Moderate-Income Housing Fund.
(D) Whether the housing successor has contracted with any outside entity for the management of the units and, if so, the identity of the entity.

Number of homeownership units assisted by the former redevelopment agency or the housing successor and subject to covenants or restrictions at 6/30/2026:

83

Number of units lost to portfolio July 1, 2025, through June 30, 2026: 1

Reasons for Losses:
Loans paid: 1
Loans lost to foreclosure or value of property less than loan: 0

Funds received by the Housing Authority:
July 1, 2025 - June 30, 2026: $85,254

The Housing Authority of the City of Palmdale has not contracted with an outside entity for the management of the units.

Joint Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**
HONORABLE CHAIR AND COMMISSIONERS
HONORABLE CHAIR AND MEMBERS
HONORABLE CHAIR AND DIRECTORS

FROM: **OPERATIONS DEPARTMENT**
FINANCE DIVISION

DISTRICT: **ALL**

SUBJECT: **RECEIVE AND FILE THE ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) FOR THE YEAR ENDED JUNE 30, 2025 FOR THE CITY OF PALMDALE, THE HOUSING AUTHORITY OF THE CITY OF PALMDALE, THE PALMDALE FINANCING AUTHORITY AND THE PALMDALE COMMUNITY FOUNDATION**

RECOMMENDATION

Staff recommend that the City Council:

1. Receive and file the independent auditor's unmodified (clean) report for the City's ACFR for the Year Ended June 30, 2025, for the City of Palmdale, the Housing Authority of the City of Palmdale, the Palmdale Financing Authority, and the Palmdale Community Foundation.

BACKGROUND

The City contracted with Eide Bailly, LLP, to perform the annual audit of the City's financial transactions for the Year Ended June 30, 2025. The independent auditors' unmodified (clean) report provides assurance that the ACFR and audited information within it present fairly the City's financial position for the Year Ended June 30, 2025.

The ACFR is used to communicate the City's financial condition and activity transparently and in an organized manner. The report presents historical and comparative information useful to City staff, elected officials, and external users, such as debt rating agencies, businesses, other public agencies, and the City's residents. The most recent ACFR and several prior-year reports are available at the City Library and on the City's website at https://cityofpalmdaleca.gov/293/Financial-Reports.

The quality of the City's work and the ACFR is measured by the independent auditors' clean audit report, which is defined as one without audit-related findings.

The format and content of the ACFR document are prescribed mainly to meet governmental accounting standards. In an effort to make this complicated and extensive document more user-friendly, staff have provided a more in-depth explanation of the ACFR in the staff report.

DISCUSSION

The City's ACFR includes the following major sections and information:

Introductory Section

- Letter of Transmittal (Pages i-vi) – prepared by management and used to communicate information on areas that may impact the City's finances now and in the future. This includes economic factors as well as budget and management factors.

Financial Section (the main body of the ACFR for current-year information)

- Independent Auditor's Report (pages 1-4) – The City's report card on the content of the ACFR.

- Management's Discussion and Analysis (MD&A) (pages 5-19) – provides an analytical overview of the City's financial status.

- Basic Financial Statements – show finances at a point in time (assets – liabilities) and throughout the year (revenues – expenses, and budget-to-actual revenues and expenditures).

    - City-Wide Statements (pages 20-22) – overview of financial information.

    - Fund Financial Statements (pages 24-27) – a detailed look at funds, showing Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance.

    - Budget to Actual Comparisons (pages 28-32) – for the General Fund and other select major funds.

    - Proprietary Fund Financial Statement (pages 33-35) – shows finances for Internal Service Funds.

- Fiduciary Fund Financial Statement (pages 37-38) – shows finances for Custodial Funds, Retiree Health Premium Trust Funds and Private-purpose Trust Funds.

- Notes to the Financial Statements (pages 39-106) – a narrative explanation accompanying the Basic Financial Statements.

Required Supplementary Information Sections

- Pension Information (pages 107-108) – information on changes in Net Pension Liability and related ratios and schedule of contributions.

- Other Post-Employment Defined Benefit information (OPEB) (pages 109-110) – information on changes in Net OPEB Liability and related ratios and schedule of investment returns.

- Descriptions of Non-Major Governmental Funds (pages 111-113)

- Combining Financial Statements (pages 114-132) - A detailed schedule of the non-major individual funds for funds that were presented cumulatively in the Financial Section.

- Budget to Actual Comparisons (pages 133-175) – for the non-major funds cumulated in the Financial Section.

- Combining Financial Statements (pages 176-178) – for internal service funds presented cumulatively in the Financial Section.

- Combining Financial Statements (pages 180-185) – for fiduciary funds presented cumulatively in the Financial Section.

Statistical Section - current and historical information up to 10 years (pages 187 –214)

- Financial Trends

- Revenue Capacity Information

- Debt Capacity Information

- Demographic and Economic Information

- Operating Information

Overview of the Citywide Net Position

The Statement of Net Position, similar to a balance sheet, presents the City's total assets and liabilities as of June 30, 2025. The total net position (assets less liabilities) was $1,025.8 million. Net position is broken into three categories: capital, restricted, and unrestricted.

- Net Investment in Capital Assets ($657.2 million)

  Capital is the largest of the three categories and is net of depreciation and debt. Capital assets include land, buildings, improvements, infrastructure and utility systems, and construction in progress.

- Restricted Net Position ($307.1 million)

  These assets are subject to restrictions imposed by agreements with creditors, developers, grantors, or laws and regulations of other governments. Approximately 15.9 percent of restricted net position is attributable to affordable housing activities, while 61.7 percent is restricted for committed projects, including streets, sewer, drainage, and other public service projects. The remaining balance is restricted for debt obligations and community projects.

- Unrestricted Net Position ($61.6 million)

  These assets may be used to meet the government’s ongoing obligations to citizens and creditors. These assets are made up of positive unrestricted balances of $98,088,509 (assigned and unassigned) in the General Fund.

- Liabilities and Deferred Inflows of Resources ($248.2 million)

  - The short-term liabilities totaling $75.8 million are considered current and payable within a year and consist of unpaid expenditures, accrued salaries, unearned revenue, and accrued due within the year. Non-current liabilities totaling $172.2 million are the largest component of the City’s liabilities. The deferred inflows of resources consist of resources related to pensions and other post-employment benefits, and deferred inflows from leases totaling $ .2 million.

  - The long-term liabilities consist of $76.8 million balances owed on bonds issued to fund redevelopment projects and various city, building, and park improvements. The remainder of the long-term liabilities were comprised of Notes Payable totaling $10.3 million for Streetlight Acquisition, Capital Leases Payable for Equipment Leases, Section 108 HUD Loan, HOME Loan, Bill Financing with Southern California Edison, and $13.5 million on unpaid liability claims and compensated balances. More information on the debt can be found in the Notes to the Financial Statements, Note 12 (pages 69-80). The second-largest component of long-term liabilities is

Net Pension Liabilities, totaling $67.6 million, for future unpaid retirement benefits owed to employees. A detailed explanation of the net pension liability is included in the Notes section. (Note 15, pages 85 through 89).

- Schedules of Changes in Net Pension Liability and Related Ratios and Schedule of Contributions can be found on pages 107 and 108 of the Required Supplementary Information Section. Schedules of Changes in the City's Net Other Postemployment Benefits (OPEB) Liability and Related Ratios can be found on pages 109 and 110 of the Required Supplementary Information Section.

- Cash and Investments

  The ACFR also includes detailed information on the City's cash and investments. As of June 30, 2025, the City had $365.2 million in cash and investments, excluding fiduciary funds. Additional information on cash and investments can be found in the Notes to the Financial Statements on page 52.

- General Fund Balance

  The General Fund balance is a good measure of the City's financial health. As presented in the Basic Financial Statements, the City's General Fund (page 24) had a balance of $111.1 million as of June 30, 2025. The balance consists of several categories, as follows:

  - $1.2 million non-spendable resources not in a spendable form, such as permits held for development, prepaids, and long-term receivables.

  - $11.8 million restricted resources subject to externally enforceable legal restrictions such as donations and grants.

  - $13.8 million assigned resources that are constrained by the City's intent to be used for a specific purpose, such as covering the City's self-insured liability claims, healthcare claims liabilities, and unpaid accrued employee compensated absence balances.

  - $84.3 million in unassigned resources that can be used for ongoing obligations of the City.

The City's 2025-26 budget projects continuing operating revenues aligning with the continuing operating expenditures, while the unassigned fund balance resources are used to maintain an operating reserve and set aside reserves for purposes considered most volatile and complex to forecast. The City's policy is to maintain a minimum General Fund reserve of 20 percent of operating expenditures. The operating reserve is projected to be 30 percent on June 30, 2026, while reserves are also set aside for future contingent liabilities, capital replacement, information technology replacement, and infrastructure improvement requirements.

Once approved, the Annual Comprehensive Financial Report will be mailed to all trustees for bond issues, Moody's, Standard and Poor's, the State of California, the County of Los Angeles, and any other agencies requesting the information.

FISCAL IMPACT

$0; There is no fiscal impact associated with the recommended actions for this report.

STRATEGIC PLAN

Goal II: Ensure long-term fiscal health of the City and maintain funding for services.

A. Manage resources, costs, and liabilities to ensure the City's long-term fiscal health.
C. Involve and expand engagement to enhance public oversight and transparency.

Prepared by:	Janelle Samson, Deputy City Manager
Certified as to availability of Funds:	Janelle Samson, Deputy City Manager
Approved by:	Salvador Mendez, City Manager
Approved as to form:	Taylor Anderson, Deputy City Attorney

ATTACHMENTS

Rpt. City of Palmdale Annual Comprehensive Financial Report (ACFR) FY 2025
Rpt. Housing Authority of the City of Palmdale Financial Report FY 2025
Rpt. Palmdale Financing Authority Financial Report FY 2025
Rpt. Palmdale Community Foundation Financial Report FY 2025



Annual Comprehensive *Financial Report*

PALMDALE

For the fiscal year ended June 30, 2025
Palmdale, California

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Annual Comprehensive Financial Report

City of Palmdale, California

Year Ended June 30, 2025

Prepared by:
Finance Department
Janelle Samson, Deputy City Manager

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Introductory Section

Palmdale, California

Year Ended June 30, 2025

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PALMDALE

August 26, 2026

Eric Ohlsen
Mayor
DISTRICT 4

Austin Bishop
Mayor Pro Tem
DISTRICT 1

Richard J. Loa
Councilmember
DISTRICT 2

Laura Bettencourt
Councilmember
DISTRICT 3

Andrea Alarcón
Councilmember
DISTRICT 5

38300 Sierra Highway
Palmdale, CA 93550-4798

Tel: 661/267-5100
Fax: 661/267-5122

a place to call home

Honorable Mayor, members of the City Council, and residents of the City of Palmdale:

It is with great pride and deep respect that we present the Annual Comprehensive Financial Report (ACFR) for the City of Palmdale for the fiscal year ended June 30, 2025. This report, prepared in accordance with generally accepted accounting principles (GAAP) and audited by the independent accounting firm Eide Bailly LLP under generally accepted auditing standards (GAAS), stands as a testament to the City's steadfast commitment to fiscal stewardship, transparency, and public trust.

This document reflects more than just financial results — it represents the City's enduring dedication to prudent management, resilience, and our collective vision for a stronger future. The responsibility for the accuracy, completeness, and fairness of the information contained herein rests with City management. To support this responsibility, we have established and maintained a robust system of internal controls designed to protect public assets and ensure the reliability of financial reporting. While recognizing that no system can offer absolute assurance, we believe the City's internal controls provide reasonable assurance against material misstatement.

The City's financial statements have been independently audited by Eide Bailly LLP. Their thorough examination of our accounting practices, estimates, and disclosures resulted in an unmodified (clean) audit opinion, affirming that the financial statements present fairly the financial position of the City of Palmdale in accordance with GAAP. The independent auditor's report is included in the Financial Section of this document.

Following the auditor's report, the Management's Discussion and Analysis (MD&A) offers readers an accessible and comprehensive overview of the City's financial condition. It highlights key trends, major initiatives, and the financial strategies that continue to position Palmdale for sustainable growth, economic vitality, and a thriving future.

CITY PROFILE, GOVERNMENT, AND SERVICES

Incorporated on August 24, 1962, and a Charter City since November 2009, Palmdale stands as a vibrant and resilient community in northern Los

Angeles County.

Nestled in the scenic high desert at an elevation of approximately 2,600 feet, Palmdale offers an average temperature of 72°F, abundant sunshine, and a dynamic natural setting. As of January 1, 2025, the California Department of Finance estimated Palmdale's population at approximately 167,000, making it one of the largest cities in Los Angeles County. The City encompasses approximately 106.6 square miles.

Palmdale continues to serve as an important residential and economic center in the Antelope Valley. According to the 2024 American Community Survey, Palmdale's median household income was approximately $73,500. The City's location, available land, transportation connections, and proximity to the aerospace and defense industries contribute to its role as a significant community within northern Los Angeles County.

Operating under a Council-Manager form of government, Palmdale's leadership model reflects a deep commitment to democratic representation and professional management. The City is divided into five geographic districts, each represented by a City councilmember elected to serve a four-year term. The Mayor and Mayor Pro Tem are selected annually by the Council to guide collective governance, while the City Manager oversees day-to-day operations and policy implementation.

Palmdale is dedicated to delivering a full range of high-quality municipal services designed to enhance the well-being of its residents and to foster a thriving, sustainable community. These services include:

- Public Safety
- Parks and Recreation
- Public Works
- Economic Development
- Engineering
- Planning and Zoning
- Environmental programs
- Building Services
- Human Resources
- Finance
- Information Technology
- Library Services
- Housing

ANNUAL BUDGET PROCESS

The City's annual budget serves as the cornerstone of financial planning, resource allocation, and policy execution. Departments submit detailed

budget requests to the City Manager by March 31 each year. The City Manager uses these requests to develop a proposed budget, then presents it to the Council for review prior to May 31. Following a public hearing and City Council consideration, the City Council adopts the budget by June 30, ensuring that resources are strategically deployed to meet community needs and support long-term goals.

This Annual Comprehensive Financial Report (ACFR) reflects not only the activities of the primary government but also those of related component units that contribute to Palmdale's continued growth and service to its residents, including:

Palmdale Financing Authority
Housing Authority of the City of Palmdale
Palmdale Community Foundation
Industrial Development Authority of the City of Palmdale

These entities are included in accordance with the criteria established by the Governmental Accounting Standards Board (GASB), ensuring transparency, accountability, and a comprehensive view of the City's financial landscape.

As Palmdale continues to grow, innovate and lead, it remains committed to prudent financial stewardship, community-centered services, and a bold vision for the future.

ECONOMIC DEVELOPMENT ACTIVITIES

Palmdale's economy is gaining strength, supported by robust business attraction efforts and strategic planning. Highlights for 2024-25 include:

Advanced Major Economic Development Projects: Continued planning for phases two and three of the Trader Joe's facility, totaling more than one million square feet, through coordination with development partners.
Expanded Regional Economic Partnerships: Represented the City through California Jobs First, the Los Angeles High Road Transition Collaborative, and the B3K Prosperity regional collaborative to support opportunities in advanced manufacturing, aerospace, energy, entrepreneurship, and workforce development.
Promoted Tourism & Community Events: Hosted the 3rd Annual High Desert Beer and Wine Festival, attracting more than 3,000 participants, and secured renewal of the Palmdale Tourism Improvement District to support continued tourism growth.
Strengthened Aerospace Partnerships: Expanded collaboration with Edwards Air Force Base and Plant 42 through leadership

forums, disaster preparedness exercises, and continued engagement with aerospace and economic development partners.
Improved Business Services: Coordinated department-wide efforts to improve efficiency and response times, supporting the City's business-friendly environment.
Invested in Organizational Development: Provided staff development and training in leadership, interpersonal effectiveness, and land use, while filling key departmental vacancies to enhance service to residents and the business community.

As Palmdale looks to the future, the City remains focused on fostering a vibrant, resilient economy by attracting new industries, supporting local businesses, and expanding workforce development opportunities. Through these efforts, Palmdale will continue to strengthen its role as a regional hub for innovation, investment, and community prosperity.

FINANCIAL PLANNING AND CAPITAL IMPROVEMENTS

The City remains steadfast in its commitment to long-term financial resilience, maintaining a strong General Fund reserve that is strategically designated to:

Ensure operational stability by providing contingencies for unforeseen challenges.
Support capital replacement and infrastructure renewal to preserve and enhance critical assets.
Advance technology improvements that drive innovation, efficiency, and service delivery.
Promote economic sustainability by fostering growth and resilience in changing market conditions.
Prepare for emergencies and future liabilities through disciplined financial planning and risk mitigation.

Through thoughtful stewardship and forward-looking strategies, Palmdale continues to build a strong foundation for lasting prosperity and community success. The City's multiyear financial forecasting, conservative fiscal practices, and active risk management support ongoing fiscal health and service reliability.

The Capital Improvement Program (CIP) supports long-term infrastructure investments. In FY 2024–25, key CIP initiatives included:

Advanced Complete Streets & Safe Routes to School: Completed the Avenue R Complete Streets and Safe Routes to School project, enhancing transportation infrastructure to support safer and more accessible travel for pedestrians, bicyclists, students and motorists.

- **Advanced Civic Center Transportation Improvements:** Progressed the Civic Center Complete Streets project into its closeout phase following completion of the primary roadway and multimodal improvements. Final contract and invoice updates are being prepared to complete project closeout.
  Enhanced Traffic Flow and Intersection Safety: Completed construction of the Avenue S-8 and 40th Street East roundabout, improving intersection operations and providing safer and more efficient movement of traffic through the area.
  Expanded the City's Pedestrian Network: Completed the Avenue Q-12 sidewalk gap closure, eliminating a gap in existing pedestrian infrastructure and providing improved connectivity and safer pedestrian access within the surrounding community.
  Modernized Traffic Signal Infrastructure: Completed traffic signal modifications along Avenue M between 20th Street East and 30th Street East, enhancing traffic operations and supporting safer and more efficient travel along this important transportation corridor.
  Preserved and Improved Arterial Roadways: Completed arterial road resurfacing improvements as part of the City's ongoing investment in roadway preservation, improving pavement conditions and extending the service life of critical transportation infrastructure.

Parks and Recreation Master Plan: The City continued implementing its Parks and Recreation Master Plan, which guides the development and improvement of parks, trails, recreational facilities, and related community amenities. The Plan supports the goals and policies established in the Palmdale 2045 General Plan.

Advanced Sam Yellen Park Phase II: Made significant progress on the expansion of Sam Yellen Park, including construction of new recreational amenities, enhanced landscaping and lighting, and other site improvements. The project was subsequently completed on September 25, 2025.
Completed Major DryTown Water Park Improvements: Completed approximately $2 million in capital improvements at DryTown Water Park, including refurbishment of Dusty's Mine Shaft Racer, improvements to the main water tower and catch pool, equipment upgrades, enhanced lighting, and other facility improvements.
Advanced New DryTown Attractions: Secured approval and continued work on additional water attractions at DryTown Water Park, including the ongoing water slide project, furthering the City's investment in expanded recreational amenities and an enhanced visitor experience.
Advanced Marie Kerr Pool Improvements: Progressed the Marie Kerr Pool deck expansion to enhance the facility, increase

usable space, and support continued community aquatic programming. The project was subsequently completed on January 6, 2026.

Advanced Best of the West Softball Complex Improvements: Moved forward with the development of a new concession facility at the Best of the West Softball Complex to enhance amenities for players, spectators, tournaments, and community events. The project was subsequently completed on February 26, 2026.

CITY STRATEGIC PLAN

The City's Strategic Plan, originally adopted in 2022 and updated annually, serves as a dynamic roadmap for Palmdale's future, ensuring that priorities are thoughtfully guided by community values and that resources are strategically aligned to achieve meaningful outcomes. Grounded in a shared vision for a vibrant and resilient city, the Strategic Plan focuses on four core pillars:

Maintain effective public safety and protection for life, property and the environment.

Ensure the City's long-term fiscal health and maintain funding for services.

Invest in infrastructure to improve community livability.

Maintain a desirable community where everyone wants to live, work and play.

Each department aligns its Business Plan with these strategic priorities, establishing a strong foundation for accountability, innovation, and results-driven management. Through this disciplined, visionary approach, Palmdale is charting a path toward sustainable success and enduring community prosperity.

The City also expresses profound appreciation to the Mayor, City Council, and City Manager for their visionary leadership and steadfast commitment to transparency, sound financial stewardship, and the highest standards of public service. Their collective efforts continue to shape a stronger, more resilient Palmdale for today and for future generations.

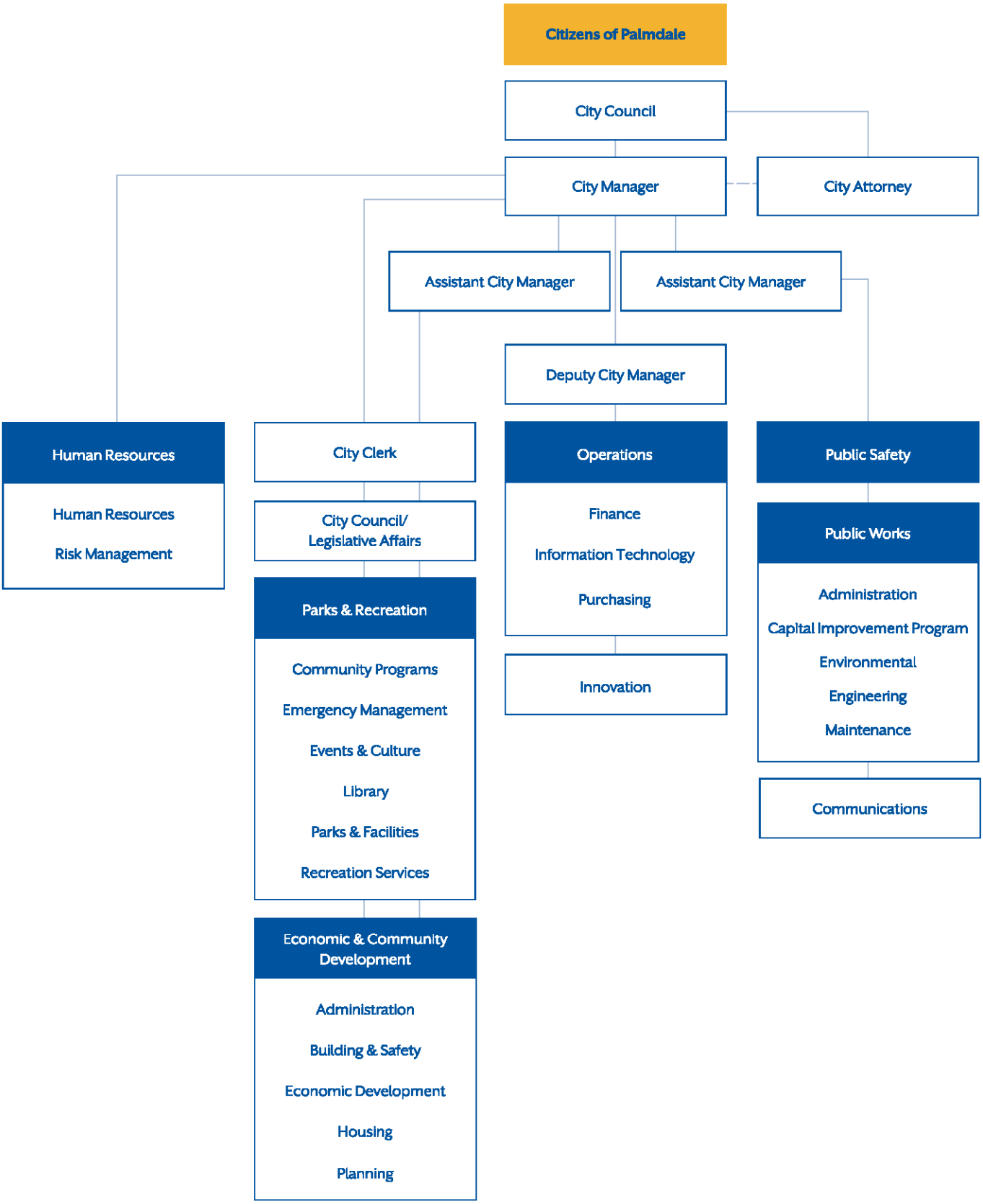
Respectfully submitted,

Janelle Samson

Janelle Samson (Aug 24, 2026 17:16:01 PDT)

Janelle Samson
Deputy City Manager

CITY STRUCTURE



City Officials

Year Ended June 30, 2025

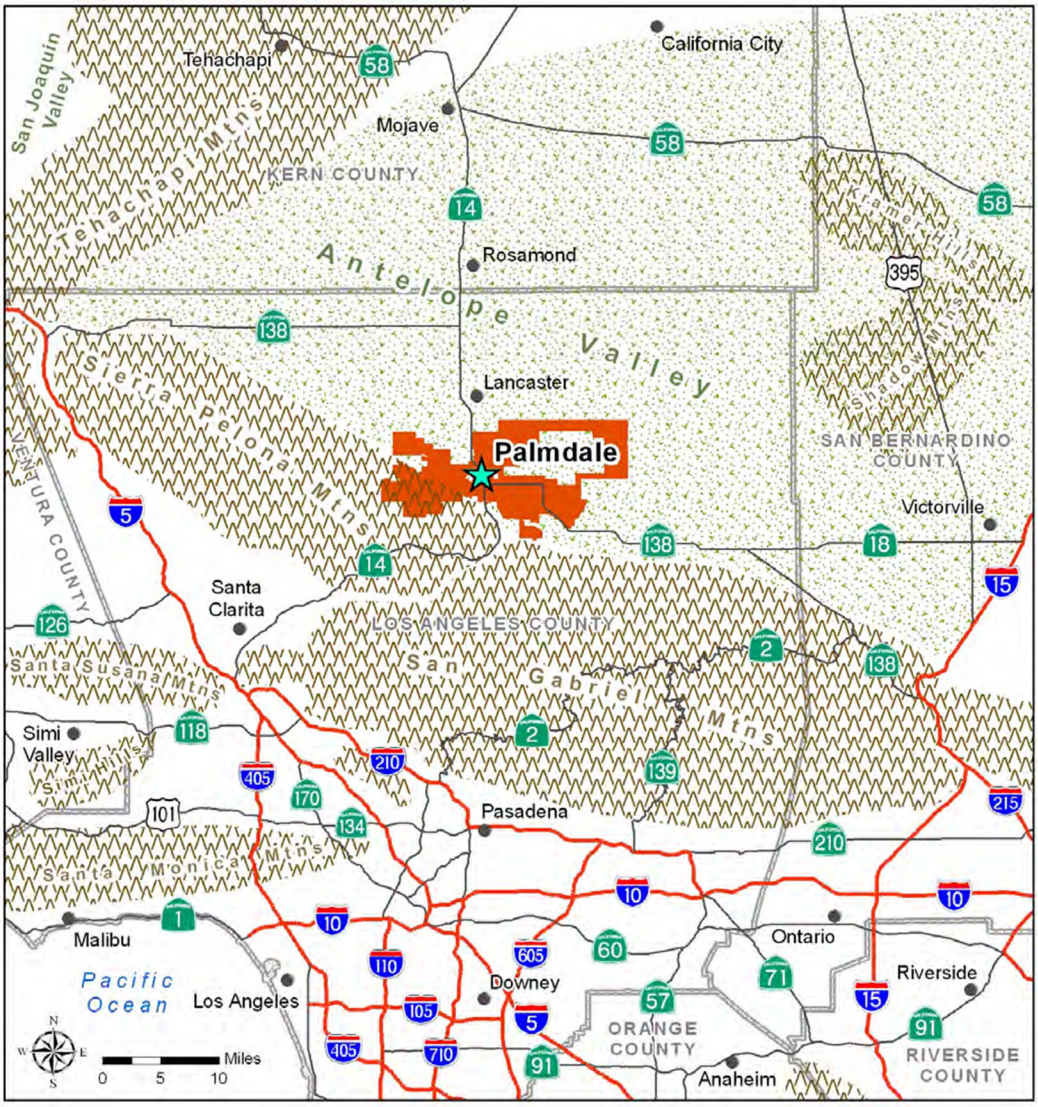
City Council

Richard J. Loa	Mayor
Laura Bettencourt	Mayor Pro Tem
Andrea Alarcón	Councilmember
Austin Bishop	Councilmember
Eric Ohlsen	Councilmember

Administration and Department Heads

City Manager	Ronda Perez
Assistant City Manager	Salvador Mendez
Acting City Attorney	Alexandra Halfman
Deputy City Manager	Sara Gallagher
Deputy City Manager	Nardy Lopez
Deputy City Manager	Janelle Samson
Director of Economic & Community Development	Megan Taggart
Director of Parks & Recreation	Keri Smith
Director of Housing	Sophia Reyes
Director of Public Works	Leonardo Torres

Location Map



The beautiful Antelope Valley, situated at the northern tip of Los Angeles County, is bounded by the Tehachapi Mountains in Kern County to the north, the Los Angeles National Forest and Santa Clarita Valley to the west, the San Gabriel Mountains to the south, and a long expanse of high desert stretching all the way to Victorville, in San Bernardino County, to the east. The city of Palmdale, encompassing 103 square miles, sits at the southern end of the Antelope Valley at an elevation of 2,600 feet.

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Financial Section

Palmdale, California

Year Ended June 30, 2025

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Independent Auditor's Report

To the Honorable City Council of The
City of Palmdale, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Palmdale, California (City) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and each of the major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 20 to the financial statements, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025. Accordingly, a restatement has been made to the governmental activities net position as of July 1, 2024, to restate beginning net position. In addition, governmental activities beginning net position was restated to correct an error. Our opinions are not modified with respect to these matters.

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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of changes in the City's net pension liability and related ratios, schedule of contributions, schedules of changes in net OPEB liability and related ratios, and schedule of investment returns as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor funds financial statements, and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor funds financial statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 26, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Eide Bailly LLP

Ontario, California
August 26, 2026

City of Palmdale

Management's Discussion and Analysis

As management of the City of Palmdale, we offer readers of the City of Palmdale's financial statements this narrative overview and analysis of the financial activities of the City of Palmdale for the Fiscal Year Ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i through vi of this report.

Financial Highlights

- The Assets and Deferred Outflows of Resources of the City of Palmdale exceeded its Liabilities and Deferred Inflows of Resources at the close of Fiscal Year Ending June 30, 2025, resulting in a Total Net Position of Governmental Activities of $1,022,199,177. The City's Change in Net Position of Government Activities increased in Fiscal Year 2024-25 by $45,070,298 or 4.6 percent. Further details on reported Fiscal Year Net Position are discussed on page 8 - 11.

- Included in the Statement of Net Position (Governmental Activities), Total Assets increased to $1,245,598,635; Deferred Outflows of Resources reported a balance of $17,778,449 for a decrease of $1,626,429 or 8.4 percent; Total Liabilities increased by 4.7 percent to $241,023,578; and Deferred Inflows of Resources decreased by 56.1 percent to $154,329.

- Within Total Net Position, the Net Investment in Capital Assets was reported as $657,179,110, Restricted Net Position was reported as $307,089,233, and Unrestricted Net Position reported as $57,930,834. Unrestricted Net Position decreased by 39.1 percent and may be used to meet the government's ongoing obligations to citizens and creditors.

- As of the close of Fiscal Year 2024-25, the City of Palmdale's Governmental Funds reported Combined Ending Fund Balances of $383,699,858, a decrease of $32,189,622 in comparison with the Prior Year. Of the Total Ending Fund Balance of $383,699,858, the General Fund Balance was $111,146,427 or an increase of $8,160,737 from the prior fiscal year. Of the $111,146,427 General Fund Balance, Nonspendable Fund Balance was $1,216,677, Restricted Fund Balance was $11,841,241, Assigned Fund Balance was $13,815,878 and Unassigned Fund Balance was $84,272,631. Details are discussed on page 16.

- The City of Palmdale's Total Governmental Long-Term Liabilities increased by $1,617,959 or .9 percent, during the Fiscal Year Ended June 30, 2025. The increase is primarily due to increases in the City's net pension liability. During Fiscal Year 2024-25, Additions and Retirements that net to offset the increase in liabilities included:

    - Compensated Absences Additions of $1,815,890
    - Self-Insurance Liability Claims Additions of $1,343,326 and Retirements of $2,607,210
    - Bonds Payable Additions of $0 and Retirements of $4,388,247
    - Note Payable Additions of $0 and Retirements of $1,161,356
    - Financial Arrangements Additions of $1,545,203 and Retirements of $997,226

City of Palmdale

Management's Discussion and Analysis

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Palmdale's basic financial statements. The City of Palmdale's basic financial statements are comprised of three components:

(1) Government-Wide Financial Statements,

(2) Fund Financial Statements, and

(3) Notes to the Financial Statements.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Palmdale's finances, in a manner similar to a private-sector business. General Fund and Special Revenue Funds are the two types of governmental funds that will present financial statements in this grouping. General Fund is primarily an operating fund that is classified as a Major Fund. Special Revenue Funds are used to account for specific revenues that are restricted or committed to a specific program.

The *Statement of Net Position* presents information on all of the City of Palmdale's Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources, with the difference reported as Net Position. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial position of the City of Palmdale is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's Net Position changed during the most recent fiscal year. All changes in Net Position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Therefore, Revenues and Expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the Government-Wide Financial Statements distinguish functions of the City of Palmdale that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Palmdale include General Government, Public Safety, Public Services, Community Development, Cultural and Recreational, Health and Welfare, and Interest on Debt.

The Government-Wide Financial Statements include not only the City of Palmdale as the primary government, but also a legally separate Palmdale Financing Authority, Housing Authority of the City of Palmdale, and Palmdale Community Foundation. Financial information for these component units is reported on a blended basis. The government-wide financial statements can be found on pages 20-22 of this report.

Fund Financial Statements. A Fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Palmdale, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All the funds of the City of Palmdale can be divided into three categories: Governmental Funds, Fiduciary Funds, and Proprietary Funds.

Governmental Funds. Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the Government-Wide Financial Statements, Governmental Fund Financial Statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of Governmental Funds is narrower than that of the Government-Wide Financial Statements, it is useful to compare the information presented for Governmental Funds with similar information presented for governmental activities in the Government-Wide Financial Statements. By doing so, the readers may better understand the long-term impact of the government's near-term financing decisions. The Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances, provide a reconciliation to facilitate this comparison between Governmental Funds and Governmental Activities. The Governmental Fund Statements can be found on pages 24-27.

The City of Palmdale maintains 46 individual Governmental Funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, the Housing Authority-Housing Asset Fund Special Revenue Fund, the Housing Authority - Facilities Fund Special Revenue Fund, Measure AV Fund, and Measure R Fund, all of which are considered to be major funds. Data from the remaining 42 governmental funds are combined into a single, aggregated presentation. Individual fund data for these non-major governmental funds is provided in the form of combining statements on pages 111 - 175.

The City of Palmdale adopts an annual appropriated budget for its General Fund, its Housing Authority - Housing Asset Fund - Special Revenue Fund, its Housing Authority Facilities Fund – Special Revenue Fund, its Measure AV fund, and its Measure R fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with their respective budgets. The budgetary comparison statements can be found on pages 28 - 32.

Proprietary Funds. Proprietary funds are used to account for activities that receive significant support from fees and charges. The City's proprietary funds consist of the Palmdale CCA Fund, an enterprise fund accounting for the City's electricity resale program, and its internal service funds. The basic Proprietary Fund Financial Statement can be found on pages 33 - 35.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the Government-Wide financial statements because the resources of those funds are not available to support the City of Palmdale's own programs. The basic Fiduciary Fund Financial Statement can be found on pages 37 - 38 of this report.

Notes to the Financial Statements. The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements. The Notes Section provides greater detail on Significant Accounting Policies, Cash and Investments, capitalization consistency, fiscal activities and debt service. Generally accepted accounting principles are used to create the City’s financial statements and the Notes Section helps the reader to understand the objective of the financial reporting. The Notes can be found on pages 39 - 106 of this report.

Government-Wide Financial Analysis

As noted earlier, Net Position may serve over time as a useful indicator of a government's financial position. In the case of the City of Palmdale, Assets and Deferred Outflows of Resources exceeded Liabilities and Deferred Inflows of Resources by $1,025,827,233 as of June 30, 2025.

The City of Palmdale’s Net Investment in Capital Assets reflects a balance of $657,179,110. Investment in capital assets is defined as land, buildings, machinery and equipment, infrastructure, construction in progress, and right to use assets net of accumulated depreciation, and less any related debt or deferred outflows of resources used to acquire these assets that is still outstanding. The City of Palmdale capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. And, although the City of Palmdale's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources and the capital assets themselves cannot be used to liquidate these liabilities.

In addition, the City has reported the City's Net Pension Liability and related Deferred Inflows and Outflows in the City's Financial Statements. Additional detailed information can be found in Note (15) of the Notes to the Financial Statements.

Separate sections are included and report:

- Total Assets totaling $1,256,214,411 as a sum of Current and Other Assets of $511,630,834 and Capital Assets of $744,583,577.

- Deferred Outflows of Resources totaling $17,778,449 as a sum of Pension Related Amounts for a future period totaling $17,552,307 and Other Postemployment Benefits Related Amounts totaling $226,142. This section represents a consumption of net assets that applies to a future period.

- Total Liabilities totaling $248,011,298 as a sum of Long-Term Liabilities Outstanding (including net pension liability and net OPEB liability) of $172,204,644 and Other Liabilities of $75,806,654.

- Total Deferred Inflows of Resources totaling $154,329 as Other Postemployment Benefit Related Amounts of $130,398 and pension related amounts of $23,931. The Deferred Inflows Related to Pension Liability is the result of GASB 68 and will be recognized in the subsequent measurement period.

- Total Net Position reported totaling $1,025,827,233 represents a sum of the Net Investment in Capital Assets $657,179,110; Restricted Net Position of $307,089,233; and Unrestricted Net Position of $61,558,890.

City of Palmdale's Net Position

	Governmental Activities 2025	Governmental Activities 2024 (Restated)*	Business-type Activities 2025	Business-type Activities 2024	Primary Government 2025	Primary Government 2024 (Restated)
Assets						
Current and Other Assets	$ 501,015,058	$ 513,369,140	$ 10,615,776	$ 14,013,929	$ 511,630,834	$ 527,383,069
Capital Assets	744,583,577	677,072,228	-	-	744,583,577	677,072,228
Total Assets	1,245,598,635	1,190,441,368	10,615,776	14,013,929	1,256,214,411	1,204,455,297
Deferred Outflow of Resources						
Pension Related Amounts	17,552,307	19,307,580	-	-	17,552,307	19,307,580
Other Postemployment Benefits Related Amounts	226,142	97,298	-	-	226,142	97,298
Total Deferred Outflows of Resources	17,778,449	19,404,878	-	-	17,778,449	19,404,878
Liabilities						
Long-term Liabilities Outstanding	172,204,644	170,586,685	-	-	172,204,644	170,586,685
Other Liabilities	68,818,934	59,709,960	6,987,720	7,087,718	75,806,654	66,797,678
Total Liabilities	241,023,578	230,296,645	6,987,720	7,087,718	248,011,298	237,384,363
Deferred Inflows of Resources						
Pension Related Amounts	23,931	143,581	-	-	23,931	143,581
Other Postemployment Benefits Related Amounts	130,398	179,542	-	-	130,398	179,542
Deferred Inflows from Leases	-	28,279	-	-	-	28,279
Total Deferred Inflows of Resources	154,329	351,402	-	-	154,329	351,402
Net Position						
Net Investment in Capital Assets	657,179,110	619,803,726	-	-	657,179,110	619,803,726
Restricted	307,089,233	264,319,596	-	-	307,089,233	264,319,596
Unrestricted	57,930,834	95,074,877	3,628,056	6,926,211	61,558,890	102,001,088
Total Net Position	$ 1,022,199,177	$ 979,198,199	$ 3,628,056	$ 6,926,211	$ 1,025,827,233	$ 986,124,410

The City of Palmdale's Restricted Net Position of $307,089,233 represents resources that are subject to external restrictions on how they may be used. The Unrestricted Net Position of $61,558,890 may be used to meet the government's ongoing obligations to citizens and creditors. The Net Investment in Capital Assets is $657,179,110 which includes capital assets net of accumulated depreciation and reduced by the outstanding debt used to acquire those assets. At the end of the Fiscal Year, the City of Palmdale is able to report positive balances in Restricted and Unrestricted categories of Net Position for its governmental activities. The fluctuation in Business-type activities is due to Energy for Palmdale's Independent Choice (EPIC). EPIC is Palmdale's local energy provider operating under California's Community Choice Aggregation (CCA) program. It enables the City to purchase cleaner electricity on behalf of residents and businesses while Southern California Edison (SCE) continues to handle power delivery, infrastructure maintenance, and billing. EPIC offers cleaner energy options, competitive rates and community investment. Revenues are reinvested into local programs such as EV charging infrastructure, solar incentives, and workforce development.

City of Palmdale's Changes in Net Position

	Governmental Activities 2025	Governmental Activities 2024 (Restated)*	Business-type Activities 2025	Business-type Activities 2024	Primary Government 2025	Primary Government 2024 (Restated)
Revenues:						
Program Revenues:						
Charges for Services	$ 56,263,543	$ 62,374,710	$ 77,982,078	$ 67,424,984	$ 134,245,621	$ 129,799,694
Operating Grants and Contributions	11,117,528	16,291,059	-	-	11,117,528	16,291,059
Capital Grants and Contributions	54,425,642	38,302,819	-	-	54,425,642	38,302,819
Total Program Revenues	121,806,713	116,968,588	77,982,078	67,424,984	199,788,791	184,393,572
General Revenue:						
Property Taxes	32,820,836	31,159,311	-	-	32,820,836	31,159,311
Sales and Use Taxes	55,894,601	50,073,637	-	-	55,894,601	50,073,637
Other Taxes	16,545,713	15,883,788	-	-	16,545,713	15,883,788
Unrestricted Investment Earnings/(Loss)	17,736,036	17,264,540	150,891	-	17,886,927	17,264,540
Other	1,101,832	9,086,732	-	-	1,101,832	9,086,732
Total General Revenues	124,099,018	123,468,008	150,891	-	124,249,909	123,468,008
Total Revenues	245,905,731	240,436,596	78,132,969	67,424,984	324,038,700	307,861,580
Expenses:						
General Government	31,024,338	41,711,266	-	-	31,024,338	41,711,266
Public Safety	46,034,629	41,218,066	-	-	46,034,629	41,218,066
Public Service	82,808,989	84,937,841	-	-	82,808,989	84,937,841
Community Development	12,103,519	12,192,625	-	-	12,103,519	12,192,625
Culture and Recreation	24,826,124	15,987,459	-	-	24,826,124	15,987,459
Health and Welfare	306,655	550,969	-	-	306,655	550,969
Interest on Long-term Debt	3,731,179	4,310,678	-	-	3,731,179	4,310,678
Palmdale CCA	-	-	81,431,124	59,369,877	81,431,124	59,369,877
Total Expenses	200,835,433	200,908,904	81,431,124	59,369,877	282,266,557	260,278,781
Change in Net Position	45,070,298	39,527,692	(3,298,155)	8,055,107	41,772,143	47,582,799
Net Position, Beginning of Year	979,198,199	939,670,507	6,926,211	(1,128,896)	986,124,410	938,541,611
Restatement related to adoption of GASB 101	(2,069,320)	-	-	-	(2,069,320)	-
Net Position, Beginning of Year as restated	977,128,879	939,670,507	6,926,211	(1,128,896)	984,055,090	938,541,611
Net Position, End of Year	$ 1,022,199,177	$ 979,198,199	$ 3,628,056	$ 6,926,211	$ 1,025,827,233	$ 986,124,410

* The City identified an error related to capital assets which resulted in a restatement to the June 30, 2024 financial statements, the effect of which has been included in the 2024 information presented herein. See Note 20 to the financial statements for further information regarding the error correction.

Effective July 1, 2024, the City adopted provisions of GASB Statement No. 101 *Compensated Absences* . As a result of this change in accounting principle, it was not appropriate for the City to restate prior-period information for earlier periods than those presented in the basic financial statements. Therefore, information for the year ended June 30, 2024 was not restated for the adoption of GASB Statement No.101. See Note 20 to the financial statements for further information on the change in accounting principle.

Governmental Activities. Governmental activities increased the City of Palmdale's net position by $45,070,298 or 4.6 percent, during the Fiscal Year 2024-25. Key elements of the Governmental activities Net Position increase are as follows:

- Charges for Services decreased by $6,111,167 or 9.8 percent primarily reflecting lower revenues from charges for City services compared to the prior year.
  3,
- Operating Grants and Contributions decreased by $5,173,531 or 31.8 percent primarily due to lower recognition of American Rescue Plan Act funds compared to the prior fiscal year.

- Capital Grants and Contributions increased by $16,122,823 or 42.1 percent primarily due to increased grant funding recognized for park improvements and other capital projects.

- The City reported increases in Property Taxes of $1,661,525 or 5.3 percent. The improvement can be attributed to an increase in property values within the City and the continued restoration of prior Proposition 8 property tax reductions.

- Sales and Use Taxes increased by $5,820,964 or 11.6 percent primarily due to higher taxable sales and transactions within the City.

- Other Taxes increased by $661,925 or 4.2 percent primarily due to increases in franchise taxes, transient occupancy taxes, and motor vehicle license fees, partially offset by decreases in business license taxes and property transfer taxes.

- The City's Unrestricted Investment Earnings increased by $471,496 or 2.7 percent primarily due to higher yields earned on invested funds as interest rates remained elevated during the fiscal year as part of the Federal Open Market Committee's (FOMC) monetary policy efforts to reduce inflation toward its 2 percent target.

- Other Revenue decreased by $7,984,900 or 87.9 percent primarily because the prior fiscal year included proceeds from the sale of City-owned property.

- General Government expenses decreased by $10,686,928 or 25.6 percent primarily because the prior fiscal year included a liability insurance settlement claim.

- Public Safety expenses increased by $4,816,563 or 11.7 percent. This is largely due to the budgeted increase in the County Sheriff's contract for services.

- Public Service expenses decreased by $2,128,852, or 2.5 percent, primarily reflecting lower operating expenditures compared to the prior fiscal year.

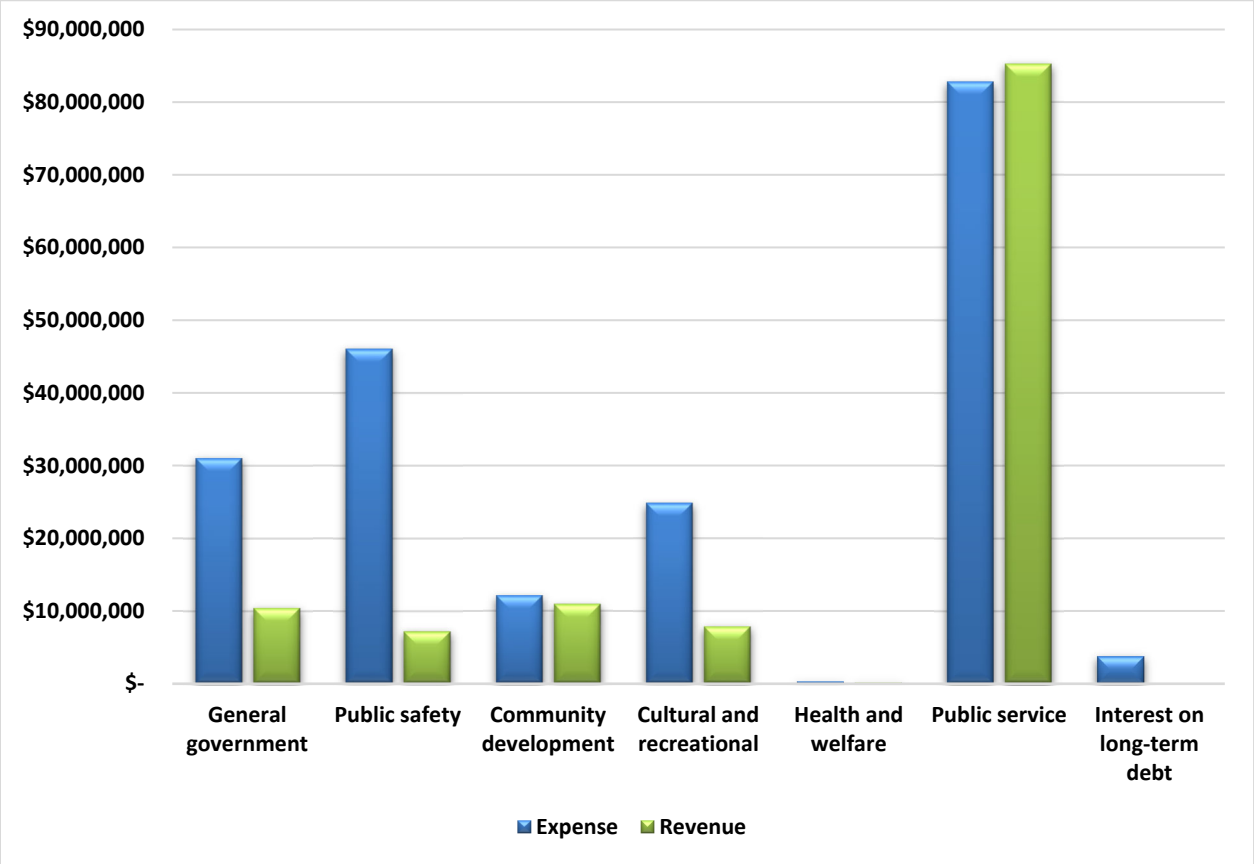
- Community Development expenses decreased by $89,106 or 0.7 percent and remained relatively consistent with the prior fiscal year.

- Cultural and Recreational expenses increased by $8,838,665 or 55.3 percent primarily due to increased park and water park repair and refurbishment costs.

- Health and Welfare expenses decreased by $244,314 or 44.3 percent primarily because the prior fiscal year included project study and demolition expenses.

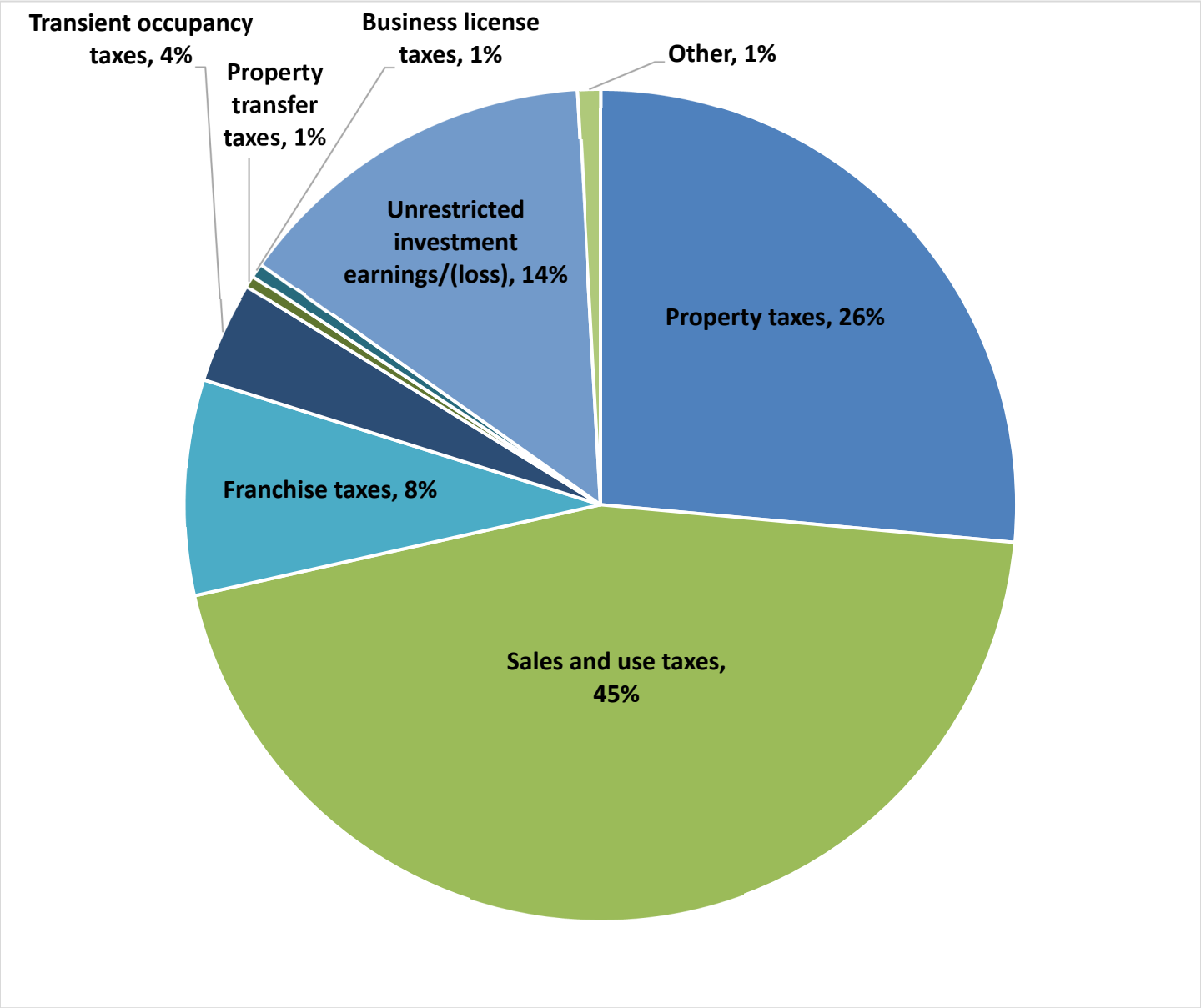
- Interest on Long-Term Debt decreased by $579,499 or 13.4 percent primarily because the prior fiscal year included issuance costs associated with the Series 2023A and 2023B lease revenue bonds.

Program Expenses and Program Revenues-Governmental Activities



The Statement of Activities reflects total expenses of $200,835,433. Total Revenues in the Statement of Activities for the Year Ended June 30, 2025 were $245,905,731. Of this amount, $121,806,713 of the resources came from Program Revenues, and $124,099,018 came from General Revenues received by the government. The largest revenues are Charges for Services, followed by Sales Tax, Capital Grants and Contributions, Property Taxes, and Unrestricted Investment Earnings/(Loss).

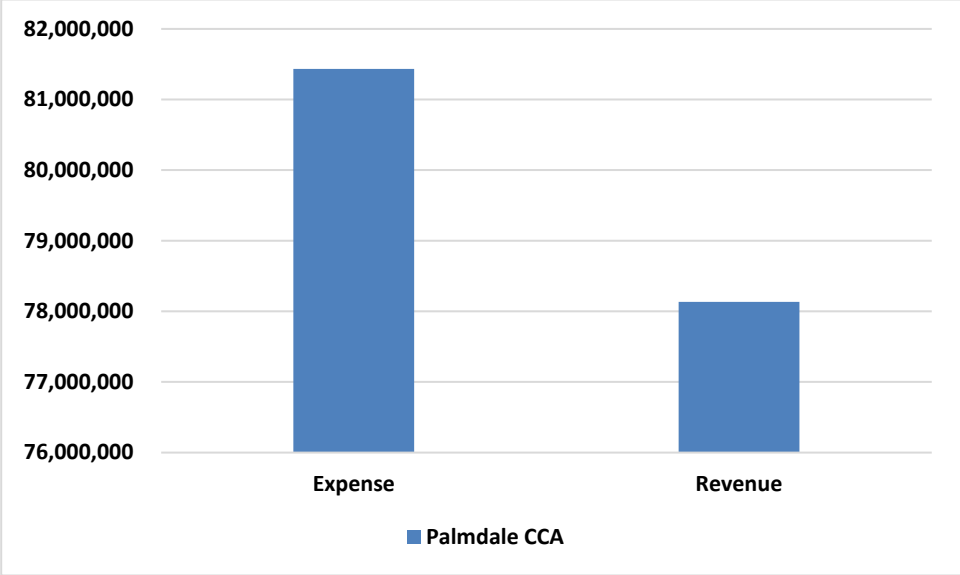
Revenues by Source-Governmental Activities



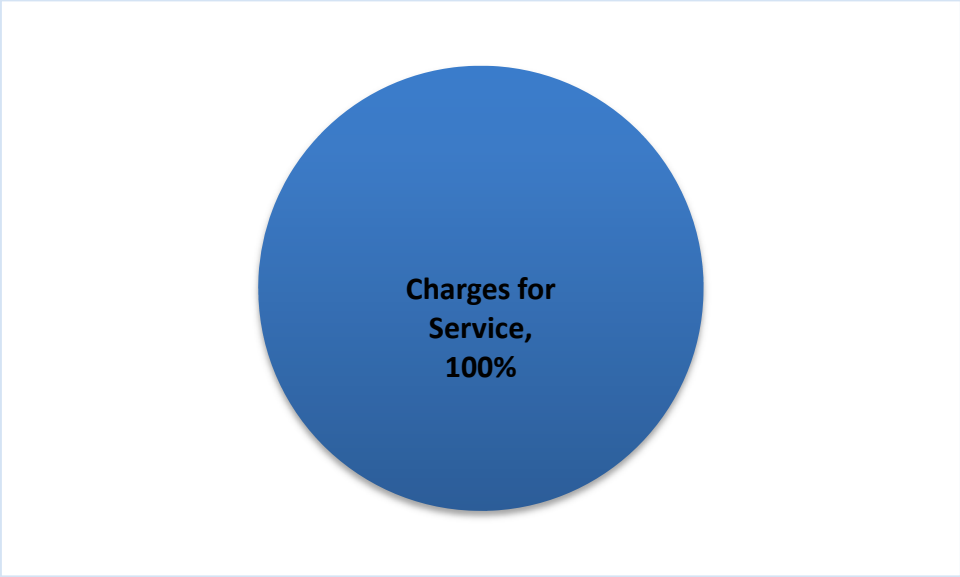
Business-Type Activities. Total net position for business-type activities for Palmdale Community Choice Aggregate (Palmdale-CCA) totaled $3,628,056 for the Fiscal Year 2024-25. Key elements of this year's activity in relation to the prior year are as follows:

- Charges for services were $77,982,078 for the Fiscal Year 2024-25. The program began its operations starting on October 1, 2022.
- Overall expenses were $81,431,124 as operational expenses officially began in the Fiscal Year 2023-24.

Program Expenses and Program Revenues-Business-Type Activities



Revenues by Source-Business-Type Activities



Financial Analysis of the Government's Funds

As noted earlier, the City of Palmdale uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds The focus of the City of Palmdale's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Palmdale's financing requirements. Fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the Fiscal Year 2024-25, the City of Palmdale's Governmental Funds reported Combined Ending Fund Balances of $383,699,858 an decrease of $32,189,622 over the prior year. The General Fund is the chief operating fund of the City of Palmdale. At the end of Fiscal Year 2024-25, the Total Fund Balance of the General Fund was $111,146,427. Of the Total Fund Balance:

- **Nonspendable Fund Balance** totaled $1,216,677. “Nonspendable” because the resources are not in a spendable form (i.e., prepaids, long-term receivables, or non-financial assets held for resale). Nonspendable Fund Balance includes Advances totaling $922,918; Deposits and Prepaids totaling $293,759.

- **Restricted Fund Balance** totaling $11,841,241. “Restricted” due to the existence of externally enforceable legal restrictions that are related primarily to special revenue funding sources and debt service reserves. Restricted Fund Balance includes City Investments of $11,841,241.

- **Assigned Fund Balance** totaling $13,815,878. “Assigned” for specific purposes such as Continuing Appropriations, Encumbrances, Compensated Absences, Self-Insurance and Health Insurance Claims, and Capital Projects. Assigned Fund Balance includes Compensated Absences totaling $2,224,370; Self-Insurance Claims totaling $2,489,243 and Health Insurance obligations totaling $9,102,265.

- **Unassigned Fund Balance** totaling $84,272,631. “Unassigned” and represents residual resources that cannot be properly classified in one of the other fund balance categories. As a measure of the General Fund's liquidity, it may be useful to compare both Unassigned and Total Fund Balance to Total Fund Expenditures. At the end of the Fiscal Year 2024-25 the Unassigned Fund Balance in the General Fund is 75.8 percent of Total Fund Balance for the General Fund and 68.0 percent of Total General Fund Expenditures.

The Housing Authority - Housing Asset Fund has a Fund Balance of $48,014,013 and is restricted for low and moderate-income housing purposes. This Fund is used to record the assets formally held by the Community Redevelopment Agency Low and Moderate Income Housing Fund. The assets that were approved by the State Department of Finance to be retained by the Low and Moderate Housing Fund were transferred to the Housing Authority-Housing Asset Fund as the City has control of those assets, which may be used in accordance affordable housing provisions of California’s Community Redevelopment Law, as amended by Health and Safety Code 34176.1. The housing asset fund balance decreased by $377,715 in the Fiscal Year 2024-25, primarily due to cost and expenditures exceeding program revenue. Program revenues were $1,071,636, primarily due to gains on investments and interest, and expenditures were $1,679,483 in Fiscal Year 2024-25. Expenditures exceed program revenues in the Housing Asset Fund as the result of regular ongoing operations. The primary source of revenue is rental income, while expenditures encompass multiple categories, primarily contractual services and utilities.

The Housing Authority – Facilities Fund has a Fund Balance of $947,225 is used to account for revenues and expenditures related to the operation of three mobile home parks, four apartments, and two multi-residential properties who were separate funds and were consolidated into one fund in 2021. The total beginning fund balance in Fiscal Year 2024-25 was at a deficit of $543,989. The deficit was reduced by $1,491,214 as the result of increased revenue. The Housing Division has commitments for Affordable Housing Agreements that may take more than one year to complete and to receive the request for draws against approved loans.

Measure AV Fund - For the fiscal year ended June 30, 2025, Measure AV had total revenues of $24,123,990 and total expenditures of $22,981,018 resulting in an increase in the fund balance of $1,142,972. The fund balance at the beginning of the year was $21,616,067. The beginning fund balance with this net increase results in a fund balance at fiscal year end of $22,759,039.

Measure R - For the fiscal year ended June 30, 2025, Measure R had revenues of $153,394 and total expenditures of $19,599,141 resulting in a decrease in the fund balance of $19,445,747 primarily due to delay in submitting claims. The fund balance at the beginning of the year was ($499,098). The beginning fund balance with this net decrease results in a fund balance at fiscal year end of ($19,944,845).

General Fund Budgetary Highlights

Differences between original budget and final budget resulted in an increase of appropriations for General Fund expenditures of $6,500,360 as a result of an adjustment in budget needs in operating expenses primarily in General Government, as well as carry forward of budgets for multi-year Capital Projects. Differences between the final amended budget and actual expenditures resulted in a net -nonfavorable variance of $5,682,051, which can be briefly summarized as follows:

- $12,207,900 decrease in General Government expenditures primarily due to personnel cost savings from vacancies in various departments, as well as lower-than-budgeted contract service expenditures.
- $4,137,806 decrease in Public Safety expenditures primarily due to personnel cost savings from vacancies, along with lower-than-budgeted contract service expenditures.
- $3,921,795 decrease in Public Services expenditures primarily due to lower-than-budgeted contract service expenditures, along with personnel cost savings from vacancies and other operating cost savings.
- $328,516 decrease in Community Development program expenditures primarily due to lower-than-budgeted contract and professional service expenditures.
- $4,750,435 increase in Cultural and Recreational program expenditures primarily due to higher-than-budgeted cost allocations, including fleet and IT charges, which more than offset savings in contract service expenditures.
- $21,297,724 increase in Capital Outlay expenditures primarily due to higher-than-budgeted capital project expenditures during the fiscal year.
- $229,909 increase in Debt Service Principal and Interest primarily due to higher-than-budgeted debt service expenditures during the fiscal year.

Capital Assets and Debt Administration

Capital Assets. The City of Palmdale's investment in capital assets for Governmental Activities as of June 30, 2025, amounts to $744,583,577 (Net of Accumulated Depreciation). This investment in capital assets includes land, buildings and structures, improvements, machinery and equipment, infrastructure and construction in progress. The Capital Assets increased by $67,511,349 in Fiscal Year 2024-25 as compared to prior year 2023-24.

City of Palmdale's Capital Assets (Net of Depreciation)

	Governmental Activities 2025	Governmental Activities 2024 (Restated)
Land and Improvements	$ 151,202,814	$ 122,859,592
Intangible Assets	153,090	153,090
Construction in Progress	101,358,526	63,516,507
Buildings and Structures	55,939,158	51,025,604
Improvements Other than Buildings	629,796	865,093
Infrastructure	422,884,504	428,170,541

City of Palmdale's Capital Assets (Net of Depreciation)

	Governmental Activities 2025	Governmental Activities 2024
Machinery and Equipment	9,084,725	7,937,446
Right to Use Assets	3,330,964	2,544,355
	$ 744,583,577	$ 677,072,228

Major capital asset events during the current fiscal year included the following:

- Additions of Land and Improvements totaling $28,343,222
- Additions of Construction In Progress totaling $71,988,328.
- Additions of Building and Structures totaling $6,587,661
- Additions of Improvements other than Buildings totaling $29,461
- Additions of Machinery and Equipment totaling $2,736,242.
- Additions of Infrastructure Improvement totaling $30,967,607.
- Additions of Total Accumulated Depreciation totaling $39,751,223.
- Deletions of Depreciated and Non-Depreciated Assets totaling $34,176,558

Additional information on the City of Palmdale's capital assets can be found in Note 10.

Long-Term Debt. At the end of the current fiscal year, the City of Palmdale had total bonded debt outstanding of $76,773,749. The Mortgage Revenue Bonds are secured by pledges of net revenue received from the operation of the Housing Facilities. Certificates of Participation and Lease Revenue Bonds require the City to pay a semi-annual base rental to the Palmdale Financing Authority (PFA). The rentals will be used by the PFA to pay debt service as the Certificates of Participation and Lease Revenue Bonds come due.

City of Palmdale's Outstanding Debt
Revenue Bonds, Certificates of Participation, Loans, and Leases

	Governmental Activities 2025	Governmental Activities 2024
Lease Revenue Bonds	$ 48,240,000	$ 50,190,000
Mortgage Revenue Bonds	3,435,000	3,640,000
Certificates of Participation	24,977,692	27,250,006
Bond Premiums	121,057	181,990
Loans & Direct Borrowings	10,289,129	11,450,485
Financing Arrangements	3,626,500	3,078,523
Total	$ 90,689,378	$ 95,691,004

The City of Palmdale's Total Long-Term Liabilities total was $90,689,378 of which $76,773,749 was Revenue Bonds, Mortgage Revenue Bonds, Certificates of Participation and Bond Premiums as noted on the schedule above.

The remainder of the debt was comprised of Financial Arrangements Payable for Equipment Leases totaling $3,626,500; Notes Payable for Street Light Acquisition totaling $6,986,218; Section 108 HUD Loan totaling $368,000; HOME Loan totaling $2,850,000; SCE Parks LED Retrofit OBF A-5962 totaling $55,425, and SCE LED Retrofit OBF A-7251 totaling $29,486.

Additional information on the City of Palmdale's long-term debt can be found in Note 12.

Economic Factors and Next Year's Budget

The City took into consideration the following factors in preparing the budget for the 2025-26 fiscal year.

- Positive Property tax increases as property values increase.
- Continued slow paced growth in housing development.
- Stable Sales Tax revenue and Measure AV Sales Tax revenues as a result of economic trends.
- Conservative escalators and only add known future development.
- Implementing Fee Structures that align revenues with cost-recovery objectives.
- Using onetime revenues for onetime expenditures.
- Building reserves for future capital replacements and economic uncertainties.
- Prefunding retiree pension cost.
- City funds impacted by State and Federal budget actions.

While Actual Fiscal Year 2024-25 revenue growth in tax collections was above estimates, staff continues to follow a moderate approach to protecting these revenues. Staff will continue to monitor actual revenues versus projections and provide any needed mid-year adjustments.

The dissolution of redevelopment (legislation AB x 126 and AB-1484) has and will continue to impact the City for a number of years. As of July 1, 2018, Los Angeles County consolidated the oversight boards and committees of each agency that contains the Successor Agency to the former Redevelopment Agency to administer the obligations of the former Redevelopment Agency until they are fully satisfied. This board consists of five districts segregated out based on area maps within Los Angeles County. The City of Palmdale falls under the Fifth District the City and Successor Agency have been responding to the reporting requirement with Los Angeles Consolidated Oversight Board. Additional information can be found in Note 18.

Requests for Information

This financial report is designed to provide a general overview of the City of Palmdale's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, requests for any of the separately issued component unit financial statements or additional financial information should be addressed to the City of Palmdale, Finance Department, 38250 Sierra Highway, Palmdale, California, 93550.

Basic Financial Statements

Palmdale, California

Year Ended June 30, 2025

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	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash	$ 9,671,461	$ 8,746,650	$ 18,418,111
Investments	323,797,371	-	323,797,371
Accounts and interest receivable	82,475,595	13,463,545	95,939,140
Property tax receivable	583,397	-	583,397
Due from other governmental units	11,109,323	-	11,109,323
Notes and liens	34,972,000	-	34,972,000
Deposits and prepaids	293,934	244,564	538,498
Internal balances	11,838,983	(11,838,983)	-
Land held for development	3,249,136	-	3,249,136
Restricted assets			
Cash and Investments	23,023,858	-	23,023,858
Capital assets and right to use assets			
Not being depreciated			
Land	151,202,814	-	151,202,814
Water Credit CFD 16-1	153,090	-	153,090
Construction in progress	101,358,526	-	101,358,526
Being depreciated/amortized, net of accumulated depreciation/amortization			
Buildings and structures	55,939,158	-	55,939,158
Machinery, equipment, and other improvements	9,084,725	-	9,084,725
Improvements other than buildings	629,796	-	629,796
Infrastructure	422,884,504	-	422,884,504
Machinery and equipment - right to use	1,251,638	-	1,251,638
SBITA assets	2,079,326	-	2,079,326
Total assets	1,245,598,635	10,615,776	1,256,214,411
Deferred Outflows of Resources			
Pension related amounts	17,552,307	-	17,552,307
Other postemployment benefits related amounts	226,142	-	226,142
Total deferred outflows of resources	17,778,449	-	17,778,449

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Liabilities			
Accounts payable	$ 25,932,651	$ 5,704,867	$ 31,637,518
Accrued salaries and employee benefits	5,658,078	-	5,658,078
Due to other governmental units	1,565	-	1,565
Deposits	11,503,411	1,282,853	12,786,264
Accrued interest payable	2,094,618	-	2,094,618
Unearned revenue	23,628,611	-	23,628,611
Noncurrent liabilities			
Due within one year	12,339,532	-	12,339,532
Due in more than one year	91,879,858	-	91,879,858
Net pension liability	67,576,120	-	67,576,120
Net OPEB Liability	409,134	-	409,134
Total liabilities	241,023,578	6,987,720	248,011,298
Deferred Inflows of Resources			
Pension related amounts	23,931	-	23,931
Other postemployment benefits related amounts	130,398	-	130,398
Total deferred inflows of resources	154,329	-	154,329
Net Position			
Net investment in capital assets	657,179,110	-	657,179,110
Restricted			
Capital projects	3,240,197	-	3,240,197
Public safety	18,618,200	-	18,618,200
Public services	209,460,187	-	209,460,187
Community development	61,200,122	-	61,200,122
Debt service	6,902,100	-	6,902,100
Culture and recreation	7,668,427	-	7,668,427
Unrestricted	57,930,834	3,628,056	61,558,890
Total net position	$ 1,022,199,177	$ 3,628,056	$ 1,025,827,233

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	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position: Business-type Activities	Net (Expenses) Revenues and Changes in Net Position: Total
Primary Government							
Governmental Activities							
General government	$ 31,024,338	$ 8,245,586	$ 2,175,216	$ -	$ (20,603,536)	$ -	$ (20,603,536)
Public safety	46,034,629	5,347,459	1,849,831	-	(38,837,339)	-	(38,837,339)
Community development	12,103,519	9,195,809	1,717,663	-	(1,190,047)	-	(1,190,047)
Cultural and recreational	24,826,124	7,793,831	69,841	-	(16,962,452)	-	(16,962,452)
Health and welfare	306,655	166,953	-	-	(139,702)	-	(139,702)
Public service	82,808,989	25,513,905	5,304,977	54,425,642	2,435,535	-	2,435,535
Interest on long-term debt	3,731,179	-	-	-	(3,731,179)	-	(3,731,179)
Total governmental activities	200,835,433	56,263,543	11,117,528	54,425,642	(79,028,720)	-	(79,028,720)
Business-type Activities							
Palmdale CCA	81,431,124	77,982,078	-	-	-	(3,449,046)	(3,449,046)
Total business-type activities	81,431,124	77,982,078	-	-	-	(3,449,046)	(3,449,046)
Total primary government	$ 282,266,557	$ 134,245,621	$ 11,117,528	$ 54,425,642	$ (79,028,720)	$ (3,449,046)	$ (82,477,766)
General revenues							
Taxes							
Property taxes					32,820,836	$ -	$ 32,820,836
Sales and use taxes					55,894,601	-	55,894,601
Franchise taxes					10,385,384	-	10,385,384
Transient occupancy taxes					4,888,140	-	4,888,140
Property transfer taxes					585,556	-	585,556
Business license taxes					686,633	-	686,633
Unrestricted investment earnings/(loss)					17,736,036	150,891	17,886,927
Other					1,101,832	-	1,101,832
Total general revenues					124,099,018	150,891	124,249,909
Change in Net Position					45,070,298	(3,298,155)	41,772,143
Net Position - Beginning of Year, as previously reported					969,266,046	6,926,211	976,192,257
Adjustments (Note 20)					7,862,833	-	7,862,833
Net Position - Beginning of Year, as restated					977,128,879	6,926,211	984,055,090
Net Position - End of Year					$ 1,022,199,177	$ 3,628,056	$ 1,025,827,233

The General Fund – is the City's primary operating fund and has been classified as a major fund. It accounts for all financial resources of the general government that are not already required legally or by sound financial management to be accounted for in another fund.

Special Revenue Funds – are used to account for specific revenues that are restricted or committed to expenditure for a specific purpose other than debt service or capital projects. The following funds have been classified as major funds:

Housing Authority (HA) Housing Asset Fund - Used to account for the restricted housing assets of the former CRA Housing Development Fund, which were transferred to the Successor Agency Fund and then transferred to the Housing Authority – Housing Asset Fund upon acceptance of the Housing Successor role by the City. Revenues received from assets previously held by the former CRA Housing Development Fund are restricted to be used in accordance with affordable housing provisions of California's Community Redevelopment Law, as amended by Health and Safety Code Section 34176.1.

Housing Authority (HA) Facilities Fund - This fund is used to account for revenues and expenditures restricted to the operations of three mobile home parks, four apartments and one apartment consisting of two buildings with 4 units each. This fund is a combination of the previous funds that accounted for the operations of the mobile home parks, apartments, and two building units in order to consolidate the Housing Authority-owned properties and its activities in 2021.

Measure AV Fund - This fund is used to account for the revenues and expenditures incurred as a result of the 3/4 cent sales tax increase that was passed by voters in November 2020 and took effect April 1, 2021.

Measure R Fund - This fund accounts for State Funds provided to the City for street-related purposes only.

	General Fund	Special Revenue Funds: Housing Authority Asset Fund	Special Revenue Funds: Housing Authority Facilities Fund	Special Revenue Funds: Measure AV	Special Revenue Funds: Measure R	Nonmajor Governmental Funds	Total Governmental Funds
Assets							
Cash	$ 5,438,820	$ -	$ 3,405,774	$ -	$ -	$ 826,867	$ 9,671,461
Investments	48,278,467	13,165,405	1,519,684	21,884,250	8,328,152	229,199,450	322,375,408
Receivables							
Accounts and interest receivable	24,538,122	6,785,075	186,044	3,984,425	22,064,665	24,522,776	82,081,107
Property tax receivable	229,254	-	-	-	-	354,143	583,397
Due from other funds	52,185,587	-	-	6,526	-	10,669,121	62,861,234
Advances due from fiduciary funds	922,918	4,309,777	-	-	-	583,859	5,816,554
Due from other governmental units	5,292,769	-	-	-	-	-	5,292,769
Notes and liens	5,735	25,191,544	-	-	-	9,774,721	34,972,000
Interfund promissory note	-	4,155,000	-	-	-	-	4,155,000
Advances due from other fund	5,000,000	1,186,001	-	-	-	3,800,000	9,986,001
Deposits and prepaid	293,759	-	-	-	-	175	293,934
Restricted assets							
Investments	11,841,241	39,590	-	-	-	9,440,611	21,321,442
Cash	-	-	1,702,416	-	-	-	1,702,416
Land held for development	-	3,249,136	-	-	-	-	3,249,136
Total assets	154,026,672	58,081,528	6,813,918	25,875,201	30,392,817	289,171,723	564,361,859
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	19,364,794	48,705	339,947	3,116,162	3,473,482	4,872,764	31,215,854
Due to fiduciary funds	-	-	-	-	-	1,565	1,565
Due to other funds	6,020	12,509	-	-	24,791,229	24,747,363	49,557,121
Self insurance liability	3,232,317	-	-	-	-	-	3,232,317
Advances due to other funds	-	-	1,186,001	-	-	8,800,000	9,986,001
Interfund promissory note	-	-	4,155,000	-	-	-	4,155,000
Deposits	7,213,235	-	185,745	-	-	4,104,431	11,503,411
Unearned revenue	7,946,883	3,828,000	-	-	-	11,853,728	23,628,611
Notes payable	125,767	-	-	-	8,286	-	134,053
Total liabilities	37,889,016	3,889,214	5,866,693	3,116,162	28,272,997	54,379,851	133,413,933
Deferred Inflows of Resources							
Unavailable revenue	4,991,229	6,178,301	-	-	22,064,665	14,013,873	47,248,068
Total deferred inflows of resources	4,991,229	6,178,301	-	-	22,064,665	14,013,873	47,248,068
Fund Balances							
Nonspendable	1,216,677	-	-	-	-	-	1,216,677
Restricted	11,841,241	48,014,013	947,225	22,759,039	-	235,368,956	318,930,474
Assigned	13,815,878	-	-	-	-	-	13,815,878
Unassigned	84,272,631	-	-	-	(19,944,845)	(14,590,957)	49,736,829
Total fund balances (deficits)	111,146,427	48,014,013	947,225	22,759,039	(19,944,845)	220,777,999	383,699,858
Total liabilities, deferred Inflows of resources and fund balances	$ 154,026,672	$ 58,081,528	$ 6,813,918	$ 25,875,201	$ 30,392,817	$ 289,171,723	$ 564,361,859

Fund Balances - Total Governmental Funds		$ 383,699,858
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet.		
Governmental capital assets	$ 1,570,484,704	
Less accumulated amortization and depreciation	(835,983,157)	734,501,547
Accounts receivable not available to pay for current-period expenditures are unavailable in the funds.		47,248,068
Interest due on long-term debt do not require current financial resources and therefore are not reported as a liability in the Governmental Funds Balance Sheet.		
Interest payable		(2,068,422)
Deferred outflows related to pensions and OPEB benefits are not reported in the Governmental Fund Balance Sheet.		
Deferred outflows related to pensions		17,552,307
Deferred outflows related to opeb benefits		226,142
Long-term liabilities are not due and payable in the current period and therefore are not reported as a liability in the Governmental Funds Balance Sheet.		
Compensated absences	(7,808,452)	
Claims payable	(2,489,243)	
Lease liability	(1,175,422)	
Net pension liability	(67,576,120)	
Net OPEB liabilities	(409,134)	
Financing leases payable	(517,347)	
Notes payable	(10,155,076)	
Bonds & certificates of participation payable	(76,773,749)	(166,904,543)
Deferred inflows related to pensions and OPEB benefits are not reported in the Governmental Funds Balance Sheet.		
Deferred inflows related to pensions		(23,931)
Deferred inflows related to OPEB benefits		(130,398)
Internal service fund net position less business-type allocation		8,098,549
Net Position of Governmental Activities		$ 1,022,199,177

City of Palmdale, California

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

Year Ended June 30, 2025

		Special Revenue Funds							
	General Fund	HA Housing Asset Fund	Housing Authority Facilities Fund	ARPA Fund	Measure AV	Local Transportation Article 8	Measure R	Nonmajor Governmental Funds	Total Governmental Funds
Revenues									
Property taxes	$ 32,877,162	$ -	$ -		$ -		$ -	$ -	$ 32,877,162
Sales and use taxes	32,637,257	-	-		23,257,344		-	-	55,894,601
Other taxes	15,898,060	-	-		-		-	5,522,474	21,420,534
Subventions and grants	-	-	-		-		153,394	41,210,681	41,364,075
Park development fees	-	-	-		-		-	941,198	941,198
Licenses and permits	4,836,847	-	-		-		-	138,278	4,975,125
Fines and forfeitures	1,070,979	-	-		-		-	327,157	1,398,136
Special assessments	-	-	-		-		-	22,803,933	22,803,933
Use of property	969,517	-	8,633,366		-		-	-	9,602,883
Charges for current services	8,199,994	344,189	20		-		-	2,907,163	11,451,366
Drainage fees	-	-	-		-		-	761,622	761,622
Traffic impact fees	-	-	-		-		-	878,735	878,735
Facilities impact fees	-	-	-		-		-	760,967	760,967
Interfund interest	119,600	-	-		-		-	94,231	213,831
Interest	2,786,266	533,833	43,020		543,438		-	7,756,961	11,663,518
Net increase (decrease) in fair value of Investments	1,923,086	193,614	22,360		323,208		-	3,375,245	5,837,513
Developer contributions	-	-	-		-		-	15,339	15,339
State contributions	-	-	-		-		-	87,911	87,911
Other agency contributions	-	-	-		-		-	1,267,359	1,267,359
County contributions	-	-	-		-		-	332,802	332,802
Other revenue	3,657,627	-	6,450		-		-	352,507	4,016,584
Lease interest	305	-	-		-		-	-	305
Total revenues	104,976,700	1,071,636	8,705,216		24,123,990		153,394	89,534,563	228,565,499
Expenditures									
Current									
General government	22,452,040	-	-		358,640		-	737,013	23,547,693
Public safety	34,617,914	-	-		9,025,949		-	1,322,298	44,966,161
Public services	15,923,295	-	-		845,196		33,219	29,860,307	46,662,017
Community development	1,132,724	1,679,483	6,131,411		973,714		-	938,874	10,856,206
Cultural and recreational	17,507,645	-	-		1,453,904		-	2,575,356	21,536,905
Health and welfare	-	-	-		-		-	306,655	306,655
Capital outlay	29,784,084	-	575,758		10,323,615		19,565,922	43,276,043	103,525,422
Debt service									
Principal	1,917,458	-	105,000		-		-	3,826,208	5,848,666
Interest	603,731	-	171,701		-		-	3,127,113	3,902,545
Interfund interest	-	-	-		-		-	213,831	213,831
Cost of issuance	-	-	-		-		-	-	-
Total expenditures	123,938,891	1,679,483	6,983,870		22,981,018		19,599,141	86,183,698	261,366,101
Excess (deficiency) of revenue over (under) expenditures	(18,962,191)	(607,847)	1,721,346		1,142,972		(19,445,747)	3,350,865	(32,800,602)
Other Financing Sources (Uses)									
Leases	1,110,980	-	-		-		-	-	1,110,980
Transfers in	32,673,917	230,132	-		-		-	6,161,969	39,066,018
Transfers out	(6,661,969)	-	(230,132)		-		-	(32,673,917)	(39,566,018)
Total other financing sources (uses)	27,122,928	230,132	(230,132)		-		-	(26,511,948)	610,980
Net Change in Fund Balances	8,160,737	(377,715)	1,491,214		1,142,972		(19,445,747)	(23,161,083)	(32,189,622)
Fund Balances (Deficit) - Beginning of Year, as previously reported	102,985,690	48,391,728	(543,989)	2,352,606	21,616,067	(5,163,825)	-	246,251,203	415,889,480
Adjustments (Note 20)	-	-	-	(2,352,606)	-	5,163,825	(499,098)	(2,312,121)	-
Fund Balances (Deficit) - Beginning of Year, as restated	102,985,690	48,391,728	(543,989)		21,616,067		(499,098)	243,939,082	415,889,480
Fund Balances (Deficit) - End of Year	$ 111,146,427	$ 48,014,013	$ 947,225		$ 22,759,039		$ (19,944,845)	$ 220,777,999	$ 383,699,858

Net Change in Fund Balances - Total Governmental Funds		$ (32,189,622)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental Funds report capital outlays as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets is allocated over their estimated useful lives and recorded as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital asset additions and other adjustments	$ 104,861,467	
Less depreciation and amortization expense	(38,589,260)	66,272,207
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Grant revenues earned, but not received within the 60-day accrual period.		13,214,050
Long-term debt issuance provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Government-Wide Statement of Net Position. Principal repayments of long-term debt and escrow agent payments are expenditures/uses in the Governmental Funds, but they reduce long-term liabilities in the Government-Wide Statement of Net Position. Also premiums are recognized in the current period in the Governmental Funds, whereas these amounts are amortized in the Government-Wide Statement of Activities. This is the amount by which repayments exceeded proceeds.		
Principal Repayments:		
Financing arrangements	198,989	
Lease payments	(902,511)	
Notes payable	1,141,430	
Bonds & certificates of participation payable	4,327,314	4,765,222
Internal Service Fund Change in Net Position with Business-type Allocation		2,300,645
Some expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the Governmental Funds.		
Compensated absences	(1,815,890)	
Self insurance liability claims payable	(2,186,068)	
Pension expense	(5,384,201)	
OPEB expense	(71,694)	
Accrued interest on debt	104,716	
Amortization of bond premiums	60,933	(9,292,204)
Change in Net Position of Governmental Activities		$ 45,070,298

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Property taxes	$ 31,508,000	$ 32,188,040	$ 32,877,162	$ 689,122
Sales taxes	28,187,240	32,581,130	32,637,257	56,127
Other taxes	23,902,960	15,563,800	15,898,060	334,260
Licenses and permits	4,438,580	4,414,820	4,836,847	422,027
Motor vehicle license fees	230,000	230,000	-	(230,000)
Fines and forfeitures	604,530	888,610	1,070,979	182,369
Use of property	1,016,630	1,056,570	969,517	(87,053)
Charges for current services	7,618,460	8,497,350	8,199,994	(297,356)
Interfund interest	132,700	132,700	119,600	(13,100)
Interest	1,200,000	1,200,000	2,786,266	1,586,266
Net increase (decrease) in fair value of investments	-	-	1,923,086	1,923,086
Other revenue	8,256,000	3,587,930	3,657,627	69,697
Interest revenue	-	1,000	305	(695)
Total revenues	107,095,100	100,341,950	104,976,700	4,634,750
Expenditures				
Current				
General government	32,075,380	34,659,940	22,452,040	12,207,900
Public safety	37,260,770	38,755,720	34,617,914	4,137,806
Public services	19,307,480	19,845,090	15,923,295	3,921,795
Community development	1,462,590	1,461,240	1,132,724	328,516
Cultural and recreational	12,336,710	12,757,210	17,507,645	(4,750,435)
Capital outlay	7,021,950	8,486,360	29,784,084	(21,297,724)
Debt service				
Principal	1,707,780	1,703,380	1,917,458	(214,078)
Interest	583,820	587,900	603,731	(15,831)
Total expenditures	111,756,480	118,256,840	123,938,891	(5,682,051)
Excess (deficiency) of revenues over (under) expenditures	(4,661,380)	(17,914,890)	(18,962,191)	(1,047,301)
Other Financing Sources (Uses)				
Leases	-	-	1,110,980	1,110,980
Transfers in	8,943,600	19,244,290	32,673,917	13,429,627
Transfers out	(10,662,780)	(20,963,470)	(6,661,969)	14,301,501
Total other financing sources (uses)	(1,719,180)	(1,719,180)	27,122,928	28,842,108
Net Change in Fund Balance	(6,380,560)	(19,634,070)	8,160,737	27,794,807
Fund Balance - Beginning of Year	102,985,690	102,985,690	102,985,690	-
Fund Balance (Deficit) - End of Year	$ 96,605,130	$ 83,351,620	$ 111,146,427	$ 27,794,807

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Charges for current services	$ 154,960	$ 242,140	$ 344,189	$ 102,049
Interest	100,000	100,000	533,833	433,833
Net increase (decrease) in fair value of investments	-	-	193,614	193,614
Total revenues	254,960	342,140	1,071,636	729,496
Expenditures				
Current				
Community development	7,773,220	11,876,010	1,679,483	10,196,527
Excess (deficiency) of revenues over (under) expenditures	(7,518,260)	(11,533,870)	(607,847)	10,926,023
Other Financing Sources (Uses)				
Transfers in	1,359,210	1,353,710	230,132	(1,123,578)
Transfers out	(55,100)	(55,100)	-	55,100
Total other financing sources (uses)	1,304,110	1,298,610	230,132	(1,068,478)
Net Change in Fund Balance	(6,214,150)	(10,235,260)	(377,715)	9,857,545
Fund Balance (Deficit) - Beginning of Year	48,391,728	48,391,728	48,391,728	-
Fund Balance (Deficit) - End of Year	$ 42,177,578	$ 38,156,468	$ 48,014,013	$ 9,857,545

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Use of property	$ 8,477,050	$ 8,604,560	$ 8,633,366	$ 28,806
Interest	8,700	8,700	43,020	34,320
Net increase (decrease) in fair value of investments	-	-	22,360	22,360
Charges for current services	-	-	20	20
Other revenue	-	-	6,450	6,450
Total revenues	8,485,750	8,613,260	8,705,216	91,956
Expenditures				
Current				
Community development	6,097,530	6,118,510	6,131,411	(12,901)
Capital outlay	355,000	439,650	575,758	(136,108)
Debt service				
Principal	105,000	89,000	105,000	(16,000)
Interest	171,700	146,700	171,701	(25,001)
Total expenditures	6,729,230	6,793,860	6,983,870	(190,010)
Excess (deficiency) of revenues over (under) expenditures	1,756,520	1,819,400	1,721,346	(98,054)
Other Financing Sources (Uses)				
Transfers out	(1,359,210)	(1,353,710)	(230,132)	1,123,578
Total other financing sources (uses)	(1,359,210)	(1,353,710)	(230,132)	1,123,578
Net Change in Fund Balance	397,310	465,690	1,491,214	1,025,524
Fund Balance (Deficit) - Beginning of Year	(543,989)	(543,989)	(543,989)	-
Fund Balance (Deficit) - End of Year	$ (146,679)	$ (78,299)	$ 947,225	$ 1,025,524

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Sales taxes	$ 22,888,000	$ 23,068,000	$ 23,257,344	$ 189,344
Interest	-	495,000	543,438	48,438
Net increase (decrease)				
In fair value of investments	-	-	323,208	323,208
Total revenues	22,888,000	23,563,000	24,123,990	560,990
Expenditures				
Current				
General government	757,590	709,890	358,640	351,250
Public safety	10,322,800	10,680,450	9,025,949	1,654,501
Public services	805,800	887,830	845,196	42,634
Community development	1,715,000	951,870	973,714	(21,844)
Cultural and recreational	1,336,710	1,537,950	1,453,904	84,046
Capital outlay	21,165,730	22,615,880	10,323,615	12,292,265
Total expenditures	36,103,630	37,383,870	22,981,018	14,402,852
Excess (deficiency) of revenues over expenditures	(13,215,630)	(13,820,870)	1,142,972	14,963,842
Net Change in Fund Balance	(13,215,630)	(13,820,870)	1,142,972	14,963,842
Fund Balance (Deficit) - Beginning of Year	21,616,067	21,616,067	21,616,067	-
Fund Balance (Deficit) - End of Year	$ 8,400,437	$ 7,795,197	$ 22,759,039	$ 14,963,842

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Subventions and grants	$ 94,711,370	$ 98,043,270	$ 153,394	$ (97,889,876)
Expenditures				
Current				
Public services	-	-	33,219	(33,219)
Capital outlay	94,711,370	98,030,180	19,565,922	78,464,258
Total expenditures	94,711,370	98,030,180	19,599,141	78,431,039
Excess (deficiency) of revenues over (under) expenditures	-	13,090	(19,445,747)	(19,458,837)
Net Change in Fund Balance	-	13,090	(19,445,747)	(19,458,837)
Fund Balance (Deficit) - Beginning of Year	(499,098)	(499,098)	(499,098)	-
Fund Balance (Deficit) - End of Year	$ (499,098)	$ (486,008)	$ (19,944,845)	$ (19,458,837)

City of Palmdale, California
Statement of Net Position
Proprietary Funds
June 30, 2025

	Palmdale CCA	Internal Service Funds
Assets		
Current Assets		
Cash	$ 8,746,650	$ -
Investments	-	1,421,963
Receivables	13,463,545	394,488
Deposits and prepaids	244,564	-
Total current assets	22,454,759	1,816,451
Capital Assets		
Depreciable/Amortizable Capital Assets		
Vehicles	-	14,935,408
Equipment	-	6,379,659
SBITA assets	-	3,860,935
Less Accumulated Depreciation/Amortization	-	(15,093,972)
Capital assets, net	-	10,082,030
Total assets	22,454,759	11,898,481
Liabilities		
Current Liabilities		
Accounts payable	5,704,867	374,875
Interest payable	-	26,196
Deposits	1,282,853	-
Subscription liability	-	452,388
Due to other funds	11,781,390	1,522,723
Total current liabilities	18,769,110	2,376,182
Noncurrent Liabilities		
Subscription liability	-	1,481,343
Total liabilities	18,769,110	3,857,525
Net Position		
Net investment in capital assets	-	8,148,299
Unrestricted	3,685,649	(107,343)
Total net position	3,685,649	$ 8,040,956
Adjustment reflects consolidation of internal service fund activities related to enterprise funds	(57,593)	
Total net position of business-type activities	$ 3,628,056	

City of Palmdale, California
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Year Ended June 30, 2025

	Palmdale CCA	Internal Service Funds
Operating Revenues		
Charges for current services	$ 77,978,568	$ 8,195,922
Other revenue	3,510	28,689
Total operating revenues	77,982,078	8,224,611
Operating Expenses		
Salaries, wages and benefits	247,789	1,983,866
Material and supplies	324	867,270
Utilities	69,922,400	103,440
Administrative	20,758	14,046
Depreciation/amortization	-	1,828,608
Repairs and maintenance	-	1,865,213
Other expenditures	-	2,133
Bad debt expense	10,207,575	-
Professional services	1,032,398	-
Total operating expenses	81,431,244	6,664,576
Operating income (loss)	(3,449,166)	1,560,035
Nonoperating Revenues (Expenses)		
Interest income	150,891	147,367
Net realized and unrealized gains (losses)	-	87,646
Interest expense	-	5,717
Total nonoperating revenues (expenses)	150,891	240,730
Transfers In	-	500,000
Change in Net Position	(3,298,275)	2,300,765
Net Position - Beginning of Year	6,983,924	5,740,191
Net Position - End of Year	$ 3,685,649	$ 8,040,956
Adjustment reflects the consolidation of internal service fund activity related to enterprise funds	$ 120	
Change in Net Position of Business-type Activities	$ (3,298,155)	

	Palmdale CCA	Internal Service Funds
Operating Activities		
Cash received from customers	$ 82,394,074	$ -
Cash received from interfund services provided	-	7,822,327
Cash paid to employees for services	(247,789)	(1,983,866)
Cash paid to suppliers for goods and services	(80,697,971)	(3,215,535)
Cash (paid)/received for other services	-	28,689
Net Cash Provided (Used) by Operating Activities	1,448,314	2,651,615
Non Capital Financing Activities		
Transfers from other funds	-	500,000
Net Cash Provided (Used) by Noncapital Financing Activities	-	500,000
Capital and Related Financing Activities		
Acquisition and construction of capital assets	-	(2,633,527)
SBITA arrangements	-	(589,768)
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(3,223,295)
Investing Activities		
Gain/(loss) on investments	-	87,646
Interest income	150,891	147,367
Change in investments	-	(163,333)
Net Cash Provided (Used) by Investing Activities	150,891	71,680
Net Increase/(Decrease) in Cash	1,599,205	-
Beginning Cash	7,147,445	-
Ending Cash	$ 8,746,650	$ -
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating Income/Loss from Operating Activities	(3,449,166)	1,560,035
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Depreciation and Amortization Expense	-	1,828,608
Changes in Assets and Liabilities		
(Increase) Decrease in Accounts Receivable	4,411,996	20,893
(Increase) Decrease in Prepaids and Deposits	(244,564)	(394,488)
(Decrease) Increase in Accounts Payable	68,481	207,080
(Decrease) Increase in Due to Other Funds	830,046	(570,513)
(Decrease) Increase in Customer Deposits	(168,479)	-
Net Cash Provided (Used) by Operating Activities:	$ 1,448,314	$ 2,651,615
Schedule of Non-Cash Investing, Capital and Financing Activities		
Subscription Liability for the Acquisition of Rights to Use Subscription Asset	$ -	$ 434,223

The City's Fiduciary Funds are Custodial Funds, Retiree Health Premium Trust Funds, and Private-purpose Trust Funds. Custodial Funds, Retiree Health Premium Trust Funds, and Private-purpose Trust Funds are used to account for assets held by the City in a fiduciary capacity for other governmental units, private organizations, individuals and/or other funds.

Custodial Fund (Assessment and Community Facilities Districts Fund) – This fund is used to account for receipts and disbursements associated with 1915 Act Assessment Bonds and Special Tax Bonds, which are administered by, but are not the liability of, the City.

Retiree Health Premium Trust Fund – This fund is used to account for the receipt of City funds held in trust to provide Eligible Retirees with a supplement to reduce their premiums for participating in the City's Health Plan.

Successor Agency Private-purpose Trust Fund – This fund is used to account for the assets, liabilities and activities of the former Community Redevelopment Agency of the City of Palmdale in a trustee capacity to pay enforceable obligations of the former Community Redevelopment Agency. As more fully explained at Note 18, on February 1, 2012 in accordance with Assembly Bill (AB X1 26 and 1484) all redevelopment agencies in the State of California were dissolved. Assets and liabilities were transferred to the Successor Agency Private Purpose Trust Fund that is used to account for assets held by the City of Palmdale's former Redevelopment Agency. The City has agreed to serve as the successor agency to hold the assets until all enforceable obligations of the prior redevelopment agency have been paid in full and they are distributed to other units of state and local government.

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	OPEB Trust Funds	Successor Agency Private Purpose Trust Funds	Custodial
Assets			
Cash	$ -	$ 12,192,667	$ -
Cash - OPEB Trust Money Market Funds	2,230,118	-	-
Mutual funds	2,673,536	-	-
Receivables			
Property tax receivable	-	-	41,011
Interest receivable	-	35,606	-
Due from other governmental units	-	-	1,565
Land held for development	-	146,788	-
Restricted assets			
Cash and investments	-	582,464	8,902,059
Interest receivable	-	-	23,027
Capital assets			
Not being depreciated			
Land	-	372,073	-
Being depreciated, net of accumulated depreciation			
Buildings and structures	-	158,435	-
Total assets	4,903,654	13,488,033	8,967,662
Deferred Outflows of Resources			
Deferred Loss on Refunding	-	1,623,586	-
Liabilities			
Accounts payable	338,699	1,054,889	600,369
Advances due to general fund	-	-	913,843
Advances due to city of palmdale	-	4,902,711	-
Deposits	-	-	84,707
Interest payable	-	816,854	-
Long-term liabilities			
Due within one year	-	9,088,766	-
Due in more than one year	-	45,857,703	-
Total liabilities	338,699	61,720,923	1,598,919
Net Position			
Restricted			
OPEB benefits	4,564,955	-	-
Redevelopment dissolution	-	(46,609,304)	-
Held on behalf of others	-	-	7,368,743
Total net position (deficit)	$ 4,564,955	$ (46,609,304)	$ 7,368,743

City of Palmdale, California
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2025

	OPEB Trust Funds	Successor Agency Private Purpose Trust Funds	Custodial
Additions			
Employer contributions to retiree medical trust	$ 101,900	$ -	$ -
Property taxes	-	77,460,563	-
Other taxes	-	-	3,656,921
Investment and interest income	219,521	243,901	248,937
Net realized and unrealized gains (losses)	180,097	34,699	99,958
Total additions	501,518	77,739,163	4,005,816
Deductions			
Benefits paid to participants and expenses	674,807	-	-
Administrative expense	-	-	1,090,255
Community development	-	2,045,528	-
Intergovernmental - tax sharing	-	65,195,587	-
Depreciation/amortization	-	8,763	-
Interest expense	-	2,324,823	950,330
Principal payments on long-term debt	-	-	1,406,491
Total deductions	674,807	69,574,701	3,447,076
Changes in Net Position	(173,289)	8,164,462	558,740
Net Position (Deficit) - Beginning of Year	4,738,244	(54,773,766)	6,810,003
Net Position (Deficit) - End of Year	$ 4,564,955	$ (46,609,304)	$ 7,368,743

Notes to the Financial Statements

Palmdale, California

Year Ended June 30, 2025

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Note 1 - Summary of Significant Accounting Policies

A. Description of the Reporting Entity

The City of Palmdale (the City) was incorporated on August 24, 1962, under the general laws of the State of California and became a Charter City in 2009. The City operates under a Council-Manager form of government and provides the following services: library, recreational and culture, public improvements, planning and zoning, building and safety, street maintenance, utility services, and general administrative services. The City contracts with the County of Los Angeles to provide law enforcement, animal control, limited street maintenance for snow and hazardous materials removal, and emergency services. Fire service is provided by a separate County Fire Protection District and is not under the City's jurisdiction.

As required by Generally Accepted Accounting Principles (GAAP), the accompanying Annual Comprehensive Financial Report includes the financial activities of the City of Palmdale, the primary government, and its component units, legal separate entities for which the City is considered to be financially accountable. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth by accounting principles generally accepted in the United States of America. The City is considered to be financially accountable for an organization if the City's governing body is substantially the same as the component unit's governing body, and there is a financial benefit or burden relationship between the City and component unit, or the City has operational responsibility for a component unit. Additionally, blending would be appropriate if the component unit provides services entirely, or almost entirely, to the City or for the benefit of the City. Lastly, if the component units' total debt outstanding is expected to be repaid with City resources, blending is also appropriate for the component unit. All of the City's component units are considered to be blended component units because in all cases the City Council serves as the governing board for each component unit and the City benefits from the use of certain property and improvements as well as a burden in administering the debt service repayment. Blended component units, although legally separate entities, are, in substance, part of the City's operations, therefore data from these units are reported with the interfund data of the primary government. Management of the City has operational responsibility for each component unit, as it manages the activities of each component unit in a similar manner in which it manages other of its own programs and activities. Additionally, the City is responsible for repayment of debt within the component units using resources of the primary government.

The component units included within the financial reporting entity of the City of Palmdale are the Palmdale Financing Authority (Authority), the Industrial Development Authority (IDA), the Housing Authority of the City of Palmdale (Housing Authority), and the Palmdale Community Foundation (Foundation). The component units above are included because they meet the definition provided in the previous paragraph and of the significance of their operational or financial relationships with the City. As such, these entities are presented on a blended basis.

Separate component unit financial statements are issued for the Palmdale Financing Authority, the Housing Authority, and the Palmdale Community Foundation may be obtained from the City's website or from the City's Finance Department, 38250 Sierra Highway, Suite D, Palmdale, California 93550.

The Palmdale Financing Authority is a joint powers authority organized under Section 6500 et seq. of the California Government Code on September 26, 2012, between the City and the Housing Authority for the purpose of acting as a vehicle for financing various projects of the City and Housing Authority.

The Palmdale Financing Authority is a distinct legal entity separate and apart from the City and the Housing Authority, and its debts and obligations are not debts or obligations of the City or the Housing Authority. The City Council acts as the governing body of the Palmdale Financing Authority by serving as its board members. The activity of the Palmdale Financing Authority is reported in the Palmdale Financing Authority Debt Service Fund.

The Industrial Development Authority was organized under Section 91500 et seq. of the California Government Code on February 8, 1995, for the purpose of financing industrial development in the City. The IDA works with manufacturers and industrial companies to develop new industrial sites in Palmdale. The IDA is a distinct legal entity separate and apart from the City and the Agency, and its debts and obligations are not debts or obligations of the City or the Agency. The City Council acts as the governing body of the IDA by serving as its board members. There has been no activity in the Industrial Development Authority Fund during the fiscal year.

The Housing Authority of the City of Palmdale was established on April 9, 1997, pursuant to the State of California Health and Safety Code, Section 34200, entitled “Housing Authorities Law.” The Housing Authority was formed for the purpose of working with mobile home parks located in the City. Upon dissolution of the former Redevelopment Agency of the City of Palmdale, the Housing Authority assumed the authority to perform housing functions previously performed by the dissolved Community Redevelopment Agency and all rights, powers, duties, obligations, and housing assets, were transferred to the Housing Authority during FY2011-12. The Housing Authority is a distinct legal entity separate and apart from the City and the Agency, and its debts and obligations are not debts or obligations of the City or the Agency. The City Council acts as the governing body of the Housing Authority by serving as its board members, along with two public members. The activity of the Housing Authority is reported in the Housing Asset, Housing Facilities, and Housing Authority Special Revenue Funds.

Palmdale Community Foundation was established on January 1998, and is a non-profit organization, is organized under the California Nonprofit Public Benefit Corporation Law for public purposes. The specific purpose of the Foundation is to receive contributions and donations from the public and to use such contributions and donations to support charitable, literary, and educational activities authorized under Section 501(c)(3) of the Internal Revenue Code, including the support of programs, projects, and activities sponsored by the City of Palmdale. City staff acts as the governing body of the Palmdale Community Foundation by serving as its board members. The Palmdale Community Foundation exists solely for the enhancement of the City of Palmdale programs, the business activities are reported as a Special Revenue Fund and the financial reporting must follow GASB reporting rules. The City of Palmdale is the sole corporate member of the Foundation.

The financial statements of the City of Palmdale have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting principles. The more significant of the City’s accounting policies are described below.

B. Financial Statement Presentation, Basis of Accounting, and Measurement Focus

The accounts of the City are organized on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues, and expenditures/expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are to be controlled.

Government-Wide Financial Statements

The Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities are reported separately from business-type activities and, likewise, the primary government is reported separately from discretely presented component units. Interfund activity, including payables and receivables has been eliminated in the Statement of Activities and the Statement of Net Position. Balances between the funds included in governmental activities (i.e. the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business- type activities column.

Interfund services provided are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the Government-Wide presentation. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges for services to customers who purchase, use or directly benefit from goods, services, or privileges provided by a given function, 2) grants and contributions that are restricted to meeting the operational requirements of a particular function and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues. The Government-Wide Financial Statements are presented using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources (including capital assets, infrastructure assets, and long-term liabilities) are reported in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized as soon as they are earned and expenses are recognized as soon as a liability is incurred, regardless of the timing of related cash flows.

Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major funds individually and non-major funds in the aggregate. An accompanying schedule is presented to reconcile and explain the difference in fund balance or equity as presented in these statements to the net position presented in the Government-Wide Financial Statements.

Governmental Fund Financial Statements are presented using the current financial resources measurements focus and the modified accrual basis of accounting. Accordingly, only current assets, current liabilities and deferred inflows of resources are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded in the accounting period in which the related fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Those revenues susceptible to accrual are property taxes, franchise taxes, special assessments, licenses, interest, and charges for services. Sales taxes collected and held by the state at year-end on behalf of the government are also recognized as revenue. All other revenue items are recorded when received in cash.

The City has presented all major funds that qualified as major funds, which included the General Fund, the Housing Authority Housing Asset Special Revenue Fund, the Housing Authority Facilities Fund, Measure AV Fund, and Measure R Fund. Specific fund descriptions and purpose of each fund can be found on page 23 for all major funds. Summarization of all non-major governmental funds is presented under the Other Governmental Funds column. The individual fund statements and descriptions and purpose of the non-major funds can be found on pages 111 - 113.

Proprietary Fund Financial Statements

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. Internal service funds are presented as proprietary funds because both enterprise and internal service funds follow the accrual basis of accounting. The City maintains internal service funds to account for Information Technology and the City's fleet of vehicles.

Enterprise funds are separate accounting and financial reporting mechanisms for which revenues and expenditures are segregated into a fund with financial statements separate from all other governmental activities. Enterprise Funds are reported using the economic resources measurement focus and the accrual basis of accounting. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an Enterprise fund's principal ongoing operations. The principal operating revenues of the enterprise fund is charges to customers for services. Operating expenses for the proprietary fund includes the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The City of Palmdale has established such a fund to set up a program where bulk electricity is purchased and subsequently resold to City residents.

Fiduciary funds are used to account for assets held in a trustee or fiduciary capacity and cannot be used to support the City's own programs. Fiduciary fund financial statements are reported using the economic resources measure focus and the full accrual basis of accounting.

The Custodial Fund is used to account for receipts and disbursements associated with 1915 Act Assessment Bonds and Special Tax Bonds which are administered by, but are not the liability of, the City.

The OPEB Trust Funds are used to account for the City's Other Post-Employment Benefits Plans. Employer contributions are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

The Successor Agency Private Purpose Trust Fund is used to account for the assets, deferred outflows of resources, liabilities, and activities of the dissolved Community Redevelopment Agency in a trustee capacity to pay obligations of the former Community Redevelopment Agency. Revenues are recognized when allocated in the amount that is necessary to pay the enforceable obligations and obligations are recognized when due and payable and approved by the oversight board.

C. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the capital project funds, which adopt project-length budgets.

The budget process begins in January when budget request forms are distributed to each department. These requests are assembled by the Finance Department and are presented to the City Manager in March. Budget meetings are then held with each department. The proposed budget is presented to the City Council on or before May 31 of each year. The Council holds a public hearing in June and must adopt a final budget by June 30 of each fiscal year. If Council continues the public hearing and/or adoption of the budget beyond June 30, the Finance Department is required to obtain written authorization for the continuation of spending for the new fiscal year at a public meeting of the Council prior to July 1.

The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the category level. The category level includes personnel, training and meetings, operating expenditures, contingency, debt service, and capital outlay. Supplemental appropriations during the year must be approved by the City Council if they are over $100,000 or between funds, except for shifts in appropriations relating to personnel changes that may be done administratively by the City Manager. The City Manager can approve budget transfers up to $100,000 within a fund. Supplemental appropriations were made during the year and are reflected in the budgeted numbers contained in the accompanying financial statements. Encumbrances and Continuing Appropriations may be added to the subsequent year's adopted budget by the Finance Manager with the approval of the City Manager per Council Resolution 2021-058, Section 8.

A budgetary report-comparing budget to actual at the category level has been issued for the General Fund, Special Revenue Funds, and Debt Service Funds. General Fund and major special revenue funds are audited. Budgetary reports are not prepared for the Capital Projects Funds. This budgetary report is available from the City's Finance Department, 38300 Sierra Highway, Suite D, Palmdale, California 93550, or on the City's website www.cityofpalmdaleca.gov.

Encumbrance accounting is employed in governmental funds. Encumbrances (i.e., purchase orders, contracts, and other commitments) outstanding at year-end are reported as assigned fund balance in the General Fund since they do not constitute expenditures or liabilities and are added to the subsequent year's adopted appropriations.

D. Cash and Investments

Cash includes amounts in demand deposits and petty cash on hand. Investments include amounts in Federal Agency Securities, Certificates of Deposit, the Local Agency Investment Fund, money market funds, and investment agreements. The U.S. Treasury and Agency Securities were adjusted to fair value based on market prices on June 30, 2025. The Local Agency Investment Fund is also reported at fair market value. Amounts invested in money market funds and investment agreements are reported at fair value or guaranteed amounts per investment agreement, which is equal to cost as of June 30, 2025.

The City categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

E. Short-Term Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” in the balance sheet.

F. Advances Between Funds and Internal Balances

Non-current portions of interfund loans receivable, reported as advances from other funds, are offset by a restricted fund balance account to indicate that they are not available for appropriation and are not expendable available financial resources.

G. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

H. Land Held for Development

Land held for development is recorded at the lower of cost or market in the governmental and fiduciary funds.

I. Restricted Assets

Restricted assets represent unexpended proceeds, interest thereon, and bond reserve amounts related to bond anticipation notes, revenue bonds, tax allocation bonds and certificates of participation. The bond resolutions and indentures require that the bond reserves be maintained in amounts equal to the maximum amount of principal and interest to be paid in any single future fiscal year for each issue.

The debt service funds report restricted assets for resources set aside for current and future principal and interest payments on the bonds. The capital projects funds report restricted assets for proceeds of bond issuances, and interest thereon, which are restricted for use in construction. In cases where capital construction is being financed partially by restricted bond proceeds and partially from the City’s own resources, the City typically uses restricted assets first as appropriate opportunities arise, but reserves the right to selectively defer the use of bond proceeds to future projects.

J. Capital Assets

Capital assets, which include property, plant, equipment, right to use assets, and public domain infrastructure assets (e.g., roads, bridges, curbs, and gutters, streets, and sidewalks, drainage systems, and lighting systems), are reported in the applicable governmental columns in the Government-Wide Financial Statements. Capital assets and intangible assets are defined by the government as assets with an initial, individual cost of more than $5,000 and $125,000 respectively and an estimated useful life in excess of two years. Such assets are recorded at cost where historical costs are available and at an estimated original cost where no historical records exist. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the Government-Wide Financial Statements. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the Statement of Net Position. For depreciation purposes, the range of useful life used for each depreciable capital asset class are as follows:

Asset	Years
Buildings and Structures	50 years
Improvements Other than Buildings	5 - 10 years
Machinery and Equipment	5 - 15 years
Infrastructure	20 - 50 years

K. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and the Statement of Fiduciary Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The City has two items that qualify for reporting in this category. 1) The deferred outflows related to pension liability and 2) the deferred outflows related to the total OPEB liability.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items, one which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: State Mandated Cost Reimbursements and Grant Reimbursements. At the government wide statements, these two items are eliminated and recognized as revenues since the "availability" of resource is not a criteria used in government wide statements. The government-wide Statement of Net Position reports deferred inflows resulting from differences between expected and actual experiences in pension and OPEB related amounts, and leases.

L. Compensated Absences

Compensated absences are accrued as a liability as the benefits are earned for leave balances that are more likely than not to be used for compensated leave or settled through cash or noncash means. It is the City's policy to permit employees to accumulate earned but unused vacation and administrative leave, compensatory floating holiday time, and sick leave. A liability for these obligations is reported in the Government-Wide Financial Statements as incurred. For governmental funds, a liability for compensated absences is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year-end that have not yet been paid with expendable available financial resources.

M. Pension Plan

For purposes of measuring Net Pension Liability and Deferred Outflows/Inflows of Resources related to pensions, and pension expense, information about the Fiduciary Net Position of the City of Palmdale's California Public Employees Retirement System (CalPERS) Plan and additions to/deductions from the Plan's Fiduciary Net Position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Gains and losses related to changes in Total Pension Liability and Fiduciary Net Position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as Deferred Outflows and Deferred Inflows of Resources related to pensions and are recognized in future pension expense. The amortization period differs depending on the source of gain or loss. The difference between projected and actual earnings is amortized straight-line over five years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period. The General Fund is used to liquidate the governmental fund net pension liability.

N. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB Liability or Asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City of Palmdale Retiree Benefits Plan ("OPEB Plan") and additions to/deductions from OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the OPEB Plan recognizes benefits when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments, which are reported at amortized cost.

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are recognized in future OPEB expense. The amortization period differs depending on the source of gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period. The General Fund is used to liquidate the governmental fund OPEB liability.

O. Long-Term Obligations

In the Government-Wide Financial Statements long-term debt and other long-term obligations are reported as liabilities. Bond premiums/discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as charges in the period the cost is incurred.

In the Fund Financial Statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures in the period the cost is incurred.

P. Fund Balance

In the Fund Financial Statements, governmental funds report fund balance into five components whereby each component identifies the extent to which the City is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The five components of the fund balance are as follows:

Nonspendable: Resources that are 1) not in spendable form, such as inventories, prepaids, long-term receivables, or non- financial assets held for resale, or 2) required to be maintained intact such as an endowment.

Restricted: Resources that are subject to externally enforceable legal restrictions; these restrictions would be either 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or 2) imposed by law through constitutional provisions or enabling legislation.

Committed: Resources that have been constrained to a specific purpose by formal action of the City Council, such as an ordinance, which constitutes a binding constraint on that portion of Fund Balance. The constraint remains binding unless removed in the same formal manner by the City Council. Council action to commit fund balances must occur within the fiscal reporting period while the amount committed may be determined subsequently.

Assigned: Resources that are constrained by the City's intent to be used for specific purposes, but that are neither restricted nor committed or the residual balance of all other governmental funds except the General Fund. This policy delegates to the Finance Manager the authority to assign fund balances where the City's intent is for the amounts to be used for specific purposes. This delegation of authority is for the sole purpose of reporting these amounts in the annual financial statements.

Unassigned: Within the General Fund, the residual resources, either positive or negative, in excess of what can be properly classified in one of the other four fund balance categories. Within all other governmental funds, the negative residual resources in excess of what can be properly classified as nonspendable, restricted, or committed.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) fund balances are available, the City's policy is to first apply restricted fund balance. When expenditures are incurred for purposes for which committed, assigned, or unassigned fund balances are available, the City's policy is to first apply committed fund balance, then assigned fund balances, and finally unassigned fund balance.

Q. Deficit Fund Equity

The following funds had a deficit fund balance at June 30, 2025, in the amount indicated:

Major Special Revenue Funds	
Measure R	$ (19,944,845)
Non-Major Special Revenue Funds	
Federal Funds	$ (5,472,204)
Federal Jobs Program	(20,362)
Federal Home ARP Fund	(9,541)
Measure A LA County Parks	(100,047)
Measure M	(2,742,536)
Proposition C	(2,332,830)
SAVES	(16,856)
State Grants Fund	(1,333,618)
Local Transportation Article 8	(2,562,963)

Management anticipates that these deficits will be resolved in future years as outstanding reimbursable grants are received and as additional operating revenues become available. It is anticipated occupancy levels at the Mobile Home Parks and Apartments will continue to remain high and consistent and continue to reduce the deficit in the Housing Authority Facilities Fund.

R. Expenditures Exceeding Appropriations

The legal level of budgetary control is at the category level: personnel, training and meetings, operating, capital and debt expenditure level. In the adopted budget, certain appropriations are reported as being paid out of General Fund and funded through transfers in from special revenue funds. In the fund financial statements, these transfers are reclassified to the expenditure function level to comply with GASB 54 requirements. The following funds reported expenditures exceeding appropriations.

The following is a summary of the Excess of Expenditures Over Appropriations:

	Total	General Government	Public Services	Community Development	Cultural and Recreational	Capital Outlay
Governmental Funds						
General Fund	$ 26,048,159	$ -	$ -	$ -	$ 4,750,435	$ 21,297,724
Housing Authority Facilities Fund	149,009	-	-	12,901	-	136,108
Measure AV Fund	21,844	-	-	21,844	-	-
Measure R - Special Revenue Fund	33,219	-	33,219	-	-	-
Community Development Block Grant	240	-	240	-	-	-
Citywide Maintenance and Service Fund	1,159	1,159	-	-	-	-
Drainage Funds	413	-	413	-	-	-
Enhanced Infrastructure Financing District Fund	20,928	20,928	-	-	-	-
Federal Funds	14,126	-	14,126	-	-	-
Landscape Maintenance Fund	15,287	15,287	-	-	-	-
Measure R - Local Returns	74,775	-	74,775	-	-	-
Measure M - Special Revenue Fund	1,769	-	1,769	-	-	-
Measure M - Local Return	28,351	-	28,351	-	-	-
Misc. Grant/Developer Contributions	4,313,539	73,719	4,239,820	-	-	-
Park Development - Special Revenue Fund	50,255	-	50,255	-	-	-
Proposition C - Special Revenue Fund	103	-	103	-	-	-
Prop C Local Return	168,959	-	168,959	-	-	-
Road Maintenance	21,403	-	21,403	-	-	-
SAVES	18,169	-	18,169	-	-	-
States Grants Fund - Special Revenue Fund	16,733	-	16,733	-	-	-
Solid Waste Special Revenue Fund	129,181	-	129,181	-	-	-
Water Park Special Revenue Fund	139,748	-	-	-	139,748	-
Public Art Special Revenue Fund	6,681	-	-	-	6,681	-
Palmdale Financing Authority	5,550	-	-	5,550	-	-
CFD/Assessment Districts-Capital Projects Fund	1,956	-	1,956	-	-	-
Total excess of expenditures over appropriations	$ 31,281,556	$ 111,093	$ 4,799,472	$ 40,295	$ 4,896,864	$ 21,433,832

S. Property Taxes

With the passage of Assembly Bill No. 1197, the City of Palmdale, previously a “no property tax” city began to receive property taxes in fiscal year 1989-90. In addition, the former Community Redevelopment Agency (CRA) received incremental property taxes on property within its project areas over a base-assessed valuation on the date the project area was established. After dissolution of the former CRA, incremental property tax is received by the Private Purpose Trust. The Los Angeles County Assessor and Tax Collector perform the duties of assessing and collecting property taxes, respectively. Tax levies cover the period from July 1 to June 30 of each year. All tax liens attach annually on January 1 preceding the fiscal year for which the taxes are levied. Taxes are levied on both real and personal property, as it exists on that date. Secured property taxes are levied against real property and are due and payable in two equal installments. The first installment is due on November 1 and becomes delinquent if not paid by December 10. The second installment is due on February 1 and becomes delinquent if not paid by April 10. Unsecured personal property taxes are due on July 1 each year. These taxes become delinquent if not paid by August 31st.

T. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

U. Leases

The City determines if an arrangement is a lease at inception. Lease assets are included in capital assets and lease liabilities in the statements of net position.

Lease assets represent the City's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease receivables are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the City's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the City will exercise that option.

The City has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position. For individual contracts where information about the discount rate implicit in the lease are not included, the City has elected to use the incremental borrowing rate to calculate the present value of expected lease payments.

V. Subscription-Based IT Arrangements

Subscription-Based IT Arrangements (SBITA's) are City contracts that convey control of the right to use another party's information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. Right to use SBITA assets are recognized at the subscription commencement date and represent the City's right to use the underlying asset for the subscription term. Right to use SBITA assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right to use SBITA assets are amortized over the shorter of the subscription term or useful live of the underlying asset using the straight-line method.

SBITA Liabilities represent the City's obligation to make subscription payments arising from subscription agreements. Subscription liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of subscription payments is discounted based on a borrowing rate determined by the City.

Note 2 - Cash and Investments

Cash and investments as of June 30, 2025, are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash	$ 18,418,111
Investments	323,797,371
Restricted cash and investments	23,023,858
Total	365,239,340
Statement of Fiduciary Net Position	
Cash	12,192,667
Cash - OPEB Trust Money Market Funds	2,230,118
Investments - OPEB Trust Mutual Funds	2,673,536
Restricted Cash and Investments	9,484,523
Total	26,580,844
Total cash and investments	$ 391,820,184

Cash and investments as of June 30, 2025, consist of the following:

Cash on Hand		$ 22,067
Deposits with financial institutions		36,047,467
Investments		
Pooled	$ 321,429,044	
Held by trustees	17,576,712	
Held by trustees - PARS section 115		
Money Market Funds	472,466	
Mutual Funds	11,368,774	
Held by OPEB Trust Money Market Fund	2,230,118	
Held by OPEB Trust Mutual Fund	2,673,536	
Total		355,750,650
Total cash and investments		$ 391,820,184

A. Investments Authorized by the California Government Code and the City of Palmdale's Investment Policy

The table below identifies the investment types that are authorized for the City of Palmdale, for the OPEB Trust Fund, and the Pension Stabilization Trust Fund by the California Government Code (or the City of Palmdale's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City of Palmdale's investment policy, where more restrictive) that addresses interest rate risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements with the City of Palmdale or cash deposits held in restricted accounts, rather than the general provisions of the California Government Code or the City of Palmdale's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer**
U.S. Treasury Obligation	5 years	None	None
U.S. Federal Agency Securities	5 Years	None	None
Banker's Acceptance	180 days	40%	2%
Municipal Obligations	5 years	10%	15%
Medium Term Corporate Notes	5 years	15%	None
Negotiable Certificates of Deposit	5 years	25%	15%
Overnight Bank Investment Pool	N/A	10%	None
Local Agency Investment Fund (LAIF)	N/A	None	$ 65,000,000
California Asset Management Program (CAMP)	N/A	None	$ 65,000,000
Mutual Funds	N/A	15%	None

*Excluding amounts held by bond trustees that are not subject to California Code Restrictions
**Per account

B. Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees are governed by provisions of the trust agreements, created in connection with the issuance of debt (see Note 13) rather than the general provisions of the California Government Code. Certificates of Participation and Revenue Bond indentures specify the types of securities in which proceeds may be invested as well as any related insurance, collateral, or minimum credit rating requirements. Although requirements may vary between debt issues, money market funds, are all required to be investment grade. Guaranteed investment contracts are required to be acceptable to the municipal bond insurer. The fair value of investments is based on the valuation provided by trustee banks.

C. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Investment Policy of the City of Palmdale, Section 4.1 and 4.2, provide guidelines for managing risk. One of the ways that the City of Palmdale manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City of Palmdale's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City of Palmdale's Investments by Maturity.

	Remaining Maturity in Months			
	Total	12 Months or Less	13-24 Months	25-60 Months
Investment Type				
Treasury Notes	$ 54,489,872	$ 24,060,772	$ 9,803,750	$ 20,625,350
Federal Agency Securities	91,090,284	29,135,943	30,165,962	31,788,379
Negotiable Certificates of Deposit	2,946,714	1,477,760	-	1,468,954
Local Agency Investment Fund	110,551,311	110,551,311	-	-
CAMP Investment Fund	52,947,078	52,947,078	-	-
Corporate Notes	9,115,591	5,472,550	1,493,020	2,150,021
UBS Money Market Funds	288,196	288,196	-	-
Held by Trustees				
Money Market Mutual Funds	13,672,220	13,672,220	-	-
PARS Section 115				
Money Market Funds	472,466	472,466	-	-
Mutual Funds	11,368,774	11,368,774	-	-
OPEB Trust Money Market Funds	2,230,118	2,230,118	-	-
OPEB Trust Mutual Funds	2,673,536	2,673,536	-	-
Local Agency Investment Fund	3,904,490	3,904,492	-	-
Total Investments by Maturity	$ 355,750,650	$ 258,255,216	$ 41,462,732	$ 56,032,704

D. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City of Palmdale's investment policy, or debt agreements, and the actual rating as of year-end for each investment type:

Investment Type	Total	Minimum Legal Rating	Not Required To Be Rated	A- to A+	AA- to AA+	AAA to Aaa
Treasury Notes	$ 54,489,872	N/A	$ -	$ -	$ 54,489,872	$ -
Federal Agency Securities	91,090,284	N/A	-	-	91,090,284	-
Negotiable Certificates of Deposit	2,946,714	N/A	-	2,946,714	-	-
Local Agency Investment Pool	110,551,311	N/A	110,551,311	-	-	-
CAMP Investment Fund	52,947,078	N/A	52,947,078	-	-	-
Corporate Notes	9,115,591	A	-	7,124,338	1,991,253	-
UBS Money Market Funds	288,196	N/A	288,196	-	-	-
Held by Trustees						
Money Market Funds	13,672,220	N/A	-	-	-	13,672,220
PARS Section 115						
Money Market Funds	472,466	N/A	472,466	-	-	-
Mutual Funds	11,368,774	N/A	11,368,774	-	-	-
OPEB Trust Money Market Fund	2,230,118	N/A	2,230,118	-	-	-
OPEB Trust Mutual Funds	2,673,536	N/A	2,673,536	-	-	-
Local Agency Investment Fund	3,904,490	N/A	3,904,490	-	-	-
	$ 355,750,650		$ 184,435,969	$ 10,071,052	$ 147,571,409	$ 13,672,220

E. Concentration of Credit Risk

The investment policy of the City of Palmdale contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Reportable investments in any one issuer that represent five percent or more of the total City of Palmdale's investments are as follows:

Issuer	Investment Type	Reported Amount
Federal Home Loan Bank	Federal Agency Securities	$ 32,533,401
Federal Farm Credit Bank	Federal Agency Securities	28,432,525
Freddie Mac	Federal Agency Securities	18,681,804

F. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City of Palmdale's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

As of June 30, 2025, a total of $26,491,418 of City of Palmdale's deposits with financial institutions in excess of federal depository insurance limits was held in collateralized accounts, but not in the name of the City. In addition, as of June 30, 2025, City of Palmdale investments in the following investment types were held by the safekeeping department of the broker-dealer (counterparty) used by the City of Palmdale to buy the securities:

Investment Type	Reported Amount
Negotiable Certificates of Deposit	$ 2,946,714
Treasury Notes	54,489,873
Federal Agency Securities	91,090,284
Corporate Notes	9,115,591

G. Investment in State Investment Pool

The City of Palmdale is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City of Palmdale's investment in this pool is reported in the accompanying financial statements at amounts based upon the City of Palmdale's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on the amortized cost basis. LAIF is not rated and not registered with the Securities and Exchange Commission (SEC).

H. Investment in California Asset Management Program

The City of Palmdale is a voluntary participant in the California Asset Management Program (CAMP) that is regulated by the California Government Code Section 53601 (p) and managed by a Board of Trustees comprised of finance directors and treasurers of California public agencies that are members of the Joint Powers Authority. The value of pool shares in CAMP that may be withdrawn is determined on an amortized cost basis, which is the same as the fair value of the City's portion in the pool.

I. Disclosures Relating to Fair Value of Investments

The City categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

When quoted prices in active markets are available, investments are classified within Level 1. For investments classified within Level 2, the City's custodians generally use asset market prices derived from closing bid prices as of the last business day of the month as supplied by Interactive Data, broker-dealer quotes and matrix pricing. The City does not have any investments classified with Level 3. Deposits and withdrawals in governmental investment pools, such as LAIF are made on the basis of $1 and not fair value. Accordingly, the fair value measurement of these types of investments is based on an uncategorized input not defined as a Level 1, Level 2, or Level 3 input.

As of June 30, 2025, the City has the following recurring fair value measurements:

		Fair Value Measurement on A Recurring Basis Using		
	Balance June 30, 2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Treasury Notes	$ 54,489,872	$ -	$ 54,489,872	$ -
Federal Agency Securities	91,090,284	-	91,090,284	-
Negotiable Certificates of Deposit	2,946,714	-	2,946,714	-
Corporate Notes	9,115,591	-	9,115,591	-
PARS Section 115 - Mutual Funds	11,368,774	11,368,774	-	-
OPEB Trust Mutual Funds	2,673,536	2,673,536	-	-
Total investments by fair value level	171,684,771	$ 14,042,310	$ 157,642,461	$ -
Investments Measured Using Uncategorized Inputs				
Local Agency Investment Fund	114,455,801			
CAMP Investment Fund	52,947,078			
UBS Money Market Funds	288,196			
Money Market Mutual Funds	13,672,220			
PARS Section 115 - Money Market Funds	472,466			
OPEB Trust - Money Market Funds	2,230,118			
Total investments - uncategorized inputs	184,065,879			
Total investments	$ 355,750,650			

J. PARS Section 115 - Pension Stabilization Trust

In April 2018, the City approved and adopted the Public Agencies Post-Retirement Pension Plan Document and Trust Agreement. The asset is classified and reported as a restricted asset in the General Fund. The Pension Stabilization Trust is a tax-qualified irrevocable trust, organized under Internal Revenue Code (IRC) Section 115, established to pre-fund pension obligations.

The Plan Discretionary Trustee is U.S. Bank (U.S. Bank has delegated investment management responsibilities to High Mark Capital Management, Inc.), and Public Agencies Retirement Services (PARS) is the Trust Administrator. The City elected 'Moderately Conservative HighMark PLUS' investment approach with a blended investment objective strategy. The primary objective is to provide current income with capital appreciation as a secondary objective.

The Plan's targeted Rate of Return is 3.2 percent. The asset allocation ranges for this objective are zero percent to 20 percent cash source, 50 percent to 80 percent fixed income mutual funds, and 20 percent to 40 percent equity mutual funds, in accordance with a blended investment objective strategy. With the net investment earnings of $827,281 the ending balance as of June 30, 2025 is $11,841,240.

Note 3 - Interfund Transfers

Interfund transfers for the year ended June 30, 2025, were as follows:

Transfer To	Transfer From	Amount
General Fund	Non-Major Governmental Funds	$ 32,673,917
Non-Major Governmental Funds	General Fund	6,161,969
Housing Asset Fund	Housing Authority Facilities Fund	230,132
Internal Service Funds	General Fund	500,000
	Total interfund transfers	$ 39,566,018

Transfers resulted from the following transactions:

1. Transferring revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires expending them.
2. Transferring receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments come due.
3. Using unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.
4. Transferring bond proceeds to the fund responsible for incurring capital project expenditures.

Note 4 - Interfund Assets/Liabilities

A. Due From/To Other Funds as of June 30, 2025 were as follows:

The amounts payable to the General Fund, Measure AV, and Non-Major Governmental Funds relate to temporary cash flow loans made to several non-major funds that all are scheduled to be collected in the subsequent year.

Payable To	Payable From	Amount
General Fund	Measure R	$ 24,791,229
	Housing Asset Fund	12,509
	Non-Major Governmental Funds	14,077,736
	Palmdale CCA Fund	11,781,390
	Internal Service Funds	1,522,723
Measure AV	Non-Major Governmental Funds	6,526
Non-Major Governmental Funds	General Fund	6,020
Non-Major Governmental Funds	Non-Major Governmental Funds	10,663,101
	Total due to/due from other funds	$ 62,861,234

B. Advances Due From/To Drainage Funds as of June 30, 2025

Beginning in fiscal year ending June 30, 1993, advances were made from the Amargosa, Portal Ridge, and Pearland Drainage funds to cover shortfalls in funding in the Anaverde Drainage Funds. Government Code Section 66006 stipulates that developer impact fees shall be kept in a separate fund and earn interest until expended for the purpose for which the fee was originally collected. In accordance with this Government Code Section, interest has been accrued on a monthly basis with a rate equal to the monthly LAIF rate since the inception of the advances.

The Drainage Funds financial statements are presented as one combined statement within this report. Due to this presentation, the advances have been eliminated.

	Receivable	Payable
Anaverde Drainage	$ -	$ 2,136,221
Pearland Drainage	2,136,221	-
Total	$ 2,136,221	$ 2,136,221

The repayment of the remaining Pearland loan will be funded from future assessments received by the Anaverde Drainage Fund.

The Total Fund Equity of the individual funds is as follows:

Fund Name	Fund Equity
Amargosa Drainage	$ 3,805,406
Anaverde Drainage	(3,166,394)
Littlerock Drainage	39,788
Portal Ridge Drainage	296,396
Pearland Drainage	15,500,276
Big Rock Drainage	(8,010)
	$ 16,467,462

C. Advances Due From Fiduciary Funds

The amounts due from the Private Purpose Trust Funds are advances due to the General Fund, Housing Asset Fund that are approved enforceable obligations of the Successor Agency Trust of the Former Redevelopment Agency of the City of Palmdale and will be paid from future property tax. The amount due from the Custodial Funds includes advances to Assessment Districts that are scheduled to be collected in the subsequent year.

Advances Due From Fiduciary Funds

Payable To	Payable From	Amount
Major Fund		
General Fund	Private Purpose Trust Funds	$ 592,934
General Fund	Custodial Funds	329,984
Housing Asset Fund	Private Purpose Trust Funds	4,309,777
Total Major Funds		5,232,695
Non-Major Governmental Funds	Custodial Funds	583,859
		$ 5,816,554

D. Interfund Promissory Note Receivable and Payable as of June 30, 2025

The Housing Authority Facilities - Fund issued a Promissory Note to the former Redevelopment Low and Moderate Income Housing Fund to generate proceeds to fund additional housing programs. The Promissory Note is to be repaid from the Mobile Home Parks operating revenue when net income is sufficient under the operating agreement. As the result of the dissolution of the Community Redevelopment Agency, the Promissory Note asset was transferred to the Housing Authority Housing Asset Fund. All proceeds from repayment of the Promissory Note must be used in accordance with applicable housing related provisions of Community Redevelopment Law. During fiscal year 2024-2025, the Housing Authority Facilities fund paid $1,123,333 principal and $230,357 interest for a total of $1,353,690 to the Housing Authority Housing Asset Fund. The balance of the Promissory Note as of June 30, 2025 is $4,155,000.

E. Advances Due to/Due From Other Funds as of June 30, 2025

	Receivable	Payable
Major Funds		
General Fund	$ 5,000,000	$ -
Housing Authority Asset Fund	1,186,001	-
Housing Authority Facilities Fund	-	1,186,001
Non-Major Governmental Funds		
Park Development Fund	-	5,000,000
Pearland Drain Fund	3,800,000	-
Sewer Maintenance Assmnt District Fund	-	3,800,000
Total	$ 9,986,001	$ 9,986,001

The Park Development Fund has advances due to the General Fund of $5,000,000 resulting from a loan to provide funding to accelerate the planning, public outreach, design and construction of prioritized Park Development Fund projects, including community engagement, and establish a budget for construction based on completed design parameters. These advances shall be repaid over a period of 27 years. Payments will be interest only for the first seven years, beginning on July 1, 2020, and both principal and interest payment for twenty years, beginning on July 1, 2027. The last payment shall be in June 30, 2047.

The Housing Authority Facilities Fund has advances due to the Housing Authority-Housing Asset Fund of $1,186,001 resulting from the acquisition and operation of three mobile home parks purchased during fiscal year 2002-2003. Upon acquisition, the Housing Authority assumed the Mobile Home Park's prior owner’s liabilities which were payable to the former CRA Low and Moderate Income Housing fund and City under the terms of an operating agreement. The operating agreement establishes priorities for the use of revenues from operation of the parks and provides for repayment of the advances from net income once expenses, debt service, operating, and capital reserve requirements are met. In the interim, additional liabilities and program/project management fees will continue to accrue to the long-term advances due the Housing Authority - Housing Asset Fund if there are shortfalls in expected payment. These advances will be repaid when net income is sufficient under the operating agreement.

Note 5 - Notes Receivable and Liens

The City has the following Note Receivables outstanding at the end of June 30, 2025:

Major Funds	
Housing Authority Asset Fund	$ 25,191,544
General Fund	5,735
Total major governmental funds	25,197,279
Non-Major Governmental Funds	
Federal Home Program	7,740,759
CDBG/NSP Program	1,899,829
Housing Authority Fund	43,426
ARPA Fund	90,707
Total non-major governmental funds	9,774,721
Total	$ 34,972,000

A. Federal Home Program Loans

The City provides loans to developers for development and rehabilitation of affordable housing. All loan payments will be used to pay for future program expenditures. The balances of the loans were $7,740,759 as of June 30, 2025.

B. CDBG/NSP Program Loans

Through the Community Development Block Grant and the Neighborhood Stabilization Program, the City provides subsidies to families for purchase of single family affordable housing. Each year a portion of the loan is forgiven if the participant is compliant or repayment of the loan would be received if the home is sold during the compliance period. The balances of the loans were $1,899,829 as of June 30, 2025.

C. Housing Program

The Housing Program provides loans for mortgage assistance, mobile home rehabilitation, development of affordable homes, and Veteran's Purchasing Assistance loans. All loan payments will be used to pay for future program expenditures. The balances of the loans were $25,191,544 as of June 30, 2025.

Note 6 - Fund Balance Classification

The Fund Balances at June 30, 2025 were classified as follows:

	General Fund	Special Revenue Funds: HA Housing Asset Fund	Special Revenue Funds: Housing Authority Facilities Fund	Special Revenue Funds: Measure AV	Special Revenue Funds: Measure R	Other Governmental Funds	Total Governmental Funds
Nonspendable							
Advances	$ 922,918	$ -	$ -	$ -	$ -	$ -	$ 922,918
Deposits and prepaids	293,759	-	-	-	-	-	293,759
Total nonspendable	1,216,677	-	-	-	-	-	1,216,677
Restricted							
General government	-	-	-	22,759,039	-	-	22,759,039
Pension stabilization program	11,841,241	-	-	-	-	-	11,841,241
Debt service	-	-	-	-	-	6,902,100	6,902,100
Public safety programs	-	-	-	-	-	14,649,230	14,649,230
Public services programs	-	-	-	-	-	189,576,770	189,576,770
Low and moderate income housing	-	48,014,013	947,225	-	-	12,023,008	60,984,246
Recreation and culture programs	-	-	-	-	-	7,668,327	7,668,327
Health and welfare programs	-	-	-	-	-	4,549,521	4,549,521
Total restricted	11,841,241	48,014,013	947,225	22,759,039	-	235,368,956	318,930,474
Assigned							
Compensated absences	2,224,370	-	-	-	-	-	2,224,370
Self insurance claims	2,489,243	-	-	-	-	-	2,489,243
Health insurance	9,102,265	-	-	-	-	-	9,102,265
Total assigned	13,815,878	-	-	-	-	-	13,815,878
Unassigned Fund Balance	84,272,631	-	-	-	(19,944,845)	(14,590,957)	49,736,829
Total fund balance (deficit)	$ 111,146,427	$ 48,014,013	$ 947,225	$ 22,759,039	$ (19,944,845)	$ 220,777,999	$ 383,699,858

Note 7 - Joint Ventures

A. Antelope Valley Transit Authority

The City of Palmdale is a member of the Antelope Valley Transit Authority (Authority), a joint powers authority of the County of Los Angeles and the cities of Palmdale and Lancaster. The Authority was formed to provide public transit service to Palmdale and Lancaster. The governing board consists of one person from each member agency. Each member has one vote.

The Authority entered into a “Reimbursement Agreement” with the County of Los Angeles to repay the obligation incurred by the County on their behalf. The Authority is funded in part by revenues allocated to the City and redirected to the Authority and in part by a shared formula based on the level of service provided to the jurisdiction.

Separate financial statements of the Authority are available from the Authority office located at 1031 W. Avenue L-12, Lancaster, California, 93534.

B. Palmdale Recycled Water Authority

As of September 26, 2012, the City of Palmdale became a member of the Palmdale Recycled Water Authority (Authority), a joint exercise of powers agreement between the City of Palmdale and Palmdale Water District. The Authority was formed to jointly study, promote, develop, distribute, construct, install, finance, use, and manage recycled water resources created by the Los Angeles County Sanitation District Nos. 14 and 20 for any and all reasonable and beneficial uses, including irrigation and recharge, and to finance the acquisition and construction or installation of recycled water facilities, recharge facilities, and irrigation systems. The governing board consists of five Directors. The governing body of each Member shall appoint and designate two Directors who shall be authorized to act for and on behalf of the Member on matters within the powers of the Authority. The fifth Director shall be appointed jointly by both Members. The Authority is funded by Member contributions. Separate financial statements of the Authority are available from the City of Palmdale Finance Department at 38250 Sierra Highway, 2nd floor, Palmdale, California 93550.

Note 8 - Risk Management

The City is self-insured and exposed to various risk of loss related to general liability and health, dental, and vision needs of employees. Under the City's risk management program, the City retains the risk for general liability claims for the first $500,000 per occurrence and carries excess general liability and automobile insurance with total policy limits of $35,000,000. There have been no settlements related to these programs that exceeded insurance coverage in the last three years. The City transitioned to a self-insurance health plan in January 2009 and purchases stop loss coverage for the health benefits program for health claims in excess of $125,000 per covered person. The first claims that exceed the $125,000 specific deductible, whether from a single member or several, are paid by the group's $60,000 aggregating specific deductible. The City retains the risk for dental and vision claims. The health, dental, and vision claims are administered by Benefit and Risk Management Services, Inc., a third-party claims administrator.

The City records estimated liabilities for claims filed or expected to be filed up to the amounts for which it retains risk. Charges to the General Fund and other funds are determined from an analysis of claims costs, and are recorded as expenditures in the various funds.

During fiscal year 2024-2025, $678,068 was incurred in liability administrative costs. On June 30, 2025, general liability claims totaled $4,883,243. The portion estimated to be due within one year is $2,394,000 and is calculated based on a three-year average of settlements paid during the fiscal year. These accruals, based on the results of an actuarial study and the Risk Management department, represent estimates of amounts to be paid for reported claims and incurred but unreported claims.

During fiscal year 2024-2025, $412,143 was paid in health claims and $367,905 was paid in health administrative costs. On June 30, 2025, $732,447 was accrued for health liability claims in the Government-Wide Financial Statements. The accruals, based on the results of an actuarial study, represent estimates of amounts to be paid for reported claims and incurred but unreported claims. All administrative costs were paid during the fiscal year and no unpaid amounts are due and payable as of June 30, 2025.

During fiscal year 2024-2025, $195,067 was paid in dental and vision claims and $22,441 was paid in dental and vision administrative costs. On June 30, 2025, $105,870 was accrued for dental and vision claims in the Government-Wide Financial Statements. The accruals, based on the results of an actuarial study, represent estimates of amounts to be paid for reported claims and incurred but unreported claims.

The total liability is calculated considering the effects of inflation, recent favorable claim settlement trends, including frequency and amount of payouts, anticipated future investment earnings on funds held to pay losses, and other economic and social factors.

It is the City's practice to obtain a full actuarial study annually to perform an analysis of the City's potential liability for the City's retained risk portions of the various self-insurance programs. The amounts recorded as liabilities represent estimates of amounts to be paid for reported claims, as well as incurred but not reported claims based upon past experience, modified for current trends, and information. While the ultimate amounts of losses incurred through June 30, 2025, are dependent on future developments, the City's management believes that the aggregate accrual is adequate to cover such losses. The liabilities for general liability claims are reported using a discount rate of 3.0% while a 25.0% margin was added to the estimated health, dental, and vision claims for potential adverse deviation. The estimates do not include any additional provision for administrative expenses associated with the adjudicating or processing the unpaid claims.

Changes in the balances of the City's claims liabilities for the current and prior fiscal year are as follows:

	General Liability	Health Claims	Dental and Vision Claims	Total
Balance of June 30, 2023	$ 6,014,772	$ 865,071	$ 96,200	$ 6,976,043
Claims incurred	941,403	1,370,760	212,038	2,524,201
Claims paid	(751,000)	(1,545,123)	(218,677)	(2,514,800)
Balance of June 30, 2024	6,205,175	690,708	89,561	6,985,444
Claims incurred	678,068	453,882	211,376	1,343,326
Claims paid	(2,000,000)	(412,143)	(195,067)	(2,607,210)
Balance as of June 30, 2025	$ 4,883,243	$ 732,447	$ 105,870	$ 5,721,560

Note 9 - Unearned Revenue and Unavailable Revenue

Unearned Revenue - Governmental Funds and governmental activities report unearned revenues on the balance sheet in connection with resources that have been received, but not yet earned. Accordingly, this type of unearned revenue is also reported on the Statement of Net Position. At the end of the current fiscal year, the components of unearned revenue were as follows:

General Fund	
Fees received for recreational program not yet held	$ 155,216
Franchise tax received in advance	7,791,667
Total general fund unearned revenue	7,946,883
Housing Asset Fund	
Contract revenues received in advance	3,828,000
American Rescue Plan Act Fund	
U.S. Treasury Funds received for Coronavirus Aid	11,566,473
Misc grants/developer contributions Fund	287,255
Total unearned revenues for governmental funds	$ 23,628,611

Unavailable Revenue - Governmental funds also report deferred inflows of resources on the balance sheet in connection with resources that have been earned, but are not yet available to finance expenditures of the current fiscal period. This type of Unavailable Revenue is unique to governmental funds and is tied to the modified accrual basis of accounting. Accordingly, these Unavailable Revenues are not reported on the Statement of Net Position. At the end of Fiscal Year 2024-25, the components of Unavailable Revenue resulting from grant revenue not received with 60-day accrual period were detailed as follows:

Major Funds	
General Fund	$ 4,991,229
HA Housing Asset Fund	6,178,301
Measure R	22,064,665
Non-Major Special Revenue Funds	
Community Development Block Grant	39,658
Federal Funds	5,169,027
Federal Home Program	3,222,864
Housing Authority Fund	221
Measure M	845,510
Misc. Grants/ Developer Contributions	435,612
Proposition C	4,210,274
ARPA Fund	90,707
Total unavailable revenue for governmental funds	$ 47,248,068

Note 10 - Capital Assets and Right to Use Assets

Capital Assets of the City for year ended June 30, 2025, consisted of the following:

	Beginning Balance, As Restated	Additions	Deletions	Ending Balance
Governmental Activities				
Capital Assets, Not being Depreciated				
Land and Improvements	$ 122,859,592	$ 28,343,222	$ -	$ 151,202,814
CFD 16-1 Water Credits	153,090	-	-	153,090
Construction in Progress	63,516,507	71,988,328	(34,146,309)	101,358,526
Total capital assets, not being depreciated	186,529,189	100,331,550	(34,146,309)	252,714,430
Capital Assets, Being Depreciated				
Buildings and Structures	81,885,499	6,587,661	-	88,473,160
Improvements Other than Buildings	2,854,881	29,461	-	2,884,342
Machinery and Equipment	23,288,518	2,736,242	(412,089)	25,612,671
Infrastructure	1,189,617,415	30,967,607	-	1,220,585,022
Total capital assets, being depreciated	1,297,646,313	40,320,971	(412,089)	1,337,555,195
Less: Accumulated Depreciation for				
Buildings and Structures	30,859,895	1,674,107	-	32,534,002
Improvements Other than Buildings	1,989,788	264,758	-	2,254,546
Machinery and Equipment	15,351,072	1,558,714	(381,840)	16,527,946
Infrastructure	761,446,874	36,253,644	-	797,700,518
Total accumulated depreciation	809,647,629	39,751,223	(381,840)	849,017,012
Total capital assets, being depreciated, net	487,998,684	569,748	(30,249)	488,538,183
Right to Use Assets				
SBITA Assets	3,568,992	434,223	(142,282)	3,860,933
Machinery and Equipment - Right to Use	501,115	1,110,980	(81,952)	1,530,143
Total right to use	4,070,107	1,545,203	(224,234)	5,391,076
Accumulated Amortization				
SBITA Assets	1,336,679	587,210	(142,282)	1,781,607
Machinery and Equipment	189,073	171,384	(81,952)	278,505
Total accumulated amortization	1,525,752	758,594	(224,234)	2,060,112
Total right to use assets, net	2,544,355	786,609	-	3,330,964
Total governmental activities capital assets, net	$ 677,072,228	$ 101,687,907	$ (34,176,558)	$ 744,583,577

Note: Amortization expense on SBITA Assets and machinery and equipment of $587,210 and $171,384 is charged to Internal Service Funds and the governmental public safety function, respectively.

For the year ended June 30, 2025, depreciation on capital assets was charged to the governmental functions as follows:

Governmental Function	Depreciation Expense
General Government	$ 881,408
Cultural and Recreational	2,348,420
Community Development	46,478
Public Safety	8,385
Health and Welfare	97,210
Public Services	35,537,482
Internal Service Funds	831,840
Total depreciation expense	$ 39,751,223

Note 11 - Financed Purchases

Canon Copier – In October 2020, the City entered into a new agreement with Canon Financial Services, Inc. to finance the acquisition of new copier machines throughout the City and thus terminated its existing three agreements that were scheduled to expire in December 2020. The terms of the agreement are for seven years with an interest rate of 2.26 percent per annum.

In September 2022, the City added amendments 4 & 5 with Canon Financial Services, Inc to finance the acquisition of two new copier machines. These amendments are for 49 months with an implicit interest rate of 2.26 percent per annum.

Principal payments for the year ended June 30, 2025, amounted to $110,118 under the agreement and are sourced by the General Fund. In the event of default, Canon Financial Services may repossess the equipment but may not accelerate the entire balance outstanding due and payable.

For Year Ending	Principal	Interest	Total
2026	$ 90,968	$ 1,943	$ 92,911
2027	39,253	103	39,356
Total value of minimum lease payments	$ 130,221	$ 2,046	$ 132,267

Energy Efficient Equipment - On June 29, 2016, the City entered into a thirteen- year agreement with Capital One Public Funding, LLC to finance the acquisition of energy efficient equipment. Interest on the contract is payable semi-annually at 3.44 percent per annum. Principal payments for the year ended June 30, 2025, amounted to $88,871 and are sourced by the General Fund. In the Event of Default, Capital One Public Funding may repossess the equipment but may not accelerate the entire balance outstanding due and payable.

For Year Ending	Principal	Interest	Total
2026	$ 91,928	$ 13,317	$ 105,245
2027	95,091	10,155	105,246
2028	98,362	6,884	105,246
2029	101,745	3,500	105,245
Total value of minimum lease payments	$ 387,126	$ 33,856	$ 420,982

Note 12 - Long-Term Debt

A. Notes Payable

Section 108 HUD Note Payable – On January 11, 2006, the City issued a Variable Rate Note by entering into the Department of Housing and Urban Development contract for Loan Guarantee Assistance under Section 108 of the Housing and Urban Development Act of 1974. The City received advanced proceeds of $5,000,000 and used the proceeds for property acquisition, relocation, and demolition costs associated with the development of the proposed Senior Center. Interest on the note is equal to 0.2 percent above the applicable London Interbank Offered (LIBOR) and is payable semi-annually on February 1st, and August 1st, beginning February 1, 2006. Principal installments are payable August 1st of each year from 2006 through 2025. The payment schedule detailed below uses a blended interest rate ranging from 4.63 percent to 5.3 percent due to the note payable's variable interest rate.

On March 20, 2019, the U.S. Department of Housing and Urban Development refinanced $327,338,000 of its debt for Section 108 Participating Certificates, new Series HUD 2019-A, in which the City participated by refinancing $2,056,000 of its $2,464,000 outstanding principal balance and thus generating new blended rates ranging from 2.54 percent to 3.365 percent where the remaining $408,000 and original terms and schedule of payments remaining the same. Debt payments are to be paid from Community Development Block Grant funds and there are no remedies for Event of Default explicitly stated. The principal balance outstanding as of June 30, 2025, is $368,000.

Year Ending	Principal	Interest	Total
2026	$ 368,000	$ 5,038	$ 373,038
Totals	$ 368,000	$ 5,038	$ 373,038

HOME Loan Note Payable – In December of 2005, the City entered into an agreement with the Department of Housing and Community Development for the State of California HOME Investment Partnerships Program (HOME) to help approve the construction loan closing for the Courson Connection Project. The City has received advanced proceeds of $2,850,000 from HOME and has passed through those funds to the developer, Courson Senior Partners LP, for the construction of the 75 units of Senior Housing in the Courson Connection Project. The repayment of the loan will be over a 55-year term through residual receipts from the Project. As of June 30, 2025, no residual receipts from the project have been received from developer. Interest on the note is equal to 3 percent.

If any installment under the Promissory Note is not paid when due or any default occurs in the agreements contained in the Note or the Loan Documents, the entire principal amount outstanding and any accrued interest thereon shall become due and payable immediately. The outstanding balance as of June 30, 2025, is $2,850,000 with $1,423,438 of unpaid accrued interest.

2017 Installment Payable of Street light Acquisition ($11,397,102) – During the Fiscal Year 2016-17, the City of Palmdale submitted a request to acquire street lights from Southern California Edison. In preparation for the acquisition of street lights, the City created a comprehensive inventory of light poles and their locations. Additionally, the City retained Utility Cost Management (UCM) to perform an analysis of the financial feasibility to acquire and maintain the City street lights. One of the key advantages of the street lights ownership is savings in energy cost by retrofitting existing street lights into Light Emitting Diode (LED) lighting. Retrofitting also provides the City with a greater ability to control future updates as technology develops.

The City has five (5) Streetlight Maintenance Assessment Districts. District No. 1 consists of residential and non-residential developments located throughout the City. It has 144 individual Annexations encompassing approximately 6,441 parcels. District No. 2 includes the Anaverde Master Planned Community, with 1,457 parcels. District No. 3 includes the Ritter Ranch Master Planned Community and has approximately 48 parcels. There are no street lights in District No. 3. District No. 4, similar to District No. 1, consists of residential and nonresidential developments located throughout the City.

A new engineering firm took over the annexations in 2010 and started using the term “SLMD 4” to annex in any new projects after that date just to keep track, but legally they are all part of SLMD 1. Both Districts are referred to as SLMD 1/4. District No. 4 has 19 individual Annexations encompassing approximately 54 parcels. District No. 5 includes the approximately 32,790 parcels that were previously covered under the Los Angeles County Lighting Maintenance District No. 1616, and that have been administered by the City since fiscal year 2014/2015.

On August 1, 2017, the City Council approved the Purchase and Sale Agreement between the City of Palmdale and Southern California Edison for the ownership of approximately 17,352 street lights within the five (5) Streetlight Maintenance Assessment Districts limits. In order to finance the acquisition of street lights, the Palmdale Financing Authority and the City of Palmdale entered into an Installment Sale Agreement for $11,397,102 on September 1, 2017. Simultaneously, Opus Bank, a California commercial bank entered into an Assignment Agreement with the Palmdale Financing Authority. As such, the loan is now the City’s loan to OPUS, and no longer a Palmdale Financing Authority loan and receivable.

Opus Bank agreed to purchase the City's obligations under the Installment Sale Agreement at a purchase price of $11,397,102 at the interest rate of 2.4 percent per annum. The purchase price paid by Opus Bank is to be used by the City to finance the acquisition of approximately 17,352 street lights from Southern California Edison and to pay the costs related to the preparation, execution and delivery of the Installment Sale Agreement and the Assignment Agreement.

On September 7, 2017, Opus Bank disbursed $157,850 constituting the first advance under the Installment Sale Agreement for payment of costs of the financing transactions, resulting in the available proceeds in the amount of $11,239,252 for the City to acquire the street lights from Southern California Edison. At closing of the Installment Sale Agreement and the Assignment Agreement, dated as of September 7, 2017, the City did not draw any funds from the available proceeds of $11,239,252.

Installment payments are computed based on the amount drawn upon during each six month period and represent the maximum payment assuming all project funds are drawn on the closing date. The 2017 Installment Sale Agreement is payable semi- annually on February 1st and August 1st at the rate of 2.48 percent per annum. Principal installments are payable August 1st of each year to 2032 commencing August 1, 2019. Up to 10 percent of outstanding principal can be prepaid every year without prepayment penalty or limitation, as long as such payment is not through refinancing. Such prepayments will be applied against the back end of the amortization schedule. On January 31, 2018, the City made the first interest payment of $1,565.87 on the $157,850 draw related to the cost of financing.

On January 25, 2018, the City drew upon $6,869,454 for the acquisition of approximately 10,538 street lights from Southern California Edison. On March 23, 2018, the remaining balance of available proceeds was drawn upon in the amount of $4,369,798, which was used to acquire additional 7,234 street lights from Southern California Edison. As a result of these two advances, all project funds are drawn to its maximum amount of $11,239,252. In accepting the inventory listing provided by Southern California Edison, the City acquired 17,772 street lights in total, which are 420 more street lights than the initial estimate of 17,352.

Pursuant to the Installment Sale Agreement, the City will pledge as collateral the assessments in the City's Street Light Maintenance Districts 1, 4 and 5 and use such assessments with the first priority for repayment of advances. In the Event of Default, Pacific Premier Bank (acquired Opus Bank) may repossess the street light poles but may not accelerate the payments outstanding and due.

Year Ending	Principal	Interest	Total
2026	$ 800,260	$ 163,335	$ 963,595
2027	820,107	143,242	963,349
2028	840,446	122,652	963,098
2029	861,289	101,550	962,839
2030-2033	3,664,116	184,522	3,848,638
Totals	$ 6,986,218	$ 715,301	$ 7,701,519

2017 On Bill Financing (OBF) – The City of Palmdale and Southern California Edison ("SCE") entered into the Energy Management Solution Incentive Application ("EMS Agreement") with the California Public Utilities Commission ("CPUC") in May 2014. After submission of the application, the City has completed installation of energy efficient equipment ("Equipment") at the sites as set forth in the EMS Agreement. In Decision 12-11-015, the CPUC authorized SCE to provide zero-percent financing for the installation of Equipment, which is to be repaid over a specified period through the City's electric utility bill through a process called On-Bill Financing ("OBF").

Amounts due under this OBF Agreement will be amounts deemed due under each SCE utility bill to the Customer Service Account(s), and a default under this OBF Agreement will be treated as a default under the Customer Service Account(s). Customer's Loan Obligation is subject to the discontinuance provisions of SCE's Rule 11, Discontinuance and Restoration of Service, Section B, Nonpayment of Bills or Summary Bills which is incorporated herein by reference. Following a breach as set forth in this section, SCE shall have the right to declare the entire unpaid balance of the Loan Obligation immediately due and payable.

a. In August 2017, the City entered into an OBF Agreement OBF A-5962 with SCE for the replacement of Courson Park lights with the Equipment. The Park's address is 38226 10th Street East, Palmdale, CA 93550. The amount financed is $229,909, and the repayment will be over one hundred twenty (120) months in the amount of $1,916 per month starting in December 2017. The outstanding balance as of June 30, 2025 is $55,425.

b. In October 2020, The City entered into another OBF Agreement with SCE. The City has completed installation of eligible energy efficient equipment at the Marie Kerr Park Site set forth in the EMS Agreement and has accepted the equipment as being operational and in good working order. The amount financed is $116,203, and the repayment will be sixty-nine (69) months in the amount of $1,700 per month. The outstanding balance as of June 30, 2025 is $29,486.

Year Ending	Principal A	Interest	Total
2026	$ 23,016	$ -	$ 23,016
2027	23,016	-	23,016
2028	9,393	-	9,393
Totals	$ 55,425	$ -	$ 55,425

Year Ending	Principal B	Interest	Total
2026	$ 20,404	$ -	$ 20,404
2027	9,082	-	9,082
2028	-	-	-
Totals	$ 29,486	$ -	$ 29,486

B. Revenue Bonds

2015 Multifamily Housing Revenue Bonds Payable ($4,235,000) – On September 3, 2015, the Housing Authority of the City of Palmdale issued $4,235,000 of Multifamily Housing Revenue Bonds (2015 Bonds). Interest on the 2015 Bonds is payable semi-annually on December 1st and June 1st at rates ranging from 2.62 percent to 5.25 percent per annum. Principal installments are payable June 1st of each year from 2017 to 2045.

The 2015 Bonds maturing on or after June 1, 2026, may be redeemed on or after June 1, 2025, from moneys deposited in the Redemption Fund from any source of available funds, at a redemption price equal to the principal amount of Bonds called for redemption, together with accrued interest to the date fixed for redemption, without premium.

The 2015 Bonds maturing on or after June 1, 2025, are subject to extraordinary mandatory redemption from proceeds derived from sale or part of any of the Housing Facilities not elected by the Authority to be deposited in the Repair & Replacement Fund and used for acquisition and/or construction of improvements and extensions to the Housing Facilities, but instead transferred to the Redemption Fund, at a redemption price equal to bond principal amount called for redemption, together with accrued interest to the date fixed for redemption, without premium, on any date.

The 2015 Bonds maturing on any date, are subject to extraordinary mandatory redemption from insurance proceeds or condemnation proceeds not used for the purpose of repairing or replacing the property damaged, destroyed or taken, and transferred to the Redemption Fund pursuant to the Indenture or from proceeds of any foreclosure action under any of the Deeds of Trust transferred to the Redemption Fund, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium.

The proceeds of the 2015 Bonds were used to finance the acquisition of the Impressions, La Quinta, Park Vista, and Summerwood Apartments (collectively, the “Housing Facilities”) all located within the City of Palmdale, to finance the costs to renovate portions of the Housing Facilities, pay costs related to the issuance of the bonds, and make a deposit to a Bond Reserve Account for the Bonds.

The 2015 Bonds are limited obligations of the Housing Authority of the City of Palmdale and are secured by a first pledge of all of the Net Revenues of the Housing Facilities and by the Trustee’s interest in a Deed of Trust for each of the Housing Facilities. Net Revenues are derived primarily from rents received by the Authority from the operation of the Housing Facilities, less the costs of the operation and maintenance of the Housing Facilities. The 2015 Bonds are payable solely from the Net Revenues and other assets pledged under the Indenture. The 2015 Bonds do not constitute a debt or liability of the City, the State or any political subdivision thereof. The liability is included in these Notes because the Housing Authority is reported as a component unit of the City’s financial statements.

Failure by the Authority to pay debt service on the bonds constitutes an event of default under the indenture and the Trustee is permitted to pursue remedies at law or in equity to enforce the Authority's obligation to make such payments. The Trustee has no right to accelerate the total unpaid principal amount of the debt service on the bonds by reason of the occurrence of an event of default und the indenture. If there is a default under the indenture, the primary remedy of the Trustee is to foreclose on the real and personal property security granted pursuant to the Deeds of Trust and related documents.

Year Ending	Principal	Interest	Total
2026	$ 110,000	$ 167,895	$ 277,895
2027	115,000	163,275	278,275
2028	115,000	158,445	273,445
2029	125,000	153,615	278,615
2030	125,000	148,365	273,365
2031-2035	735,000	653,535	1,388,535
2036-2040	915,000	462,263	1,377,263
2041-2045	1,195,000	194,775	1,389,775
Totals	$ 3,435,000	$ 2,102,168	$ 5,537,168

2017 Lease Revenue Bonds Payable ($17,475,000) – On April 5, 2017, the Palmdale Financing Authority issued $17,475,000 of Lease Revenue Refunding Bonds, Series 2017. Interest on the 2017 Series Bonds is payable semi-annually on November 1 and May 1 at rates ranging from 2.00 percent to 3.50 percent per annum. Principal installments are payable November 1 of each year to 2032.

The 2017 Series Bonds maturing on or after November 1, 2028, may be redeemed on or after November 1, 2027, from any available source of funds, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

The 2017 Series Bonds are subject to special mandatory redemption as a whole, or in part on any date, from hazard insurance proceeds or condemnation proceeds not used to repair or replace any portion of the Property damaged or destroyed and elected by the Authority, at the discretion of the City, to be used for such purpose, at a redemption price equal to 100 percent of the principal amount thereof plus interest accrued thereon to the date fixed for redemption, without premium.

The 2017 Bonds represent direct, undivided fractional interests in a lease of the Palmdale City Hall, Palmdale Main Library, Larry Chimbole Cultural Center, Domenic Massari Park, and Desert Sands Park. The City has the right, subject to certain conditions, to substitute alternate property for the above properties, as the property subject to the lease.

The lease agreement requires the City to pay a semi-annual base rental to the Authority on October 25 and April 25 for the use of the facilities through November 2032. The rentals will be used by the Authority to pay principal and interest with respect to the 2017 Bonds as they become due. Title to the land and facilities covered by the lease and the 2017 Bonds is vested in the Authority, for the benefit of the 2017 Bond holders, during the lease term.

Upon completion of the term of the lease and payment in full to the 2017 Bond holders, title to the property shall vest in the City. The City may, on any date, deposit sufficient funds into an irrevocable trust to pay all remaining lease payments, at which time the lease agreement shall cease and terminate and title to the property shall vest in the City.

Should the City default under the lease agreement, the Trustee, as assigned by the Authority, may terminate the lease agreement and re-lease the property or may retain the lease agreement and hold the City liable for all lease payments thereunder on an annual basis. Under no circumstances will the Trustee have the right to accelerate lease payments.

Year Ending	Principal	Interest	Total
2026	$ 750,000	$ 323,538	$ 1,073,538
2027	810,000	284,538	1,094,538
2028	920,000	241,288	1,161,288
2029	965,000	194,163	1,159,163
2030	1,095,000	152,928	1,247,928
2031-2034	4,015,000	215,516	4,230,516
Totals	$ 8,555,000	$ 1,411,971	$ 9,966,971

2023 Lease Revenue Bonds Series 2023A and 2023B ($40,930,000) -The City of Palmdale issued Lease Revenue Bonds, Series 2023A and 2023B, on November 30, 2023, through the Palmdale Finance Authority to finance and refinance the acquisition of real property for economic development initiatives. The Series 2023A Bonds were issued in the amount of $26,370,000 and carry an interest rate ranging from 4.125% to 5% and will mature on June 1, 2053. Scheduled principal payments are made annually, based on the debt service schedule, beginning with $575,000 made on June 1, 2025.

The Series 2023B Bonds totaled $14,560,000 and carry an interest rate ranging from 5.6% to 6.65% and will mature on June 1, 2053. Scheduled principal payments will be made annually, based on the debt service schedule, beginning with $670,000 made on June 1, 2025.

These bonds were specifically structured to support the city's strategic efforts in acquiring land and properties that will foster business growth, attract investment, and enhance long-term economic sustainability. The bonds are backed by a pledge of general fund and Measure AV fund revenues to ensure timely repayment. By leveraging these funds, Palmdale aims to drive development opportunities and strengthen its local economy.

Lease Revenue Bonds Payable 2023A ($26,370,000) -

Year Ending	Principal	Interest	Total
2026	$ 605,000	$ 1,180,013	$ 1,785,013
2027	635,000	1,149,763	1,784,763
2028	665,000	1,118,013	1,783,013
2029	560,000	1,084,763	1,644,763
2030	590,000	1,056,762	1,646,762
2031-2035	1,465,000	5,100,563	6,565,563
2036-2040	4,360,000	4,355,063	8,715,063
2041-2045	5,435,000	3,282,800	8,717,800
2046-2050	6,700,000	1,995,444	8,695,444
2051-2053	4,780,000	436,500	5,216,500
Totals	$ 25,795,000	$ 20,759,684	$ 46,554,684

Lease Revenue Bonds Series 2023B ($14,560,000) -

Year Ending	Principal	Interest	Total
2026	$ 705,000	$ 875,833	$ 1,580,833
2027	70,000	836,705	906,705
2028	50,000	832,820	882,820
2029	140,000	830,020	970,020
2030	745,000	822,040	1,567,040
2031-2035	3,100,000	3,433,623	6,533,623
2036-2040	1,600,000	2,793,670	4,393,670
2041-2045	2,175,000	2,210,448	4,385,448
2046-2050	2,995,000	1,391,180	4,386,180
2050-2053	2,310,000	313,548	2,623,548
Totals	$ 13,890,000	$ 14,339,887	$ 28,229,887

C. Certificates of Participation

2021 Certificates of Participation Payable ($13,584,908) - On May 27, 2021, the City issued the Refunding of the 2007 Certificates with a private placement loan with Western Alliance Bank, in the amount of $13,584,908 with annual interest rate of 3.93 percent. The Refunding loan and other available funds in the trust accounts were used to refund the outstanding principal of the 2007 Certificates. As a result of the refunding, the City entered into a new Site Lease Agreement with Palmdale Financing Authority. As of June 30, 2021, a total of $13,584,908 was outstanding. The lease agreement requires the City to pay a semi-annual base rental on August 15 and February 15 to the Authority for the use of the facilities through September 2029. The rentals will be used by the Authority to pay principal and interest with respect to the 2021 Bonds as they become due. Title to the land and facilities covered by the lease and the 2021 Bonds is vested in the Authority, for the benefit of the 2021 Bond holders, during the lease term.

A refinancing at this rate produces a present value savings to the City of approximately 15% of the outstanding balance of the 2007 COPs and a total estimated $4,247,425 reduction in debt service payments over 15 years, or approximately $267,000 per year, and an estimated economic gain of $2,474,462.

Upon completion of the term of the lease and payment in full to the lender, Western Alliance Bank, title to the property shall vest in the City. The City may, on any date, deposit sufficient funds into an irrevocable trust to pay all remaining lease payments on or after April 1, 2023 (option 1) or on or after April 1, 2029 (option 2), at which time the lease agreement shall cease and terminate and title to the property shall vest in the City.

In event of default under the lease, there is no available remedy of acceleration of the total lease payments due under the terms of the lease agreement. The City will only be liable for lease payments on an annual basis as they come due, and the Trustee would be required to seek separate judgments for the annual lease payments that may include foreclosure of the property.

Year Ending	Principal	Interest	Total
2026	$ 790,168	$ 417,668	$ 1,207,836
2027	821,121	386,615	1,207,736
2028	855,041	354,345	1,209,386
2029	887,738	320,742	1,208,480
2030	923,213	285,853	1,209,066
2031-2035	5,187,685	855,841	6,043,526
2036	1,162,726	45,695	1,208,421
Totals	$ 10,627,692	$ 2,666,759	$ 13,294,451

2014 Lease Payable ($25,920,000) – On October 16, 2014, the Palmdale Financing Authority assigned the future lease revenues from the Lease Agreement dated as of October 1, 2014, by and between the City of Palmdale and the Authority, to TPB Investments, Inc., a wholly owned subsidiary of Western Alliance Bank, an Arizona corporation, in exchange for $25,920,000 as a private placement loan. These funds were used to redeem $25,445,000 of outstanding 2002 Certificates of Participation, pay $262,893 of interest on the outstanding 2002 Certificates of Participation, and pay financing costs of $212,107.

All future lease payments will be paid to TPB Investments, Inc. by the City of Palmdale in semiannual installments beginning March 1, 2015 through September 1, 2032. The payments will be paid by the City of Palmdale from a first lien on the Park Assessment Fund fees.

Interest on the 2014 Certificates of Participation is payable semi-annually on March 1st and September 1st at 3.72 percent per annum. Principal installments are payable September 1st of each year through 2032. Certificates of Participation maturing on or after September 1, 2024 are subject to optional redemption at a price of 100 percent of the principal amount redeemed plus accrued interest.

Whenever any event of default shall have happened and be continuing, the Authority shall have the right, at its option and without any further demand or notice, to:

a. Declare all principal components of the unpaid lease payment, together with accrued interest from the immediately preceding lease payment date on which payment was made, to be immediately due and payable, whereupon the same shall become due and payable; and

b. Take whatever action at law or in equity may appear necessary or desirable to collect the lease payments then due or thereafter to become due during the term of the lease agreement, or enforce performance and observance of any obligation, agreement or covenant of the City under this lease agreement.

All net proceeds received from subsequent lease or other disposition of the property, and all other amounts derived by the Authority as a result of an event of default hereunder and shall be applied to the lease payment in order of payment date. The City shall not have the right to terminate this lease agreement as a remedy for a default by the Authority in the performance of its obligation hereunder.

Year Ending	Principal	Interest	Total
2026	$ 1,570,000	$ 504,618	$ 2,074,618
2027	1,630,000	445,098	2,075,098
2028	1,690,000	383,346	2,073,346
2029	1,755,000	319,269	2,074,269
2030	1,820,000	252,774	2,072,774
2031-2033	5,885,000	333,777	6,218,777
Totals	$ 14,350,000	$ 2,238,882	$ 16,588,882

D. Change in Long-Term Liabilities

Activity for the year ended June 30, 2025, were as follows:

	June 30, 2024 As Restated	Additions	Retirements	June 30, 2025	Due Within One Year
Governmental Activities					
Compensated Absences Payable					
Compensated absences payable*	$ 5,992,562	$ 1,815,890	$ -	$ 7,808,452	$ 2,538,053
Total compensated absences payable	5,992,562	1,815,890	-	7,808,452	2,538,053
Liability Claims (General Fund)					
Health, dental and vision claims	780,269	665,258	607,210	838,317	838,317
Liability claims	6,205,175	678,068	2,000,000	4,883,243	2,394,000
Total liability claims	6,985,444	1,343,326	2,607,210	5,721,560	3,232,317
Bonds Payable					
2015 Mortgage Revenue Bonds	3,540,000	-	105,000	3,435,000	110,000
2017 Lease Revenue Bonds	9,260,000	-	705,000	8,555,000	750,000
2023A Lease Revenue Bonds	26,370,000	-	575,000	25,795,000	1,570,000
2023B Lease Revenue Bonds	14,560,000	-	670,000	13,890,000	790,168
2014 Certificates of Participation	15,860,000	-	1,510,000	14,350,000	705,000
2021 Certificates of Participation	11,390,006	-	762,314	10,627,692	605,000
Plus: Deferred Issuance Premiums	181,990	-	60,933	121,057	58,894
Total bonds payable	81,161,996	-	4,388,247	76,773,749	4,589,062
Direct Borrowings and Direct Placements					
Notes Payable					
Section 108 HUD Loan	701,000	-	333,000	368,000	368,000
Home Loan	2,850,000	-	-	2,850,000	-
Street Light Purchase Loan	7,767,112	-	780,894	6,986,218	800,260
SCE Parks LED Retrofit OBF A-5962	78,441	-	23,016	55,425	23,016
SCE LED Retrofit OBF A-5807	4,042	-	4,042	-	-
SCE LED Retro OBF A-7251	49,890	-	20,404	29,486	20,404
Total notes payable	11,450,485	-	1,161,356	10,289,129	1,211,680
Financial Arrangements:					
Lease liability	272,911	1,110,980	208,469	1,175,422	133,136
Financed purchase-copier	240,339	-	110,118	130,221	90,968
Financed purchase-energy efficient equipment	475,997	-	88,871	387,126	91,928
SBITA liability	2,089,276	434,223	589,768	1,933,731	452,388
Total payable	3,078,523	1,545,203	997,226	3,626,500	768,420
Total governmental activities long-term liabilities	$ 108,669,010	$ 4,704,419	$ 9,154,039	$ 104,219,390	$ 12,339,532

*The roll-forward schedule only reports the net change in the compensated absences liability.

The City is subject to a legal debt limit statutorily computed at 3.75 percent of assessed valuation. As of June 30, 2025, the City's total debt limit was $712,506,684, and the total outstanding debt applicable to the limit was $90,488,349, which is 12.7 percent of the total debt limit. The aggregate principal amount of the City's general obligation debt for public improvements is statutorily limited to 15.0 percent of the City's total reported assessed valuation.

E. Lease liability

The City leases equipment under noncancelable lease agreements with remaining terms through December 2030. Certain agreements include renewal options that are expected to be exercised with reasonable certainty and are therefore included in the measurement of the related lease liabilities. The leases require annual payments ranging from approximately $75,333 to $150,667.

As of June 30, 2025, the City recognized right-to-use lease assets of $1,530,141 and corresponding lease liabilities of $1,175,422 related to these agreements. For the fiscal year ended June 30, 2025, the City recorded $171,384 in amortization expense and $34,687 in interest expense. The lease liabilities were measured using discount rates ranging from 4.13% to 7.08%, which reflect the City's estimated incremental borrowing rates.

The remaining obligations associated with the current lease are as follows:

Year Ending	Principal	Interest	Total
2026	$ 133,136	$ 45,332	$ 178,468
2027	183,901	37,727	221,628
2028	191,642	29,874	221,516
2029	199,635	21,547	221,182
2030	208,112	12,941	221,053
Thereafter	258,996	3,973	262,969
Totals	$ 1,175,422	$ 151,394	$ 1,326,816

F. Subscription Based Information Technology Arrangements

During fiscal year 2025, the City entered into and maintained Subscription Based Information Technology Arrangements (SBITAs) for the use of various software solutions. The arrangements have terms ranging from one to seven years, with the latest agreement terminating in February 2030.

At June 30, 2025, the City recognized a SBITA asset of $3,860,933 and a SBITA liability of $1,933,731 related to these agreements. During the fiscal year, the City recorded $587,210 in amortization expense and $86,499 of interest expense related to its SBITAs. Subscription liabilities were measured using discount rates ranging from 4.69% to 5.28%, based on the City's estimated incremental borrowing rates at the commencement of the arrangements.

The remaining obligations associated with the SBITA's are as follows:

Year Ending	Principal	Interest	Total
2026	$ 452,388	$ 78,470	$ 530,858
2027	498,240	59,071	557,311
2028	518,737	38,574	557,311
2029	366,695	17,036	383,731
2030	60,011	2,252	62,263
Thereafter	37,660	182	37,842
Totals	$ 1,933,731	$ 195,585	$ 2,129,316

Note 13 - Special Assessment District and Community Facilities District Bonds

None of the Bonds described below constitute indebtedness of the City, and the City is in no way obligated for their repayment except to the extent of any assessments, or special taxes collected and pledged for their repayment. The City is only acting on behalf of the Bondholders in collecting the assessments and special taxes levied to repay the Bonds, forwarding the collections to the Bondholders and initiating foreclosure proceedings, if necessary. Accordingly, these special assessment and special tax Bonds payable are not recorded as a liability in the accompanying financial statements. The amounts collected and held by the City pending disbursement to the Bondholders are accounted for in a custodial fund.

A. Bonds Outstanding

Community Facilities District No. 91-1 (Sierra Gateway) Special Tax Bonds – In December 1991, the City issued $7,970,000 of special tax Bonds. Proceeds were used for the development of public improvements for the Sierra Gateway Center, a master-planned, mixed-use business park, which is proposed to ultimately include 2.5 million square feet of industrial, office, and retail buildings. The Bond issue provided for the acquisition of land, acquisition and construction of storm drainage retention facilities, landscaping, and street, water, and utility improvements. As of June 30, 2025, a total of $7,425,000 in Bonds was outstanding.

Community Facilities District No. 93-1 (Ritter Ranch) Special Tax Bonds – In April 1995, the City issued $50,000,000 of special tax Bonds for the design, acquisition and construction of public improvements for a master-planned community known as Ritter Ranch consisting of facility, recreational, school, and commercial uses. As of June 30, 2025, a total of $22,665,000 in Bonds was outstanding for Ritter Ranch Community Facilities District No. 93-1. The principal and interest on the Bonds are to be paid from the collection of special taxes levied on the property in the Ritter Ranch Community Facilities District No. 93-1.

On February 1, 2023, the City approved Supplemental Agreement No. 6 to the Amended and Restated Fiscal Agent Agreement related to Community Facilities District No. 93-1 (Ritter Ranch). Pursuant to the agreement, principal and interest payments were deferred until September 1, 2024. The bonds remained outstanding as of June 30, 2025 and were subsequently canceled on January 6, 2026.

In the event of default, all outstanding amounts may become immediately due to the bond owners, including foreclosure proceedings of the properties within the area if the District is unable to make the debt service payment. The principal of the bonds shall not be subject to acceleration hereunder.

Community Facilities District No. 2003-1 (Anaverde Improvement Area A) Special Tax Bonds – On July 17, 2019 on behalf of the Improvement Area A of the City of Palmdale Community Facilities District No. 2003-1 (Anaverde Public Improvements), the City issued the Special Tax Refunding Bonds, Series 2019 in the amount of $15,565,000 with annual interest rate of 5 percent and $3,500,000 of issuance premium. The Special Tax Refunding Bond, Series 2019, issuance premium, and other available funds of the District were used to refund the outstanding principal of the Special Tax Bonds, Series 2005-A and Special Tax Bonds, Subordinate Series 2005-B. The Series 2005-A and Series 2005- B bonds were issued for the acquisition and construction of certain public capital improvements necessary for the development of a 5,200-unit master-planned community known as Anaverde. As of June 30, 2025, a total of $11,970,000 Series 2019 Bonds was outstanding. The principal and interest on the Bonds are to be paid from the collection of special taxes on the property in the Anaverde Community Facilities District No. 2003-1.

In the event of default, all outstanding amounts may become immediately due to the bond owners, including foreclosure proceedings of the properties within the area if the District is unable to make the debt service payment. The principal of the bonds shall not be subject to acceleration hereunder.

Community Facilities District No. 05-1 (Trade & Commerce Center Area) 2021 Special Tax Refunding Bonds - On June 17, 2021, the City issued the Refunding of the 2005 Series A and B and 2007 refunding bonds with a private placement loan with Western Alliance Bank, in the amount of $10,442,992, with annual interest rate of 3.39 percent. The Refunding loan and other available funds in the trust accounts were used to refund the outstanding principal of the 2005 and 2007 bonds. As a result of the refunding, the City entered into a new Fiscal Agreement with US Bank as Trustee. As of June 30, 2025, a total of $8,203,749 was outstanding. The Fiscal agreement requires the Community Facilities District to pay a semi-annual base rental on September 1 and March 1 to the trustee in order to pay Western Alliance Bank through September 2037.

The Refunding at an interest rate of 3.39% produces a total estimated $2.9 million reduction in debt service payments over 16 years, or approximately $188,000 per year.

In the event of default, all outstanding amounts may become immediately due to the bond owners, including foreclosure proceedings of the properties within the area if the District is unable to make the debt service payment. The principal of the bonds shall not be subject to acceleration hereunder.

Assessment District No. 2006-1 (Godde Hills Estates Sewer Improvements) Limited Obligation Improvement Bonds – In November 2006, the City issued $2,220,000 of Special Assessment Bonds for the construction of sewer improvements in the community known as Godde Hills Estates. As of June 30, 2025, a total of $860,000 in Bonds was outstanding. The principal and interest on the Bonds are to be paid from the collection of special assessments on the Property in the Godde Hills Estates Sewer Improvements Assessment District No. 2006-1.

In the event of default, all outstanding amounts may become immediately due to the bond owners, including foreclosure proceedings of the properties within the area if the District is unable to make the debt service payment. The principal of the bonds shall not be subject to acceleration hereunder.

Community Facilities District No. 2016-1 (Joshua Ranch Water Supply and Maintenance Services) – On February 3, 2016, the City established the City of Palmdale Community Facilities District 16-1 (Joshua Ranch Water Supply and Maintenance Services) to provide funds to pay the costs of certain water rights and related costs, and costs of certain maintenance services. In connection with the formation of District, the City entered into a Joint Community Facilities Agreement ("JCFA"), dated as of June 1, 2016, with the Antelope Valley-East Kern Water Agency ("AVEK"), CV Communities, LLC, Joshua Ranch 2 Inv, LLC ("JR2"), and Joshua Ranch 3 Inv, LLC ("JR3"). In November 2015, CV Communities secured entitlements to improve and develop the Property with a residential development to include up to 528 single family dwelling units. On December 23, 2015, ownership of the Property was transferred to JR2 and JR3. Under the JCFA as of June 1, 2016, CV Communities assigned to AVEK its rights to 567 acre-feet per year of water, including without limitation the right to all groundwater return flow resulting therefrom.

The special taxes are authorized to be levied on the Property for the purpose of (i) paying the annual purchase price of the Assigned Water Rights and other related and allocable charges to be paid by AVEK, (ii) paying the expenses of the City in administrating the CFD, (iii) paying the expenses of AVEK relative to its obligations under this agreement and otherwise with respect to the Assigned Water Rights, including but not limited to wheeling costs, and any costs associated with water banking by AVEK, (iv) paying an energy charge to AVEK based on California Department of Water Resources charges to transport water from the Tupman Turnout to AVEK's water treatment plant, (v) paying energy charges incurred by the City related to banked water, and (vi) establishing and replenishing a reserve fund to be maintained by the City and to be drawn upon if the special taxes revenues collected by the City for the CFD in any fiscal year are not sufficient to pay the Annual Water Rights Charges, the AVEK Administrative Expenses and the AVEK Energy Charges due and payable in any fiscal year.

Under the Assignment Agreement between AVEK and CV Communities, AVEK will timely perform all the AVEK Obligations (as defined in the Assignment Agreement) on and after January 1, 2017 as they apply to the Assigned Water Rights and the City Water Allocation. CV Communities is obligated to pay the Annual Water Rights charges, and AVEK Administrative Expenses and any AVEK Energy Charges payable in calendar year 2017 (collectively, the "2017 Expenses"). In order to assure the City that the foregoing payments will be made, CV Communities provided the City with a Letter of Credit issued by Wells Fargo Bank on June 10, 2016. The City is entitled to draw on the amount available under the Letter of Credit in the event that CV Communities does not timely pay expenses. The current Letter of Credit was renewed in June 2024 and is effective through July 12, 2025. As of June 30, 2025, a total of $379,491 in Letter of Credit was outstanding.

B. Default in Payment of Debt Service on Bonds Outstanding

Community Facilities District No. 91-1 (Sierra Gateway) Special Tax Bonds – On December 1, 1997, there were insufficient funds on hand to make the full payment of the scheduled principal and interest on the Community Facilities District No. 91-1 Bonds due to delinquencies within the District. In accordance with procedures for Community Facilities Districts (which are different from those for Assessment Districts), payments of interest only were made proportionally to the Bondholders as listed in the table below. During fiscal year 2015-16, foreclosure proceedings were initiated against the owner of Defaulted Properties. During the fiscal year 2016-17, the City, on behalf of CFD 91-1, obtained judgments against the property owner of the Defaulted Properties ("Property"). The Property went to a foreclosure sale on September 28, 2016, but no bids were received. The County of Los Angeles' Treasurer and Tax Collector office ("TTC") also conducted ad valorem foreclosure sale with respect to the Defaulted Properties. This foreclosure sale also failed.

During the Fiscal Year 2017-18, the owner of non-defaulted properties within the District has permanently satisfied the District special taxes attributable to such parcels. Accordingly, the City took the necessary actions to release the special tax lien imposed for the District on three non-defaulted parcels in June 2018.

As part of ongoing efforts to resolve the delinquency, the City met with Los Angeles County TTC officials at the City facility on August 29, 2018. There was an agreement in principal that Los Angeles County TTC office will seek Board of Supervisors' approval of (i) cancellation of delinquent Ad Valorem Taxes levied against Property pursuant to Cal. Rev. and Tax Code section 4986.3 in connection with a deed in lieu of Property to the City, and (ii) County CFD's pro rata distribution of proceeds from sale of Property via bankruptcy proceeding (net of costs) on aggregate debt outstanding in complete satisfaction of County judgment and delinquent special taxes.

The Los Angeles County TTC officials were interested in a proposed timeline and the City's plan for the Property. The Plan is to market and sell the property and distribute proceeds to bondholders in complete satisfaction of amount owed under the Bonds, have the Property developed and paying taxes again. They also went out and visited the Property after the meeting. As of the date of the financial statements, the bonds and delinquent Ad Valorem Taxes levied against the Property remain outstanding.

Year Ending	Interest Paid	Year Ending	Interest Paid	Year Ending	Interest Paid
1998-1999	$ 148,474	2007-2008	$ 142,787	2016-2017	$ 137,100
1999-2000	148,283	2008-2009	147,131	2017-2018	128,454
2000-2001	123,693	2009-2010	-	2018-2019	-
2001-2002	141,376	2010-2011	149,729	2019-2020	-
2002-2003	130,703	2011-2012	154,943	2020-2021	-
2003-2004	129,454	2012-2013	158,128	2021-2022	-
2004-2005	126,712	2013-2014	160,207	2022-2023	-
2005-2006	140,404	2014-2015	161,823	2023-2024	-
2006-2007	144,418	2015-2016	164,925	2024-2025	-
					$ 2,738,744

Note 14 - Residential Mortgage Revenue Bond Programs

The Multifamily Mortgage Program is designed to provide funds for the construction and permanent financing of apartment complexes. Bonds are paid from monthly rental payments generated by the development and from remaining bond proceeds held by Wells Fargo against loan number ending in 0039. The loan is administered by California Community Reinvestment Corp. (CCRC) and the loan is under the name Courson Senior Partners LP. As of June 30, 2025, there was $757,077 of Multifamily Mortgage Revenue Bonds outstanding.

On February 2, 2021, the City approved the issuance of tax-exempt revenue bonds by the California Public Finance Authority (CalPFA) to finance or refinance the acquisition and construction of a 118-unit multi family rental housing project located on 65th Street East and East Avenue S. The property is to be owned by Maison's Palmdale LP (the "Borrower") or a partnership with Ravello Holdings, Inc. (the "Developer"). As of June 30, 2025, there was $17,248,978 of Multifamily Mortage Revenue Bonds outstanding.

The bonds described above do not constitute indebtedness of the Housing Authority or the City, and there exists no legal or moral obligation on the part of the Housing Authority or the City to make payments on such bonds from any source other than the revenue and assets pledged thereto. The program is completely administered by the trustees. Accordingly, these programs and the mortgage revenue bonds issued there under have been excluded from the accompanying financial statements.

Note 15 - Public Employees' Retirement System (PERS) Pension Plan

A. General Information about the Pension Plan

Plan Description - All qualified permanent and probationary employees are eligible to participate in the City's Miscellaneous Plan, an agent multiple employer defined benefit pension plan administered by the California Public Employees Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plan is established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided - CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Unused sick leave accumulated at the time of retirement will be converted to credited service at a rate of 0.004 years of service for each day of sick leave. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is the Basic Death benefit and the 1959 Survivor Benefit. The cost of living adjustments is 2 percent and applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2025, are summarized as follows:

	On or Prior to April 10, 2011 2.7 Percent @ Age 55	Between April 11, 2011 December 31, 2012 2.0 Percent @ Age 60	On or After January 1, 2013 2.0 Percent @ Age 62
Benefit Vesting Schedule	5 year of Service	5 year of Service	5 year of Service
Benefit Payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement Age	Age 50 to 55	Age 50 to 63	Age 50 to 67
Monthly Benefits, as a Percent of Annual Salary	2.0 to 2.7 percent	1.092 to 2.418 percent	1.0 to 2.5 percent
Retired Employee Contribution Rates	8.0 percent	7.0 percent	7.75 percent
Required Employer Contribution Rates	10.62 percent	10.62 percent	10.62 percent

Employees Covered

At June 30, 2025, the following employees were covered by the benefit terms for each Plan:

	On or Prior to April 10, 2011 2.7 Percent @ Age 55	Between April 11, 2011 December 31, 2012 2.0 Percent @ Age 60	On or After January 1, 2013 2.0 Percent @ Age 62
Inactive Employees or Beneficiaries Currently Receiving Benefits	333	1	3
Inactive Employees to But Not Yet Receiving Benefits	204	4	-
Active Employees	72	14	166
	609	19	169

Section 20814(c) of the California Public Employees' Retirement law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in rate. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rates of employees. The employer contributions during the year ended June 30, 2025 were $7,715,522.

B. Net Pension Liability

The City's net pension liability for the Plan was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024.

Actuarial Assumptions

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions.

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	6.90 percent
Inflation Rate	2.30 percent
Projected Salary Increase (1)	
Mortality (2)	

Notes:
(1) Varies by Age, Service and Type of Employment
(2) The Mortality Table used was developed based on CalPERS specific data

The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For details on this table, please refer to the 2017 experience study report.

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent, the same as the prior year. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the City's contributions will be made at rates equal to the difference between actuarially determined contributions rates and the employee rate. Based on those assumptions, each pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In determining the long-term expected rate of return, 6.90%, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

Asset Class[1]	Assumed Asset Allocation	Real Return[1,2]
Global Equity - Cap-weighted	30.00 %	4.54 %
Global Equity - Non-Cap-weighted	12.00 %	3.84 %
Private Equity	13.00 %	7.28 %
Treasury	5.00 %	0.27 %
Mortgage-backed Securities	5.00 %	0.50 %
Investment Grade Corporates	10.00 %	1.56 %
High Yield	5.00 %	2.27 %
Emerging Market Debt	5.00 %	2.47 %
Private Debt	5.00 %	3.57 %
Real Assets	15.00 %	3.21 %
Leverage	(5.00) %	(0.59) %

(1) An Expected Inflation Rate of 2.30% was used for this period.

(2) Figures are based on the 2021 Asset Liability Management study.

Changes in the Net Pension Liability

The changes in the Net Pension Liability for the Plan for the measurement date June 30, 2024, are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2023	$ 221,876,892	$ 158,049,350	$ 63,827,542
Changes in the Year			
Service Cost	3,954,643	-	3,954,643
Interest on the Total Pension Liability	15,588,320	-	15,588,320
Changes in Benefit Terms	-	-	-
Differences between Expected and Actual Experience	7,801,471	-	7,801,471
Net Plan to Plan Resource Movement	-	-	-
Contribution - Employer	-	6,731,839	(6,731,839)
Contribution - Employee	-	1,824,642	(1,824,642)
Net Investment Income	-	15,167,980	(15,167,980)
Benefit Payments, including Refunds of Employee Contributions	(11,476,002)	(11,476,002)	-
Administrative Expenses	-	(128,605)	128,605
Net Changes	15,868,432	12,119,854	3,748,578
Balance at June 30, 2024	$ 237,745,324	$ 170,169,204	$ 67,576,120

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan, as of the measurement date, calculated using the discount rate of 6.90 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage- point lower (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate.

	Discount Rate Less One Percent 5.90 Percent	Current Discount Rate 6.90 Percent	Discount Rate Plus One Percent 7.90 Percent
Plan's Net Pension Liability	$ 97,967,310	$ 67,576,120	$ 42,326,375

Pension plan fiduciary net position:

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial report which can be obtained from the CalPERS website.

C. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2025, the City recognized pension expense of $13,106,411. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made Subsequent to the Measurement Date	$ 7,715,522	$ -
Change of Assumptions	407,015	-
Differences between Expected and Actual Experience	7,064,736	23,931
Net Difference between Projected and Actual Earnings on Plan Investments	2,365,034	-
Total	$ 17,552,307	$ 23,931

The amount of $7,715,522 reported as deferred outflows of resources related to contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	
2026	$ 3,948,483
2027	6,931,422
2028	(190,514)
2029	(876,537)
Total pension expense	$ 9,812,854

Note 16 - Public Agency Retirement Systems

For all of its part-time employees not covered by PERS, a defined contribution pension plan is made available through the Public Agency Retirement System (PARS) pursuant to the requirements of 3121(B)(7)(F) of the Internal Revenue Code. This was created in accordance with Internal Revenue Code Sections 401(a) and 501 and administered by Phase II Systems. Benefit terms, including contribution requirements for PARS are established by Internal Revenue Code 3121(b)(7)(F). Employees are required to contribute 7.5 percent of their salary to the pension plan, up to applicable Internal Revenue Code limits. The City does not contribute to Employees PARS account. Employees are immediately vested in their contributions and earnings on those contributions. For the year ended June 30, 2025, employee contribution amounts were $337,244.

The City is required to contribute 3.75 percent of the elected Council Members annual salary to the individual account. The individuals are immediately vested in their own and the City's contributions and earnings on those contributions. For the year ended June 30, 2025, employer contribution amounts were $2,834.

Note 17 - Post-Employment Benefits Other Than Pensions

A. General Information about the Other Than Pensions-Plan (OPEB) Plan Description:

The City of Palmdale Retiree Health Program (Plan) is a single-employer plan that consists of a defined benefit healthcare plan and a defined contribution plan that is used to provide postemployment healthcare benefits other than pensions (OPEB) to eligible retirees. Management of the plan is vested with the Finance Manager, Human Resources Manager and Director of Administrative Services. The City is the trustee over the plan with fiduciary oversight and authority over the operations and management of the Trust.

On January 1, 2009, the City of Palmdale adopted a single employer defined benefit, as well as a single employer defined contribution Other Post Employment Benefit (OPEB) healthcare plan. The plans are administered by Benefit and Risk Management Services, Inc. of Folsom, California. To receive a post-employment health care benefit, an eligible or vested employee must retire from the City on or after attaining age 50 with at least five years of service and elect retiree health benefits within 120 days of separation. Retirees who opt out of the health plan may re-enroll under eligible qualifying events.

Beginning January 1, 2009, the City through local resolution amended the post-employment health care benefits and offered two benefit options to current retirees and to full-time employees employed at December 31, 2008. The options included a defined contribution option and defined benefit option. All full-time employees hired after December 31, 2008, are not eligible for any post-employment benefits. The City of Palmdale retains the authority and may elect at any time to amend post- employment health care benefits through local ordinance or resolution. Contributions are not currently required to be made by employees for either of the plans. The Plan does not issue a publicly available report.

B. Defined Benefit Plan

Funding Policies:

Plan membership - At June 30, 2025, the Defined Benefit Plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	15
Active Plan Members	3
	18

The Plan provides medical insurance benefits to eligible retirees. Current retirees receive a maximum of $250 deposited into the Plan per month beginning January 1, 2009. Employees age 45 and greater on December 31, 2008 that choose a defined benefit plan deposit of $250 per month at retirement, will receive either a maximum contribution of $250 per month or a pro-rated contribution for less than 10 years of service.

Contributions

The contribution requirements of the plan members and the City are established as described above under each plan and may be amended by the City Council. The Council establishes rates based on an actuarially determined rate. For the year ended June 30, 2025, the City contributed $0 to the Defined Benefit Plan.

Investment Policy

The Defined Benefit Plan's policy in regard to the allocation of invested assets is established and may be amended by the City Council. It is the policy of the City Council to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The investment policy applies to the investment of all cash and various funds of the City as identified in the adopted budget document for the purpose of funding the City OPEB liability.

Concentrations

The Plan adheres to the investment policy for concentrations and types of investments.

Rate of Return

For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense was 14.66 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability (Asset)

The City's net OPEB liability (Asset) was measured as of June 30, 2025, and the total OPEB liability (Asset) used to calculate the net OPEB liability (Asset) was determined by an actuarial valuation as of June 30, 2025.

Mortality rates were based on assumptions for Public agency miscellaneous members published in the 2021 CalPERS experience study.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best–estimates of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These asset class estimates are combined to produce the portfolio long-term expected rate of return by weighting the expected future real rates of return by the current asset allocation percentage (or target allocation, if available) and by adding an expected inflation rate of 2.50 percent. All results are then rounded to the nearest quarter percentage point.

The best-estimates of expected future asset class returns were published in the 2025 Survey of Capital Market Assumptions produced by Horizon Actuarial Services. These expected returns, along with expected asset class standard deviations and correlation coefficients, are based on Horizon's annual survey of investment advisory firms. The expected inflation assumption was developed based on an analysis of historical experience blended with forward-looking expectations available in market data.

Best-estimates of geometric real and nominal rates of return for each major asset class included in the OPEB plan's asset allocation as of the measurement date are summarized in the following table:

Asset Class	Target Allocation at Measurement Date	Long-Term Expected Real Rate of Return	Long-Term Expected Nominal Rate of Return
Domestic Equity	45.00%	4.60%	7.10%
International Equity	10.00%	4.95%	7.45%
Fixed Income	40.00%	2.70%	5.20%
Real Estate and Alternatives	0.00%	3.98%	6.48%
Cash and Cash Equivalents	5.00%	1.19%	3.69%
Total	100.00%		

Discount Rate

The discount rate used to measure the total OPEB liability was 5.27 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through 2036 and the long-term expected rate of return on OPEB plan investments was applied to those periods. A projected "crossover" date occurs in 2037 and unfunded benefit payments for the years thereafter were discounted using the expected 5.20% municipal bond index rate. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2025, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2025
Measurement Date	June 30, 2025
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	5.27 percent
Investment Rate of Return	6.25 percent
General Inflation Rate	2.50 percent
Healthcare Cost Trend Rate	6.30 percent Medicare eligible and 8.60 percent for non-Medicare eligible for FY2025, gradually decreasing over several decades to an ultimate rate of 3.90 percent in FY2076 and later years.

Changes in the Net OPEB Liability (Asset)

	OPEB Total OPEB Liability	Plan Increase Plan Fiduciary Net Position	(Decrease) Net OPEB Liability (Asset)
Balances as of June 30, 2024	$ 877,167	$ 717,715	$ 159,452
Changes in the Year			
Service Cost	18,761	-	18,761
Interest	31,662	-	31,662
Differences between Expected and Actual Experience	264,572	-	264,572
Changes in Assumptions	5,742	-	5,742
Employer Contributions	-	39,125	(39,125)
Net Investment Income	-	101,110	(101,110)
Benefit Payments, including Refunds of Employee Contributions	(326,007)	(326,007)	-
Administrative Expenses	-	(69,180)	69,180
Net Changes	(5,270)	(254,952)	249,682
Balance at June 30, 2025	$ 871,897	$ 462,763	$ 409,134

Administrative Expenses for Fiscal Year Ended 2025, are $69,180 which is expected to cover expenses through 2026. The Plan's fiduciary net position represents 53% of the total OPEB liability.

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liability (asset) of the City, as well as what the City's OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (4.27% percent) or one percentage point higher (6.27% percent) than the current discount rate:

	Decrease 1% Discount Rate of 4.27%	Current Discount Rate of 5.27%	Increase 1% Discount Rate of 6.27%
Net OPEB Liability (Asset)	$ 456,073	$ 409,134	$ 365,621

Sensitivity of the Net OPEB liability (Asset) to Changes in the Healthcare Cost Trend Rates

The following presents the Net OPEB Liability (Asset) of the City, as well as what the City's Net OPEB Liability (Asset) would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost rates:

	Healthcare Cost Rates 5.30/7.60% decreasing to 2.9%	Current Healthcare Cost Rates 6.30/8.60% Decreasing to 3.90%	Healthcare Cost Rates 7.30/9.60% decreasing to 4.9%
Net OPEB Liability (Asset)	$ 379,670	$ 409,134	$ 441,283

OPEB Expense and Deferred Outflows/Inflows of Resources related to OPEB:

For the Year ended June 30, 2025, the City recognized OPEB expense of $110,819. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	$ 216,604	$ 48,737
Change of Assumptions	9,538	22,911
Net Difference between Projected and Actual Investments Earnings	-	58,750
Total	$ 226,142	$ 130,398

Other amounts reported as deferred outflows of resources related to OPEB will be recognized as future OPEB expense as follows:

Measurement Period Year Ended June 30,	
2026	$ 42,382
2027	19,802
2028	42,482
2029	(8,922)
Total	$ 95,744

C. Defined Contribution OPEB Plan Membership

At June 30, 2025, the Defined Contribution OPEB Plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	6
Inactive Plan Members Entitled to But Not Yet Receiving Benefit Payments	1
Active Plan Members	57
Total defined contribution benefit plan membership	64

Benefits Provided

Full time employees under age 45 on December 31, 2008 and employees aged 45 and greater who choose a defined contribution option will receive a defined contribution account. Annual allocations begin at $100 and increase with age up to a maximum $2,000 annual allocation. Individual balances grow with investment earnings and annual City contributions. Beginning account balances were determined based on years of service, annual benefit times the life annuity factory at expected retirement age. Annual contributions for the beginning account balances and the annual contribution is made when the employee is fully vested as described above.

Contributions

The contribution requirements of the plan members and the City are established as described above under the defined contribution plan and may be amended by the City Council. Currently, plan members and beneficiaries are not required to contribute to the plan. For the year ended June 30, 2025, the City contributed $101,900 to the Defined Contribution Plan.

Condensed Financial Statements:

Separate GAAP-basis reports are not currently available for the defined benefit and contribution plans. In lieu of separate issued financial statements for the City administered post-employment health care benefit trust funds, condensed financial statements are presented below for the year ended June 30, 2025:

	OPEB Trust Defined Benefit Plan	OPEB Trust Defined Contribution Plan	Total
Assets			
Cash and cash equivalents	$ 139	$ 2,229,979	$ 2,230,118
Investments			
Mutual funds	801,323	1,872,213	2,673,536
Total assets	801,462	4,102,192	4,903,654
Liabilities			
Accounts payable	338,699	-	338,699
Total net position restricted for OPEB benefits	$ 462,763	$ 4,102,192	$ 4,564,955

	OPEB Trust Defined Benefit Plan	OPEB Trust Defined Contribution Plan	Total
Additions			
Employer contributions to retiree medical trust	$ -	$ 101,900	$ 101,900
Investment and interest income	36,814	182,707	219,521
Net realized and unrealized gains (losses)	64,296	115,801	180,097
Total additions	101,110	400,408	501,518
Deductions			
Benefits paid to participants and expenses	395,187	279,620	674,807
Total deductions	395,187	279,620	674,807
Change in Net Position	(294,077)	120,788	(173,289)
Net Position as of July 1, 2024	756,840	3,981,404	4,738,244
Net Position as of June 30, 2025	$ 462,763	$ 4,102,192	$ 4,564,955

Note 18 - Successor Agency Trust for Former City of Palmdale Redevelopment Agency

A. General Discussion

On December 29, 2011, the California Supreme Court upheld Assembly Bill X1 26 ("the Bill") that provides for the dissolution of all Redevelopment Agencies in the State of California. This action impacted the reporting entity of the City of Palmdale that previously had reported a Redevelopment Agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a Redevelopment Agency, either the City or another unit of local government will agree to serve as the "Successor Agency" to hold the assets until they are distributed to other units of state and local government. On January 4, 2012, the City Council elected to become the Successor Agency for the former Redevelopment Agency in accordance with the Bill as part of City Resolution Number CC 2012-002.

After enactment of the law, which occurred on June 28, 2011, Redevelopment Agencies in the State of California cannot enter into new projects, obligations, or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

Successor Agencies are only allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former Redevelopment Agency until all enforceable obligations of the prior Redevelopment Agency have been paid in full and all assets have been liquidated.

B. Land Held for Development

Land held for development is recorded at the lower of acquisition cost or estimated fair market value. During fiscal year 2010- 2011, properties were conveyed to the City pursuant to Section 33220(g) of the Health and Safety Code to provide redevelopment and retain local control. As a result of AB1484, the same properties were reconvened back to the Successor Agency Trust Fund through a quitclaim process on November 9, 2012. The reconveyance was legally deemed to be reported as of June 30, 2015. Land Held for Development was transferred at a carrying value of $11,673,527. After the sale of land in accordance with the Successor Agency's Long Range Property Management Plan, the carrying value of remaining land held is $146,788 as of June 30, 2025.

C. Capital Assets

Capital Assets of the Successor Agency Trust Fund as of June 30, 2025, consisted of the following:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets not Being Depreciated				
Land and improvements	$ 372,073	$ -	$ -	$ 372,073
Capital Assets Being Depreciated				
Buildings and structures	438,152	-	-	438,152
Total capital assets being depreciated	438,152	-	-	438,152
Less: Accumulated Depreciation for				
Buildings and structures	270,954	8,763	-	279,717
Total accumulated depreciation	270,954	8,763	-	279,717
Total capital assets, being depreciated, net	167,198	(8,763)	-	158,435
Total capital assets, net	$ 539,271	$ (8,763)	$ -	$ 530,508

For the Year Ended June 30, 2025, depreciation expense on capital assets was charged to the private purpose trust fund in the amount of $8,763.

D. Advances Due to Housing Authority-Housing Asset Fund

Major Governmental Funds	Receivables	Payable
Housing Authority - Special Revenue Funds		
Housing Authority - Housing Asset Fund	$ 4,309,777	$ -
Successor Agency Trust Fund		
Dissolved - CRA Project Area No. 1 and No. 2A	-	4,309,777
Total	$ 4,309,777	$ 4,309,777

In fiscal years 2004-2005 and 2005-2006, the State required the former Community Redevelopment Agency (CRA) to shift tax increment of $1,862,827 to the Education Revenue Augmentation Fund (ERAF). To assist in funding this shift, the former CRA Housing Development fund advanced $355,538 and $1,507,289 (50% of the total requirement) to the former CRA Project Area No. 1 and 2A Debt Service Funds, respectively. The 2004-2005 advance of $939,215 and the 2005-2006 advance of $923,612 will be repaid by the Successor Agency from available future property tax revenues with no interest charged.

In fiscal year 2009-2010, the State required the former Community Redevelopment Agency to shift tax increment of $11,605,102 to the Supplemental Education Revenue Augmentation Fund (SERAF). To assist in funding this shift, the former CRA Housing Development Fund advanced $2,533,394 and $9,091,708 (100% of the total requirement) to the former CRA Project Area No. 1 and 2A Debt Service Funds, respectively. The 2009-2010 advance of $11,605,102 will be repaid by the Successor Agency from available future property tax revenues with no interest charged.

In fiscal year 2010-11, the State required the former Community Redevelopment Agency to shift tax increment of $2,389,286 to the Supplemental Education Revenue Augmentation Fund. To assist in funding this shift, the former CRA Housing Development Fund advanced $521,581 and $1,867,705 (100% of the total requirement) to the former CRA Project Area No. 1 and 2A Debt Service Funds, respectively. The 2010-2011 advance of $2,389,286 will be repaid by the Successor Agency from available property tax revenues with no interest charged.

The advances due to Housing Authority described above are approved enforceable obligations in existence at the date of dissolution and will be repaid by the Successor Agency from future property tax. The repayment amount cannot exceed one-half of the increase between the amount distributed to the taxing entities and the 2012-13 base year (or residuals).

During Fiscal Year 2024-25, the Housing Authority received $350,000 from the Successor Agency during the Recognized Obligation Payment Schedule (ROPS) Period of July-December 2025 or ROPS 24-25A.

E. Due to Other Governmental Units

The Successor Agency has advances due to the City as of June 30, 2025 of $4,902,711 for approved obligations paid by the City on behalf of the Agency.

F. Successor Agency Long-Term Debt

1. Notes Payable

2010 Series A and Series B Refunding Notes – The former Community Redevelopment Agency (CRA) issued a promissory Note for the purchase of 120 acres of industrial property known as the Fairway Business Park. On May 16, 2007, the former Community Redevelopment Agency approved a Settlement Agreement and Mutual General Release, which provided for the former Community Redevelopment Agency to pay a settlement amount of $23,043,000 for the property and $4,975,309 for accrued, unpaid interest. On September 1, 2010, the former Community Redevelopment Agency of the City of Palmdale issued $11,001,339 of 2010 Series A Tax Allocation Refunding Revenue Notes (2010 Series A Notes) and $16,504,000 of 2010 Series B Tax Allocation Refunding Revenue Notes (2010 Series B Notes). The net proceeds of the 2010 Series A & B Tax Allocation Refunding Revenue Notes were used to refinance the former Community Redevelopment Agency's outstanding Fairway Business Park note payable.

The principal and interest on the Notes were payable from pledged property tax from the former Redevelopment Project Area No. 1. Interest on notes is payable semi-annually on March 1st and September 1st, beginning March 1, 2011. Principal installments are payable September 1st and March 1st of each year through 2026. The 2010 Series A Notes bear a fixed interest rate of 5.97 percent per annum and 2010 Series B Notes bear a fixed interest rate of 6.2 percent per annum.

Upon dissolution of the former Community Redevelopment Agency, the Note Payable was an approved enforceable obligation by the State Department of Finance, therefore beginning February 1, 2012, the pledge and payments will be made from future property tax revenues received by the Private Purpose Trust. The current year payments of principal were $2,461,926. The outstanding balance of the notes as of June 30, 2025 is $2,980,918.

In event of default, the developer may exercise remedial action for delinquent payment under the Third Implementation Agreement, including declaring outstanding amounts to become immediately due if outstanding amounts continue after 30 days of event of default notice is sent. There is no clause for acceleration of payments.

Year Ending	Principal	Interest	Total
2026	$ 2,980,918	$ 139,563	$ 3,120,481
Totals	$ 2,980,918	$ 139,563	$ 3,120,481

2. Tax Allocation Bonds

2002 Tax Allocation Bonds Payable ($5,329,758) – On August 20, 2002, the former Community Redevelopment Agency issued $5,329,758 of 2002 Subordinate Lien Tax Allocation Bonds (2002 Bonds). The 2002 Bonds constitute capital appreciation bonds that are not subject to redemption prior to their respective stated maturities. Interest on the 2002 Bonds compound at rates ranging from 4.88% to 5.68% per annum on June 1 and December 1, and will be payable solely at maturity or upon earlier redemption of the respective Bonds. The Bonds will mature and be payable December 1 of each year from 2016 through 2032.

The former Community Redevelopment Agency has reported the debt in the Private Purpose Trust Fund and is an approved enforceable obligation by the State Department of Finance and will be repaid from future property tax revenues allocated to the Private Purpose Trust Fund.

The proceeds of the 2002 Bonds were used to finance redevelopment activities in or of benefit to Project Area No. 2A. The former Community Redevelopment Agency has pledged incremental property tax generated in Project Area No. 2A to pay principal and interest with respect to the 2002 Bonds as they become due. The current year payment of principal was $970,000. No interest was paid for the current year. Property taxes received after negotiated, statutory, and residual distributions totaled $27,437,670 for the year. At year-end, pledged future revenues totaled $8,535,000 of which $6,769,786 was the amount of the remaining principal and $1,765,214 interest on the Bonds.

In event of default, outstanding amounts become immediately due to the Trustee who act on behalf of the bond owners. An acceleration clause exists that allows the owners of the bonds to accelerate payment of the entire principal amount outstanding in the event of default. If acceleration occurs, then all pledged tax revenues and all sums of funds are to be held by Trustee under the indenture and will be applied by the Trustee.

Year Ending	Principal	Interest	Total
2026	$ 944,492	$ 30,508	$ 975,000
2027	888,957	81,043	970,000
2028	840,554	129,446	970,000
2029	795,156	174,844	970,000
2030	747,668	217,332	965,000
2031-2033	2,552,959	1,132,041	3,685,000
Totals	$ 6,769,786	$ 1,765,214	$ 8,535,000

2016 Tax Allocation Bonds Payable ($31,490,000) – On April 26, 2016, the Successor Agency issued $31,490,000 of 2016 Series A Tax Allocation Refunding Bonds (2016 Series A Bonds). Interest on the 2016 Series A Bonds is payable semi- annually on March 1 and September 1 at rates ranging from 2.00% to 5.00% per annum. Principal installments are payable September 1 of each year to 2034.

The 2016 Series A Bonds maturing on or after September 1, 2027, may be redeemed on or after September 1, 2026, at par together with accrued interest, without premium.

The Successor Agency has reported the debt in the Private Purpose Trust Fund and is an approved enforceable obligation by the State Department of Finance and will be repaid from future property tax revenues allocated to the Private Purpose Trust Fund.

The Successor Agency has pledged incremental property tax generated in the Successor Agency's project areas to pay principal and interest on the 2016 Series A Bonds. The current year payments of principal was $2,095,000. Property taxes received after negotiated, statutory, and residual distributions totaled $38,526,561 for the year. At year-end, pledged future revenues totaled $19,685,625 of which $15,955,000 was the amount of the remaining principal and $3,730,625 interest on the Bonds.

In Event of Default, outstanding amounts become immediately due to the Trustee who act on behalf of the bond owners. An acceleration clause exists that allows the owners of the bonds to accelerate payment of the entire principal amount outstanding in the Event of Default. If acceleration occurs, then all pledged tax revenues and all sums of funds are to be held by Trustee under the indenture and will be applied by the Trustee.

Year Ending	Principal	Interest	Total
2026	$ 2,200,000	$ 742,750	$ 2,942,750
2027	2,310,000	630,000	2,940,000
2028	1,290,000	540,000	1,830,000
2029	1,355,000	473,875	1,828,875
2030	1,415,000	404,625	1,819,625
2031-2035	7,385,000	939,375	8,324,375
Totals	$ 15,955,000	$ 3,730,625	$ 19,685,625

2016 Tax Allocation Bonds Payable ($41,645,000) – On June 23, 2016, the Successor Agency issued $41,645,000 of 2016 Series B Tax Allocation Refunding Bonds (2016 Series B Bonds). Interest on the 2016 Series B Bonds is payable semi- annually on March 1st and September 1st at rates ranging from 3.00 percent to 5.00 percent per annum. Principal installments are payable September 1st of each year to 2034. The 2016 Series B Bonds maturing on or after September 1, 2027, may be redeemed on or after September 1, 2026, at par together with accrued interest, without premium.

The Successor Agency has reported the debt in the Private Purpose Trust Fund and is an approved enforceable obligation by the State Department of Finance and will be repaid from future property tax revenues allocated to the Private Purpose Trust Fund.

The Successor Agency has pledged incremental property tax generated in the Successor Agency's project areas to pay principal and interest on the 2016 Series B Bonds. The current year payments of principal were $2,205,000. Property taxes received after negotiated, statutory, and residual distributions totaled $38,526,561 for the year. At year-end, pledged future revenues totaled $32,732,525 of which $26,635,000 was the amount of the remaining principal and $6,097,525 interest on the Bonds.

In Event of Default, outstanding amounts become immediately due to the Trustee who act on behalf of the bond owners. An acceleration clause exists that allows the owners of the bonds to accelerate payment of the entire principal amount outstanding in the Event of Default. If acceleration occurs, then all pledged tax revenues and all sums of funds are to be held by Trustee under the indenture and will be applied by the Trustee.

Year Ending	Principal	Interest	Total
2026	$ 2,310,000	$ 1,215,900	$ 3,525,900
2027	2,625,000	1,092,525	3,717,525
2028	3,985,000	927,275	4,912,275
2029	2,280,000	770,650	3,050,650
2030	2,360,000	654,650	3,014,650
2031 - 2035	13,075,000	1,436,525	14,511,525
Totals	$ 26,635,000	$ 6,097,525	$ 32,732,525

3. Change in Long Term Liabilities

The following debt activity for the year ended June 30, 2025 are not debts or obligations of the City. They were transferred to the Successor Agency of the former Community Redevelopment Agency which are now accounted for in the Private Purpose Trust Fund:

	Balances at July 1, 2024	Additions	Retirements	Balance at June 30, 2025	Due Within One Year
Bonds Payable					
2002 Tax Allocation Bonds	$ 7,009,837	$ 729,949	$ 970,000	$ 6,769,786	$ 945,606
2016 Tax Allocation Bonds Series A	18,050,000	-	2,095,000	15,955,000	2,200,000
2016 Tax Allocation Bonds Series B	28,840,000	-	2,205,000	26,635,000	2,310,000
Plus: Deferred Issuance Premiums	3,382,721	-	776,956	2,605,765	652,242
Total bonds payable	57,282,558	729,949	6,046,956	51,965,551	6,107,848
Notes from Direct Borrowing and Direct Placements					
Fairway Business Park	5,442,844	-	2,461,926	2,980,918	2,980,918
	$ 62,725,402	$ 729,949	$ 8,508,882	$ 54,946,469	$ 9,088,766

Note 19 - Commitments and Contingencies

A. Contracts and Purchase Orders

The City has several contracts in place, including an agreement with the County of Los Angeles for municipal law enforcement services covering the period from July 1, 2024, through June 30, 2029. This agreement represents the City's most significant contractual financial commitment and is maintained under the 'Contract City Law Enforcement Service Level Authorization' (Form SH-AD 575/e575). Through this agreement, the County charges a set amount of service fees based on service units, support personnel, and their projected hours of service. The service rates are established by the County Auditor-Controller and adjusted annually, effective July 1 of each year. Historically, the cost of these services has increased by an average of approximately 3 percent annually, with cumulative increases totaling approximately 10 percent to date. Accordingly, the City's projected commitments are constructed to incorporate such an average increase. In addition to service fees, the City is responsible for its proportionate share of liability costs to ensure that funds are available in the event of potential litigation. Liability costs are currently assessed at 14.5 percent of the value of the service units purchased and are expected to increase in future years. The agreement may be terminated by either party. The City may cancel the contract at any time, with or without cause, by providing 180 days' written notice. Alternatively, the agreement may be terminated effective July 1 of any year with at least 60 days' prior written notice.

The following were the contract costs for the fiscal year ending June 30, 2025:

Law Enforcement	$ 30,299,380
Other	41,873,354
Total cost	$ 72,172,734

The City also has other various outstanding contracts and purchase orders for services, supplies, materials, and capital projects that have not been completed at year-end. These commitments total approximately $44,547,175 at June 30, 2025, with the following breakdown between major funds and non-major funds.

Major Funds	
General Fund	$ 3,954,401
Housing Asset Fund	83,954
Measure AV Fund	4,474,594
ARPA Fund	1,343,001
Total major funds	9,855,950
Internal Service Funds	
Information Technology	178,212
Fleet Maintenance	1,327,468
Total internal service funds	1,505,680
Non-Major Special Revenue Funds	33,185,545
Total contract and purchase orders outstanding for governmental funds	$ 44,547,175

B. Grants

The City has received State and Federal funds for specific purposes that are subject to review by the grantor agencies. Although such audits could generate expenditure disallowances under the terms of the grant, it is believed that any disallowed amounts will not be material.

C. Claims and Judgments

Certain legal actions have been initiated against the City in the ordinary course of business. These matters are subject to coverage under the City's risk management liability program and include, but are not limited to, lawsuits and claims alleging personal injury and property damage. In addition, the City is currently a named defendant in multiple employment-related legal actions. While it is anticipated that some of these matters may be resolved through settlement in the near term, the potential liability associated with such settlements cannot be reasonably estimated at this time.

D. Obligations of the Successor Agency Private Purpose Trust Fund

As more fully described at Note 18, the former Community Redevelopment Agency of the City of Palmdale was dissolved on January 31, 2012. Obligations to be paid out to the Successor Agency Private Purpose Trust Fund are included in the Required Obligation Payment Schedules (ROPS) which are subject to approval by the State Department of Finance. All obligations of the Successor Agency have been approved by the State Department of Finance, however, are still subject to audit by the County Auditor-Controller and the State Controller. Additionally, obligations on a future ROPS may be denied even if it was not questioned from a preceding ROPS. The City is not legally obligated for any of the Successor Agency Private Purpose Trust Fund debt.

Note 20 - Restatements

Change within the financial reporting entity

During fiscal year 2025, there was a change within the financial reporting entity which resulted in the Measure R Fund being reported as a major fund instead of as a nonmajor fund. As a result, fund balance of the Measure R Fund of $(499,098) which was previously reported in the nonmajor funds is now reported as a major fund with a beginning fund balance of $(499,098).

There was a change within the financial reporting entity which resulted in the ARPA Fund and Local Transportation Article 8 Fund being reported as nonmajor funds instead of major funds. As a result, fund balance of the ARPA Fund and the Local Transportation Article 8 Fund of $2,352,606 and $(5,163,825), respectively, and which was previously reported in the ARPA Fund and the Local Transportation Article 8 Fund column is now reported in the nonmajor fund column and the nonmajor fund beginning fund balance has been adjusted by $2,352,606 and $(5,163,825), respectively.

Correction of Error

During fiscal year 2025, the City determined that there were certain errors in amounts previously reported in the 2024 financial statements resulting in a restatement of the governmental activities beginning net position. The City identified that developer contributions that were contributed to the City in previous years were not reported. Accordingly, capital assets, net of depreciation as of June 30, 2024 were understated by $9,932,153. Governmental activities' change in net position for the year ended June 30, 2024, previously reported as $39,527,692, was understated by $4,683,051 as a result of the unrecorded developer contributions. Accordingly, governmental activities' change in net position as restated for the year ended June 30, 2024, was $44,210,743.

Adoption of New Accounting Standard

As of July 1, 2024, the City adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. Therefore, compensated absences were increased by $2,069,320 as of July 1, 2024.

The effect of these changes are described in the table below:

	July 1, 2024 As Previously Reported	Change in Accounting Principle	Error Correction	Change Within the Financial Reporting Entity	July 1, 2024, As Restated
Government-Wide					
Governmental Activities	$ 969,266,046	$ (2,069,320)	$ 9,932,153	$ -	$ 977,128,879
Governmental Funds					
Nonmajor Funds	$ 246,251,203	$ -	$ -	$ (2,312,121)	$ 243,939,082
New Major Funds:					
Measure R Fund	Not applicable	-	-	(499,098)	(499,098)
Old Major Funds:					
ARPA Fund	2,352,606	-	-	(2,352,606)	Not applicable
Local Transportation Article 8	(5,163,825)	-	-	5,163,825	Not applicable
Total Governmental Funds	$ 243,439,984	$ -	$ -	$ -	$ 243,439,984

Note 21 - Adoption of New Standard

The Governmental Accounting Standards Board (GASB) releases new accounting and financial reporting standards which may have a significant impact on the City's financial reporting process. New standards applicable to the year ending June 30, 2025 are as follows:

GASB Statement No. 101 – *Compensated Absences*. The primary objective of the Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and amending certain previously required disclosures. The requirements of this statement are effective to the City's fiscal year ending June 30, 2025. The effect of the implementation of this standard on beginning net position is disclosed in Note 20.

GASB Statement No. 102 – *Certain Risk Disclosures*. The primary objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. A concentration is defined as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. The requirements of this statement are effective for the City's fiscal year ending June 30, 2025. There was not a significant effect on the City's financial statements as a result of the implementation of this standard.

Note 22 - New Accounting Pronouncements

The following pronouncements have effective dates that may impact future financial statement presentation. The effects of the statements are currently under review.

GASB Statement No. 103 – *Financial Reporting Model Improvements*. The primary objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this statement are effective for the City's fiscal year ending June 15, 2025. The City has not determined the effects, if any, on the financial statements.

GASB Statement No. 104 – *Disclosure of Certain Capital Assets*. The primary objective is that State and local governments are required to provide detailed information about capital assets in notes to financial statements. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The City has not determined the effects, if any, on the financial statements.

GASB Statement No. 105 – *Subsequent Events.* The primary objective of this Statement is to improve the financial reporting requirements for subsequent events by enhancing consistency in their application and better meeting the information needs of financial statement users. In addition, the Statement clarifies the distinction between recognized and non-recognized subsequent events, establishes disclosure requirements for certain non-recognized subsequent events, and requires disclosure of the date through which subsequent events have been evaluated. The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter. The City has not determined the effects, if any, on the financial statements.

Note 23 - Subsequent Event

On May 5, 2026, the Board of Directors of the Successor Agency to the Community Redevelopment Agency of the City of Palmdale adopted Resolution No. SA 2026-004, authorizing the issuance of tax allocation refunding bonds, up to $35,000,000, to refund the Agency's outstanding 2016 Subordinate Tax Allocation Refunding Bonds, Series A and Series B. In July 2026, S&P raised the Successor Agency's bond rating to AA-.

Required Supplementary Information

Palmdale, California

Year Ended June 30, 2025

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City of Palmdale, California

Required Supplementary Information

Schedule of Changes in the Net Pension Liability and Related Ratios

Public Employees Retirement System – Miscellaneous Plan

Year Ended June 30, 2025

Last Ten Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total pension liability										
Service Costs	$ 2,387,436	$ 2,233,050	$ 2,601,354	$ 2,649,090	$ 2,767,665	$ 2,918,406	$ 2,973,338	$ 3,338,892	$ 3,403,055	$ 3,954,643
Interest on the Total Pension Liability	10,398,124	10,825,834	11,018,183	11,570,800	12,220,037	12,822,978	13,327,612	13,768,037	14,554,515	15,588,320
Differences between Expected and Actual Experience	(2,606,465)	-	9,269,931	(1,358,574)	-	1,368,882	-	(382,880)	4,318,495	7,801,471
Changes in Assumptions	(3,032,525)	(948,090)	(3,510,853)	2,354,023	2,310,424	1,368,882	(46,529)	6,512,225	195,618	-
Benefit Payments, Including Refunds of Member Contributions	(6,049,238)	(6,289,370)	(6,542,229)	(7,277,711)	(7,740,973)	(8,257,460)	(9,071,539)	(9,881,408)	(10,628,343)	(11,476,002)
Net Change in Total Pension Liability	1,097,332	5,821,424	12,836,386	7,937,628	9,557,153	10,221,688	7,182,882	13,354,866	11,843,340	15,868,432
Total Pension Liability - Beginning	143,393,075	144,490,407	150,311,831	163,148,217	171,085,845	180,642,998	189,495,804	196,678,686	210,033,552	221,876,892
Total Pension Liability - Ending (a)	$ 144,490,407	$ 150,311,831	$ 163,148,217	$ 171,085,845	$ 180,642,998	$ 190,864,686	$ 196,678,686	$ 210,033,552	$ 221,876,892	$ 237,745,324
Plan Fiduciary Net Position										
Net Plan to Plan Resource Movement	$ -	$ -	$ -	$ (297)	$ -	$ -	$ -	$ -	$ -	$ -
Contributions - Employer	3,871,255	4,262,274	5,157,320	3,514,327	4,117,304	4,771,554	5,285,825	5,938,095	6,467,047	6,731,839
Contributions - Employee	1,030,304	1,016,500	1,165,598	1,138,029	1,195,002	1,335,708	1,324,417	1,449,303	1,556,978	1,824,642
Net Investment Income	2,406,554	545,870	12,177,480	10,157,757	8,331,569	6,631,133	31,158,920	(12,513,528)	9,344,784	15,167,980
Benefit Payments, Including Refunds of Member Contributions	(6,049,238)	(6,289,370)	(6,542,229)	(7,277,711)	(7,740,973)	(8,257,460)	(9,071,539)	(9,881,408)	(10,628,343)	(11,476,002)
Administrative Expense	(127,281)	(66,805)	(161,055)	(188,366)	(91,249)	(188,455)	(137,825)	(103,739)	(111,347)	(128,605)
Other	-	-	-	(357,711)	297	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	1,131,594	(531,531)	11,797,114	6,986,028	5,811,950	4,292,480	28,559,798	(15,111,277)	6,629,119	12,119,854
Plan Fiduciary Net Position - Beginning	108,484,075	109,615,669	109,084,138	120,881,252	127,867,280	133,679,230	137,971,710	166,531,508	151,420,231	158,049,350
Plan Fiduciary Net Position - Ending (b)	109,615,669	109,084,138	120,881,252	127,867,280	133,679,230	137,971,710	166,531,508	151,420,231	158,049,350	170,169,204
Net Pension Liability - Ending (a) - (b)	$ 34,874,738	$ 41,227,693	$ 42,266,965	$ 43,218,565	$ 46,963,768	$ 52,892,976	$ 30,147,178	$ 58,613,321	$ 63,827,542	$ 67,576,120
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	75.86%	72.57%	74.09%	74.74%	74.00%	72.29%	84.67%	72.09%	71.23%	71.58%
Covered Payroll	$ 13,287,152	$ 12,550,868	$ 13,529,154	$ 14,797,277	$ 15,030,592	$ 16,449,558	$ 17,567,263	$ 19,230,822	$ 21,124,060	$ 25,195,252
Net Pension Liability as a Percentage of Covered Payroll	262.47%	328.48%	312.41%	292.07%	312.45%	321.55%	171.61%	304.79%	302.16%	302.16%
Measurement Date	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024

City of Palmdale, California
Required Supplementary Information
Schedules of Plan Contributions
Public Employees Retirement System – Miscellaneous Plan
Year Ended June 30, 2025
Last Ten Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially Determined Contribution	$ 4,262,274	$ 5,157,320	$ 3,509,493	$ 4,112,469	$ 4,766,182	$ 5,287,313	$ 5,935,743	$ 6,468,879	$ 6,725,151	$ 7,715,522
Contributions in Relation to the Actuarially Determined Contribution	4,262,274	5,157,320	3,509,493	4,112,469	4,766,182	5,287,313	5,935,743	6,468,879	6,725,151	7,715,522
Contribution Deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 12,550,868	$ 13,529,154	$ 14,797,277	$ 15,030,592	$ 16,449,558	$ 17,567,263	$ 19,230,822	$ 21,124,060	$ 25,195,252	$ 25,922,225
Contributions as a Percentage of Covered Payroll	33.96%	38.12%	23.72%	27.36%	28.97%	30.10%	30.87%	30.62%	26.69%	29.76%

Valuation Date:	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Methods and Assumptions Used to Determine Contribution Rates:										
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed
Remaining Amortization Period	30 years	30 years	30 years	30 years	30 years	30 years	30 years	30 years	30 years	30 years
Asset Valuation Method	5-year smoothed	5-year smoothed	5-year smoothed	5-year smoothed	5-year smoothed	5-year smoothed	5-year smoothed	5-year smoothed	5-year smoothed	5-year smoothed
Inflation	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.30%
Salary Increase	Varies on entry age and servce, including inflation of 2.75%	Varies on entry age and servce, including inflation of 2.75%	Varies on entry age and servce, including inflation of 2.75%	Varies on entry age and servce, including inflation of 2.75%	Varies on entry age and servce, including inflation of 2.75%	Varies on entry age and servce, including inflation of 2.75%	Varies on entry age and servce, including inflation of 2.75%	Varies on entry age and servce, including inflation of 2.75%	Varies on entry age and servce, including inflation of 2.75%	Varies on entry age and servce, including inflation of 2.75%
Investment rate of return	7.0% net of pension plan investment expense, including inflation	7.0% net of pension plan investment expense, including inflation	7.0% net of pension plan investment expense, including inflation	7.0% net of pension plan investment expense, including inflation	7.0% net of pension plan investment expense, including inflation	7.0% net of pension plan investment expense, including inflation	7.0% net of pension plan investment expense, including inflation	7.0% net of pension plan investment expense, including inflation	7.0% net of pension plan investment expense, including inflation	6.8% net of pension plan investment expense, including inflation

Retirement age:
The probabilities of retirement and mortality are ba to 2015.

Mortality:
The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates include 20 years of projected mortality improvements using Scale BB published by the Society of Actuaries.

City of Palmdale, California

Required Supplementary Information
Schedule of Changes in Net OPEB Liability and Related Ratios
Other Postemployment Benefits (OPEB)
Year Ended June 30, 2025
Last Ten Years*

	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total OPEB Liability									
Service costs	$ 9,380	$ 9,801	$ 10,241	$ 19,286	$ 26,370	$ 18,642	$ 15,469	$ 17,601	$ 18,761
Interest	42,190	41,817	41,771	49,286	31,829	27,510	34,266	41,212	31,662
Differences between expected and actual experience	162,410	117,475	272,638	-	439,617	(128,567)	53,031	(69,240)	264,572
Changes in assumptions	-	-	(45,786)	103,650	(7,331)	(106,880)	(34,685)	10,331	5,742
Benefit payments, including refunds of member contributions	(244,316)	(195,980)	(144,496)	(139,429)	(346,268)	(8,617)	20,852	(29,771)	(326,007)
Net Change in Total OPEB Liability	(30,336)	(26,887)	134,368	32,793	144,217	(197,912)	88,933	(29,867)	(5,270)
Total OPEB Liability - Beginning	761,858	731,522	704,635	839,003	871,796	1,016,013	818,101	907,034	877,167
Total OPEB Liability - Ending (a)	$ 731,522	$ 704,635	$ 839,003	$ 871,796	$ 1,016,013	$ 818,101	$ 907,034	$ 877,167	$ 871,897
Plan Fiduciary Net Position									
Contributions - employer	$ -	$ -	$ -	$ -	$ -	$ -	$ (78,141)	$ -	$ 39,125
Contributions - member	-	-	-	-	-	-	-	-	-
Net investment income	165,897	122,424	68,284	64,325	263,944	(181,366)	87,761	103,693	101,110
Differences between projected and Actual earnings on plan investments	-	-	-	-	-	-	-	-	-
Administrative expense	(45,852)	(42,234)	(51,637)	(34,922)	(34,421)	(37,432)	(18,210)	(64,044)	(69,180)
Benefit payments, including refunds of employee contributions	(244,316)	(195,980)	(144,496)	(139,429)	(346,268)	(8,617)	20,852	(29,771)	(326,007)
Net Change in Plan Fiduciary Net Position	(124,271)	(115,790)	(127,849)	(110,026)	(116,745)	(227,415)	12,262	9,878	(254,952)
Plan Fiduciary Net Position - Beginning	1,517,671	1,393,400	1,277,610	1,149,761	1,039,735	922,990	695,575	707,837	717,715
Plan Fiduciary Net Position - Ending	$ 1,393,400	$ 1,277,610	$ 1,149,761	$ 1,039,735	$ 922,990	$ 695,575	$ 707,837	$ 717,715	$ 462,763
Net OPEB Liability Ending	$ (661,878)	$ (572,975)	$ (310,758)	$ (167,939)	$ 93,023	$ 122,526	$ 199,197	$ 159,452	$ 409,134
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	190.48%	181.32%	137.04%	119.26%	90.84%	85.02%	78.04%	81.82%	81.82%
Covered-employee Payroll[1]	840,010	874,002	914,074	941,496	897,776	766,192	497,546	657,745	657,745
City's Net OPEB Asset as a Percentage of Covered-employee Payroll	-78.79%	-65.56%	-34.00%	-17.84%	10.36%	15.99%	40.04%	24.24%	24.24%
Measurement Date	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2024

Notes to Schedule

*Fiscal year 2017 was the first year of implementation.

[1] Contributions to the OPEB plan are not based on measure of pay, as such, covered employee payroll is used as the measure of payroll.

City of Palmdale, California
Required Supplementary Information
Schedule of Investment Returns OPEB
Other Postemployment Benefits (OPEB)
Year Ended June 30, 2025
Last Ten Fiscal Years*

	2017	2018	2019	2020	2021	2022	2023	2024	2025
Annual Money-weighted Rate of Return - Net of investment expense	11.23%	10.31%	5.55%	5.73%	26.04%	-20.25%	13.34%	15.26%	14.66%

Note to Schedule

* Fiscal year 2017 was the first year of implementation.

Supplementary Information

Palmdale, California

Year Ended June 30, 2025

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Special Revenue Funds - Are used to account for specific revenues that are legally restricted to expenditures for a particular purpose. The following special revenue funds have been classified as non-major funds:

Air Quality Improvement Fund - This fund accounts for revenue and related expenditures for the City's equipment and capital projects which improve air quality.

Community Development Block Grant (CDBG) Fund - This fund accounts for Federal entitlements under the Housing and Community Development Act of 1974, as amended.

Citywide Maintenance and Services (CFD 2022-1) Fund - This fund accounts for the maintenance and services for lighting of parks, parkways, streets, roads, and open space as well as maintenance of landscaping, storm drains, and appurtenances located within the City.

Drainage Funds - This fund accounts for revenues collected under the City's Drainage Fee, which are used for the development of drainage improvements.

Drainage Benefit Assessment District - This fund accounts for revenues collected under the City's Drainage fee, which are used for the development of drainage improvements.

Enhanced Infrastructure Financing District (EIFD) - This fund represents a partnership between the City of Palmdale and the County of Los Angeles as taxing entities contributing tax increment to help fund public infrastructure improvements.

Federal Funds - This fund accounts for revenues and expenditures received from Federal sources.

Federal Home Program - This fund accounts for all federal funds received under the Home Investment Partnership Act.

Federal Jobs Program Fund - This fund accounts for revenues and expenditures associated with the Job Training Partnership Act and Welfare to Work Programs.

Federal Home ARP Fund - This fund accounts for HOME-ARP grant resources received under the American Rescue Plan Act, which are restricted for eligible activities benefiting qualifying populations.

Fire Facilities Impact Fund - This fund accounts for revenues collected under the City's Fire Facilities Impact Fee, which are used for constructing and outfitting facilities needed to serve future development.

Gas Tax Fund - This fund accounts for state gasoline allocations provided to the City for street-related purposes.

Housing Authority Fund - This fund accounts for compliance monitoring expenditures and Bond Issuer's Fees collected for Housing Authority.

Landscape Maintenance Fund - This fund is used to account for revenues and expenditures attributable to Landscape Maintenance District 97-1.

Local Transportation Article 3 Fund - This fund is used to account for State funds provided to the City for construction of local bikeways and bikeway related projects.

Measure A LA County Parks Fund - This fund accounts for special parcel tax revenues and expenditures related to the development, improvement, and maintenance of parks, open space, and recreational facilities in Los Angeles County.

Measure R Local Return – This fund accounts for State Funds provided to the City for street-related purposes only.

Measure M Fund/Measure M Local Return - These funds accounts for State Funds provided to the City for transportation related purposes only.

Miscellaneous Grants/Developer Contributions - This fund accounts for revenues and expenditures received from Developers and Local Agencies for improvements.

Parks Assessments Fund - This fund accounts for revenues collected under the City-wide Park Assessment District, which are used for the acquisition, improvement, expansion and maintenance of public parks.

Park Development Fund - This fund accounts for revenues collected under the City's Unit Dwelling Fee, which are used for the acquisition, improvement and expansion of public parks, playgrounds & recreational facilities.

Proposition A Fund - This fund accounts for special sales tax revenues, which are used for local transit.

Proposition C Fund/Proposition C Local Return - This fund accounts for special sales tax revenues and expenditures related to street and road improvements and transit.

Public Facilities Fund - This fund is used to account for revenues received from developer fees. These funds can only be used to assist with the development and rehabilitation of City buildings.

Public Safety Fund - This fund is used to account for the revenues received as a result of vehicle code violations and drug forfeiture operations. These funds can only be used for law enforcement expenditures.

Road Maintenance & Rehabilitation - This fund is used to account for state funds provided to the City to repair roads, improve traffic safety, and expand public transit systems across the state.

S.A.V.E.S. Fund (South Antelope Valley Emergency Services) - This fund is used to account for revenues and expenditures related to providing food and shelter for qualified recipients.

Sewer Maintenance Assessment District - This fund is used to account for revenues and expenditures associated with the City sewer assessment district service the City and its sewer system.

Sewer Upgrade Fund - This fund accounts for revenues collected under the City's Sewer Upgrade Fee, which are used for sewer improvements.

State Grants Fund - This fund accounts for revenues and expenditures received from State resources.

Street Lighting Assessment District Fund - This fund is used to account for revenues and expenditures restricted to residential street lighting services.

Traffic Impact Fund - This fund accounts for revenues collected under the City's Traffic Impact Fee, which are used for traffic related projects, such as traffic signals and street improvements.

Communications PEG Fund - This fund accounts for The Public, Education and Government Fund (PEG) that was established to account for costs related to local public education and government access stations.

Housing Facilities Fund - This fund accounts for the revenues and expenditures restricted to the operations of four (4) City owned apartment buildings, three (3) City owned mobile home parks, and two (2) properties with eight (8) apartment units acquired from New Beginnings Outreach.

Solid Waste Fund - This fund was established to account for costs related to programs initiating recycling and waste management efforts throughout the City

Palmdale Community Foundation - This fund accounts for the 501 (C) (3) non-profit public benefit corporation activities related to City programs.

Water Park - This fund accounts for the operation of the City owned Dry Town Water Park.

Public Art Fund - This fund accounts for the revenues and expenditures generated under the Public Art policy, derived from gifts or donations for public art. Private and municipal development projects are required to contribute to the fund per PMC Section 15.01.020.

American Rescue Plan Act (ARPA) Fund - This fund is used to account for the revenues and expenditures in order to respond to the Coronavirus (Covid-19) post-pandemic effects on the City.

Local Transportation Article 8 Fund - This fund accounts for State funds provided to the City for street-related purposes only.

Debt Service Funds - are used to account for the accumulation of resources for and the payment made for principal and interest on bonded debt and other long-term obligations. The following fund has been classified as a non-major fund:

Palmdale Financing Authority Fund - This fund accounts for resources accumulated and payments made for principal and interest on Lease Revenue Bonds secured by lease payments by the City of Palmdale as rental for certain property pursuant to a lease agreement.

Capital Projects Funds - are used to account for financial resources used for the acquisition and construction of major capital facilities. This fund accounts for the revenues and expenditures of community facilities districts and assessment districts, which are funded entirely from district bond proceeds.

City of Palmdale, California
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2025

	Non-Major Special Revenue Funds	Debt Service Funds: Palmdale Financing Authority	Capital Projects Fund: CFD/Assessment Districts	Total Nonmajor Governmental Funds
Assets				
Cash	$ 222,486	$ 604,381	$ -	$ 826,867
Investments	229,144,190	-	55,260	229,199,450
Receivables				-
Accounts and interest receivable	24,163,590	358,979	207	24,522,776
Property tax receivable	354,143	-	-	354,143
Due from other funds	10,669,121	-	-	10,669,121
Advances due from fiduciary funds	-	-	583,859	583,859
Notes and liens	9,774,721	-	-	9,774,721
Advances due from other funds	3,800,000	-	-	3,800,000
Prepaid items and other assets	175	-	-	175
Restricted assets				-
Investments	-	6,332,583	3,108,028	9,440,611
Total assets	$ 278,128,426	$ 7,295,943	$ 3,747,354	$ 289,171,723
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	$ 4,872,645	$ -	$ 119	$ 4,872,764
Due to fiduciary funds	-	-	1,565	1,565
Due to other funds	24,207,026	34,864	505,473	24,747,363
Advances due to other funds	8,800,000	-	-	8,800,000
Deposits	3,745,452	358,979	-	4,104,431
Unearned revenue	11,853,728	-	-	11,853,728
Total liabilities	53,478,851	393,843	507,157	54,379,851
Deferred Inflows of Resources				
Unavailable revenue	14,013,873	-	-	14,013,873
Fund Balances				
Restricted	225,226,659	6,902,100	3,240,197	235,368,956
Unassigned	(14,590,957)	-	-	(14,590,957)
Total fund balances	210,635,702	6,902,100	3,240,197	220,777,999
Total liabilities, deferred inflows of resources and fund balances	$ 278,128,426	$ 7,295,943	$ 3,747,354	$ 289,171,723

City of Palmdale, California

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds

Year Ended June 30, 2025

	Non-Major Special Revenue Funds	Debt Service Funds: Palmdale Financing Authority	Capital Projects Fund: CFD/Assessment Districts	Total Nonmajor Governmental Funds
Revenues				
Other taxes	$ 5,522,474	$ -	$ -	$ 5,522,474
Subventions and grants	41,210,681	-	-	41,210,681
Park development fees	941,198	-	-	941,198
Licenses and permits	138,278	-	-	138,278
Fines and forfeitures	327,157	-	-	327,157
Special assessments	22,751,382	-	52,551	22,803,933
Charges for current services	2,907,163	-	-	2,907,163
Drainage fees	761,622	-	-	761,622
Traffic impact fees	878,735	-	-	878,735
Facilities impact fees	760,967	-	-	760,967
Interfund interest	94,231	-	-	94,231
Interest	7,541,704	82,855	132,402	7,756,961
Net increase (decrease) in fair value of investments	3,374,432	-	813	3,375,245
Developer contributions	15,339	-	-	15,339
State contributions	87,911	-	-	87,911
Other agency contributions	1,267,359	-	-	1,267,359
County contributions	332,802	-	-	332,802
Other revenue	352,507	-	-	352,507
Total revenues	89,265,942	82,855	185,766	89,534,563
Expenditures				
Current				
General government	737,013	-	-	737,013
Public safety	1,322,298	-	-	1,322,298
Public services	29,858,351	-	1,956	29,860,307
Community development	933,324	5,550	-	938,874
Cultural and recreational	2,575,356	-	-	2,575,356
Health and welfare	306,655	-	-	306,655
Capital outlay	43,276,043	-	-	43,276,043
Debt service				
Principal	1,113,894	2,712,314	-	3,826,208
Interest	197,460	2,929,653	-	3,127,113
Interfund interest	213,831	-	-	213,831
Total expenditures	80,534,225	5,647,517	1,956	86,183,698
Excess (deficiency) of revenues over expenditures	8,731,717	(5,564,662)	183,810	3,350,865
Other Financing Sources (Uses)				
Transfers in	520,000	5,641,969	-	6,161,969
Transfers out	(4,330,694)	(28,343,223)	-	(32,673,917)
Total other financing sources (uses)	(3,810,694)	(22,701,254)	-	(26,511,948)
Net Change in Fund Balances	4,921,023	(28,265,916)	183,810	(23,161,083)
Fund Balances (Deficit) - Beginning, as previously reported	208,026,800	35,168,016	3,056,387	246,251,203
Adjustments (Note 20)	(2,312,121)	-	-	(2,312,121)
Fund Balances, Beginning, as restated	205,714,679	35,168,016	3,056,387	243,939,082
Fund Balances (Deficit) - End of Year	$ 210,635,702	$ 6,902,100	$ 3,240,197	$ 220,777,999

City of Palmdale, California
Combining Balance Sheet -
Nonmajor Special Revenue Funds
June 30, 2025

	Air Quality Improvement Fund	Community Development Block Grant	Citywide Maintenance and Services
Assets			
Cash	$ -	$ -	$ -
Investments	339,675	2,205,219	116,480
Receivables			
Accounts receivable	25,000	96,998	402
Property tax receivable	-	-	38,124
Due from other funds	-	62	-
Notes and liens	-	1,899,829	-
Advances due from other funds	-	-	-
Deposits and prepaid	-	-	-
Total assets	364,675	4,202,108	155,006
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	-	34,717	131,591
Due to other funds	-	-	17,500
Advances due to other funds	-	-	-
Deposits	-	1,755,523	-
Unearned revenue	-	-	-
Total liabilities	-	1,790,240	149,091
Deferred Inflows of Resources			
Unavailable revenue	-	39,658	-
Total deferred inflows of resources	-	39,658	-
Fund Balances			
Restricted	364,675	2,372,210	5,915
Unassigned	-	-	-
Total fund balances	364,675	2,372,210	5,915
Total liabilities, deferred inflows of resources and fund balances	$ 364,675	$ 4,202,108	$ 155,006

City of Palmdale, California
Combining Balance Sheet -
Nonmajor Special Revenue Funds
June 30, 2025

Drainage Funds	Drainage Benefit Assessment District	Enhanced Infrastructure Financing District	Federal Funds	Federal Home Program	Federal Jobs Programs
$ -	$ -	$ -	$ -	$ -	$ -
12,727,209	1,732,488	1,123,785	197,791	524,426	-
47,713	6,496	4,227	10,264,032	3,093,084	20,750
-	488	9,977	-	-	-
-	-	-	-	-	-
-	-	-	-	7,740,759	-
3,800,000	-	-	-	-	-
-	-	-	-	-	-
16,574,922	1,739,472	1,137,989	10,461,823	11,358,269	20,750
80,974	-	-	52,540	57,461	8,669
26,486	-	-	10,711,513	50	32,443
-	-	-	-	-	-
-	-	-	947	-	-
-	-	-	-	-	-
107,460	-	-	10,765,000	57,511	41,112
-	-	-	5,169,027	3,222,864	-
-	-	-	5,169,027	3,222,864	-
16,467,462	1,739,472	1,137,989	-	8,077,894	-
-	-	-	(5,472,204)	-	(20,362)
16,467,462	1,739,472	1,137,989	(5,472,204)	8,077,894	(20,362)
$ 16,574,922	$ 1,739,472	$ 1,137,989	$ 10,461,823	$ 11,358,269	$ 20,750

	Federal Home ARP Fund	Fire Facilities Impact	Gas Tax
Assets			
Cash	$ -	$ -	$ -
Investments	-	11,320,712	668,975
Receivables			
Accounts receivable	-	42,439	504,583
Property tax receivable	-	-	-
Due from other funds	-	-	10,663,039
Notes and liens	-	-	-
Advances due from other funds	-	-	-
Deposits and prepaid	-	-	-
Total assets	-	11,363,151	11,836,597
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	173	-	683,726
Due to other funds	9,368	-	-
Advances due to other funds	-	-	-
Deposits	-	-	-
Unearned revenue	-	-	-
Total liabilities	9,541	-	683,726
Deferred Inflows of Resources			
Unavailable revenue	-	-	-
Total deferred inflows of resources	-	-	-
Fund Balances			
Restricted	-	11,363,151	11,152,871
Unassigned	(9,541)	-	-
Total fund balances	(9,541)	11,363,151	11,152,871
Total liabilities, deferred inflows of resources and fund balances	$ -	$ 11,363,151	$ 11,836,597

Housing Authority	Landscape Maintenance	Local Transportation Article 3	Measure A LA County Parks	Measure R Local Return	Measure M
$ -	$ -	$ -	$ -	$ -	$ -
1,478,402	15,762,569	171,333	-	15,773,467	123,620
55,662	59,169	-	-	75,588	846,640
-	62,598	-	-	-	-
-	-	-	-	-	-
43,426	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,577,490	15,884,336	171,333	-	15,849,055	970,260
3,365	987,161	10,534	3,720	56,600	403,839
-	-	-	96,327	-	2,463,447
-	-	-	-	-	-
1,000	-	-	-	-	-
-	-	-	-	-	-
4,365	987,161	10,534	100,047	56,600	2,867,286
221	-	-	-	-	845,510
221	-	-	-	-	845,510
1,572,904	14,897,175	160,799	-	15,792,455	-
-	-	-	(100,047)	-	(2,742,536)
1,572,904	14,897,175	160,799	(100,047)	15,792,455	(2,742,536)
$ 1,577,490	$ 15,884,336	$ 171,333	$ -	$ 15,849,055	$ 970,260

	Measure M Local Return	Misc Grants/ Developer Contributions	Park Assessments
Assets			
Cash	$ -	$ -	$ -
Investments	13,291,091	3,263,920	3,784,477
Receivables			
Accounts receivable	41,055	475,644	14,187
Property tax receivable	-	-	42,596
Due from other funds	-	-	-
Notes and liens	-	-	-
Advances due from other funds	-	-	-
Deposits and prepaid	-	-	-
Total assets	13,332,146	3,739,564	3,841,260
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	434,799	47,105	4,861
Due to other funds	-	-	-
Advances due to other funds	-	-	-
Deposits	-	-	-
Unearned revenue	-	287,255	-
Total liabilities	434,799	334,360	4,861
Deferred Inflows of Resources			
Unavailable revenue	-	435,612	-
Total deferred inflows of resources	-	435,612	-
Fund Balances			
Restricted	12,897,347	2,969,592	3,836,399
Unassigned	-	-	-
Total fund balances	12,897,347	2,969,592	3,836,399
Total liabilities, deferred inflows of resources and fund balances	$ 13,332,146	$ 3,739,564	$ 3,841,260

City of Palmdale, California
Combining Balance Sheet -
Nonmajor Special Revenue Funds
June 30, 2025

Park Development	Proposition A	Proposition C	Prop C Local Return	Public Facilities Fund	Public Safety
$ -	$ -	$ -	$ -	$ -	$ -
7,183,792	11,450,774	2,854,117	15,531,032	2,284,986	2,491,430
27,618	45,929	4,208,260	58,984	8,566	19,282
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
	-	-	-	-	-
7,211,410	11,496,703	7,062,377	15,590,016	2,293,552	2,510,712
444,829	209,808	126,125	83,040	71,379	-
-	-	5,058,808	-	-	-
5,000,000	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,444,829	209,808	5,184,933	83,040	71,379	-
-	-	4,210,274	-	-	-
-	-	4,210,274	-	-	-
1,766,581	11,286,895	-	15,506,976	2,222,173	2,510,712
-	-	(2,332,830)	-	-	-
1,766,581	11,286,895	(2,332,830)	15,506,976	2,222,173	2,510,712
$ 7,211,410	$ 11,496,703	$ 7,062,377	$ 15,590,016	$ 2,293,552	$ 2,510,712

City of Palmdale, California
Combining Balance Sheet -
Nonmajor Special Revenue Funds
June 30, 2025

	Road Maintenance and Rehab	SAVES	Sewer Maintenance Assessment District
Assets			
Cash	$ -	$ -	$ 500
Investments	6,756,388	-	43,121,131
Receivables			
Accounts receivable	25,334	-	174,782
Property tax receivable	-	-	65,727
Due from other funds	-	-	-
Notes and liens	-	-	-
Advances due from other funds	-	-	-
Deposits and prepaid	-	-	-
Total assets	6,781,722	-	43,362,140
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	5,099	-	51,062
Due to other funds	-	16,856	-
Advances due to other funds	-	-	3,800,000
Deposits	-	-	52,951
Unearned revenue	-	-	-
Total liabilities	5,099	16,856	3,904,013
Deferred Inflows of Resources			
Unavailable revenue	-	-	-
Total deferred inflows of resources	-	-	-
Fund Balances			
Restricted	6,776,623	-	39,458,127
Unassigned	-	(16,856)	-
Total fund balances	6,776,623	(16,856)	39,458,127
Total liabilities, deferred inflows of resources and fund balances	$ 6,781,722	$ -	$ 43,362,140

Sewer Upgrade	States Grants Fund	Street Lighting Assessment District	Traffic Impact	Communications PEG	Solid Waste
$ -	$ -	$ -	$ -	$ -	$ -
507,037	806,569	25,375,272	2,698,607	773,394	1,411,630
1,901	2,512	95,131	10,144	1,973	5,291
-	-	134,633	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
508,938	809,081	25,605,036	2,708,751	775,367	1,416,921
-	207,668	193,807	-	-	7,757
-	-	9,879	-	-	-
-	-	-	-	-	-
-	1,935,031	-	-	-	-
-	-	-	-	-	-
-	2,142,699	203,686	-	-	7,757
-	-	-	-	-	-
-	-	-	-	-	-
508,938	-	25,401,350	2,708,751	775,367	1,409,164
-	(1,333,618)	-	-	-	-
508,938	(1,333,618)	25,401,350	2,708,751	775,367	1,409,164
$ 508,938	$ 809,081	$ 25,605,036	$ 2,708,751	$ 775,367	$ 1,416,921

City of Palmdale, California
Combining Balance Sheet -
Nonmajor Special Revenue Funds
June 30, 2025

	Palmdale Community Foundation	Water Park	Public Art
Assets			
Cash	$ 221,986	$ -	$ -
Investments	-	4,254,934	1,852,343
Receivables			
Accounts receivable	-	1,695	-
Property tax receivable	-	-	-
Due from other funds	6,020	-	-
Notes and liens	-	-	-
Advances due from other funds	-	-	-
Deposits and prepaid	-	-	-
Total assets	228,006	4,256,629	1,852,343
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	5,125	207,126	-
Due to other funds	7,005	-	-
Advances due to other funds	-	-	-
Deposits	-	-	-
Unearned revenue	-	-	-
Total liabilities	12,130	207,126	-
Deferred Inflows of Resources			
Unavailable revenue	-	-	-
Total deferred inflows of resources	-	-	-
Fund Balances			
Restricted	215,876	4,049,503	1,852,343
Unassigned	-	-	-
Total fund balances	215,876	4,049,503	1,852,343
Total liabilities, deferred inflows of resources and fund balances	$ 228,006	$ 4,256,629	$ 1,852,343

ARPA Fund	Local Transportation Article 8	Total Special Revenue Funds
$ -	$ -	222,486
15,185,115	-	229,144,190
386,638	3,415,881	24,163,590
-	-	354,143
-	-	10,669,121
90,707	-	9,774,721
-	-	3,800,000
-	175	175
15,662,460	3,416,056	278,128,426
36,310	221,675	4,872,645
-	5,757,344	24,207,026
-	-	8,800,000
-	-	3,745,452
11,566,473	-	11,853,728
11,602,783	5,979,019	53,478,851
90,707	-	14,013,873
90,707	-	14,013,873
3,968,970	-	225,226,659
-	(2,562,963)	(14,590,957)
3,968,970	(2,562,963)	210,635,702
$ 15,662,460	$ 3,416,056	$ 278,128,426

City of Palmdale, California

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds

Year Ended June 30, 2025

	Air Quality Improvement Fund	Community Development Block Grant	Citywide Maintenance and Services	Drainage Funds	Drainage Benefit Assessment District
Revenues					
Other taxes	$ -	$ -	$ -	$ -	$ -
Subventions and grants	-	1,149,804	-	-	-
Park development fees	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Special assessments	-	-	(115,560)	-	134,992
Charges for current services	-	-	-	-	-
Drainage fees	-	-	-	761,622	-
Traffic impact fees	-	-	-	-	-
Facilities impact fees	-	-	-	-	-
Interfund interest	-	-	-	94,231	-
Interest	8,399	62,315	3,049	362,412	49,333
Net increase (decrease) in fair value of Investments	4,997	32,182	1,574	187,165	25,481
Developer contributions	-	-	-	-	-
State contributions	-	-	-	-	-
Other agency contributions	-	-	-	-	-
County contributions	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenues	13,396	1,244,301	(110,937)	1,405,430	209,806
Expenditures					
Current					
General government	-	-	23,189	-	-
Public safety	-	-	-	-	-
Public services	-	240	-	413	22,086
Community development	-	514,777	-	-	-
Cultural and recreational	-	-	-	-	-
Health and welfare	-	219,944	-	-	-
Capital outlay	2,302	469	-	275,876	-
Debt service					
Principal	-	333,000	-	-	-
Interest	-	14,518	-	-	-
Interfund interest	-	-	-	94,231	-
Total expenditures	2,302	1,082,948	23,189	370,520	22,086
Excess (deficiency) of revenues over expenditures	11,094	161,353	(134,126)	1,034,910	187,720
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(85,404)	-
Total other financing sources (uses)	-	-	-	(85,404)	-
Net Change in Fund Balances	11,094	161,353	(134,126)	949,506	187,720
Fund Balances (Deficit) - Beginning, as previously reported	353,581	2,210,857	140,041	15,517,956	1,551,752
Adjustments (Note 20)	-	-	-	-	-
Fund Balances, Beginning of Year, as restated	353,581	2,210,857	140,041	15,517,956	1,551,752
Fund Balances (Deficit) - End of Year	$ 364,675	$ 2,372,210	$ 5,915	$ 16,467,462	$ 1,739,472

Enhanced Infrastructure Financing District	Federal Funds	Federal Home Program	Federal Jobs Programs	Federal Home ARP Fund	Fire Facilities Impact	Gas Tax	Housing Authority
$ -	$ -	$ -	$ -	$ -	$ -	$ 4,678,309	$ -
-	5,407,048	161,239	-	785	-	-	43,426
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
529,230	-	-	-	-	-	-	-
-	-	-	-	-	-	-	59,761
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	488,705	-	-
-	-	-	-	-	-	-	-
32,101	-	119,120	-	-	322,362	145,746	37,415
16,581	-	7,711	-	-	166,479	84,513	21,742
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	157,886	-
-	-	-	61,741	-	-	-	-
577,912	5,407,048	288,070	61,741	785	977,546	5,066,454	162,344
155,928	-	-	-	-	24,435	-	-
-	-	-	-	-	-	-	-
-	14,126	-	69,036	-	-	1,162,858	-
-	-	250,527	-	8,186	-	-	90,584
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	5,255,683	-	-	-	-	5,846,873	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
155,928	5,269,809	250,527	69,036	8,186	24,435	7,009,731	90,584
421,984	137,239	37,543	(7,295)	(7,401)	953,111	(1,943,277)	71,760
-	-	-	-	-	-	-	-
-	(51,529)	-	-	-	-	(129,552)	-
-	(51,529)	-	-	-	-	(129,552)	-
421,984	85,710	37,543	(7,295)	(7,401)	953,111	(2,072,829)	71,760
716,005	(5,557,914)	8,040,351	(13,067)	(2,140)	10,410,040	13,225,700	1,501,144
-	-	-	-	-	-	-	-
716,005	(5,557,914)	8,040,351	(13,067)	(2,140)	10,410,040	13,225,700	1,501,144
$ 1,137,989	$ (5,472,204)	$ 8,077,894	$ (20,362)	$ (9,541)	$ 11,363,151	$ 11,152,871	$ 1,572,904

City of Palmdale, California

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds

Year Ended June 30, 2025

	Landscape Maintenance	Local Transportation Article 3	Measure A LA County Parks	Measure R	Measure R Local Return
Revenues					
Other taxes	$ -	$ -	$ -		$ -
Subventions and grants	-	169,290	-		2,707,805
Park development fees	-	-	-		-
Licenses and permits	-	-	-		-
Fines and forfeitures	1,625	-	-		-
Special assessments	7,469,525	-	-		-
Charges for current services	-	-	-		-
Drainage fees	-	-	-		-
Traffic impact fees	-	-	-		-
Facilities impact fees	-	-	-		-
Interfund interest	-	-	-		-
Interest	449,421	4,236	-		574,140
Net increase (decrease) in fair value of Investments	232,101	2,519	-		296,511
Developer contributions	2,610	-	-		-
State contributions	-	-	-		-
Other agency contributions	-	-	-		-
County contributions	-	-	-		-
Other revenue	8,807	-	-		-
Total revenues	8,164,089	176,045	-		3,578,456
Expenditures					
Current					
General government	140,887	-	-		-
Public safety	-	-	-		-
Public services	8,401,963	-	-		74,775
Community development	-	-	-		-
Cultural and recreational	-	-	-		-
Health and welfare	-	-	-		-
Capital outlay	59,309	17,834	93,697		845,142
Debt service					
Principal	-	-	-		-
Interest	-	-	-		-
Interfund interest	-	-	-		-
Total expenditures	8,602,159	17,834	93,697		919,917
Excess (deficiency) of revenues over expenditures	(438,070)	158,211	(93,697)		2,658,539
Other Financing Sources (Uses)					
Transfers in	-	-	-		-
Transfers out	-	-	-		-
Total other financing sources (uses)	-	-	-		-
Net Change in Fund Balances	(438,070)	158,211	(93,697)		2,658,539
Fund Balances (Deficit) - Beginning, as previously reported	15,335,245	2,588	(6,350)	(499,098)	13,133,916
Adjustments (Note 20)	-	-	-	499,098	-
Fund Balances, Beginning of Year, as restated	15,335,245	2,588	(6,350)		13,133,916
Fund Balances (Deficit) - End of Year	$ 14,897,175	$ 160,799	$ (100,047)		$ 15,792,455

Measure M	Measure M Local Return	Misc Grants/ Developer Contributions	Park Assessments	Park Development	Proposition A	Proposition C	Prop C Local Return
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(21,269)	3,067,853	16,000	-	-	4,353,449	-	3,611,076
-	-	-	-	941,198	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	3,172,720	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	311,842	80,739	107,764	209,783	326,065	-	391,273
-	161,048	48,019	55,653	108,341	168,394	-	197,625
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	1,267,359	-	-	-	-	-
-	-	174,916	-	-	-	-	-
-	-	244,780	-	-	-	-	-
(21,269)	3,540,743	1,831,813	3,336,137	1,259,322	4,847,908	-	4,199,974
-	-	73,719	25,435	-	-	-	-
-	-	205,450	-	-	925,406	-	-
1,769	28,351	6,720	-	50,255	3,077,047	103	168,959
-	-	-	-	-	-	-	-
-	-	95,460	33,367	-	-	-	-
-	-	-	-	-	-	-	-
2,578,188	1,801,726	95,733	53,283	2,469,127	942,553	3,127,283	4,609,781
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	119,600	-	-	-
2,579,957	1,830,077	477,082	112,085	2,638,982	4,945,006	3,127,386	4,778,740
(2,601,226)	1,710,666	1,354,731	3,224,052	(1,379,660)	(97,098)	(3,127,386)	(578,766)
-	-	-	-	-	-	-	-
-	-	-	(2,290,368)	-	-	-	(579,541)
-	-	-	(2,290,368)	-	-	-	(579,541)
(2,601,226)	1,710,666	1,354,731	933,684	(1,379,660)	(97,098)	(3,127,386)	(1,158,307)
(141,310)	11,186,681	1,614,861	2,902,715	3,146,241	11,383,993	794,556	16,665,283
-	-	-	-	-	-	-	-
(141,310)	11,186,681	1,614,861	2,902,715	3,146,241	11,383,993	794,556	16,665,283
$ (2,742,536)	$ 12,897,347	$ 2,969,592	$ 3,836,399	$ 1,766,581	$ 11,286,895	$ (2,332,830)	$ 15,506,976

City of Palmdale, California

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds

Year Ended June 30, 2025

	Public Facilities Fund	Public Safety	Road Maintenance and Rehab	SAVES	Sewer Maintenance Assessment District
Revenues					
Other taxes	$ -	$ -	$ -	$ -	$ -
Subventions and grants	-	500,637	4,567,020	9,824	-
Park development fees	-	-	-	-	-
Licenses and permits	-	-	-	-	138,278
Fines and forfeitures	-	300,532	-	-	-
Special assessments	-	-	-	-	6,091,307
Charges for current services	-	-	-	-	-
Drainage fees	-	-	-	-	-
Traffic impact fees	-	-	-	-	-
Facilities impact fees	272,262	-	-	-	-
Interfund interest	-	-	-	-	-
Interest	65,066	61,604	192,422	-	1,228,387
Net increase (decrease) in fair value of Investments	33,601	36,639	99,375	-	634,391
Developer contributions	-	-	-	-	-
State contributions	-	-	-	-	-
Other agency contributions	-	-	-	-	-
County contributions	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenues	370,929	899,412	4,858,817	9,824	8,092,363
Expenditures					
Current					
General government	-	-	-	-	226
Public safety	-	-	-	-	-
Public services	-	-	21,403	-	3,296,308
Community development	-	-	-	-	-
Cultural and recreational	-	-	-	-	-
Health and welfare	-	-	-	18,169	-
Capital outlay	282,439	-	9,120,894	-	85,036
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Interfund interest	-	-	-	-	-
Total expenditures	282,439	-	9,142,297	18,169	3,381,570
Excess (deficiency) of revenues over expenditures	88,490	899,412	(4,283,480)	(8,345)	4,710,793
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	(300,532)	-	-	-
Total other financing sources (uses)	-	(300,532)	-	-	-
Net Change in Fund Balances	88,490	598,880	(4,283,480)	(8,345)	4,710,793
Fund Balances (Deficit) - Beginning, as previously reported	2,133,683	1,911,832	11,060,103	(8,511)	34,747,334
Adjustments (Note 20)	-	-	-	-	-
Fund Balances, Beginning of Year, as restated	2,133,683	1,911,832	11,060,103	(8,511)	34,747,334
Fund Balances (Deficit) - End of Year	$ 2,222,173	$ 2,510,712	$ 6,776,623	$ (16,856)	$ 39,458,127

City of Palmdale, California

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds

Year Ended June 30, 2025

Sewer Upgrade	States Grants Fund	Street Lighting Assessment District	Traffic Impact	Communications PEG	Solid Waste	Palmdale Community Foundation	Water Park
$ -	$ -	$ 782,068	$ -	$ 62,097	$ -	$ -	$ -
-	117,173	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	25,000	-	-	-	-	-
-	-	5,469,168	-	-	-	-	-
-	-	-	-	-	616,398	-	1,973,534
-	-	-	-	-	-	-	-
-	-	-	878,735	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
14,438	22,254	722,571	77,048	19,123	40,197	-	105,352
7,456	12,078	373,170	39,791	11,376	20,757	-	62,659
-	-	12,729	-	-	-	-	-
-	45,277	-	-	-	42,634	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	37,179	-
21,894	196,782	7,384,706	995,574	92,596	719,986	37,179	2,141,545
-	-	-	-	150,257	-	-	-
-	191,442	-	-	-	-	-	-
-	16,773	3,859,875	-	-	674,281	-	-
-	69,250	-	-	-	-	-	-
-	-	-	-	-	-	-	2,359,228
-	-	-	-	-	-	68,542	-
2,550	636,032	-	-	-	-	-	1,184,458
-	-	780,894	-	-	-	-	-
-	-	182,942	-	-	-	-	-
-	-	-	-	-	-	-	-
2,550	913,497	4,823,711	-	150,257	674,281	68,542	3,543,686
19,344	(716,715)	2,560,995	995,574	(57,661)	45,705	(31,363)	(1,402,141)
-	-	-	-	-	-	-	520,000
-	-	-	(893,768)	-	-	-	-
-	-	-	(893,768)	-	-	-	520,000
19,344	(716,715)	2,560,995	101,806	(57,661)	45,705	(31,363)	(882,141)
489,594	(616,903)	22,840,355	2,606,945	833,028	1,363,459	247,239	4,931,644
-	-	-	-	-	-	-	-
489,594	(616,903)	22,840,355	2,606,945	833,028	1,363,459	247,239	4,931,644
$ 508,938	$ (1,333,618)	$ 25,401,350	$ 2,708,751	$ 775,367	$ 1,409,164	$ 215,876	$ 4,049,503

City of Palmdale, California

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds

Year Ended June 30, 2025

	Public Art	ARPA Fund	Local Transportation Article 8	Total Special Revenue Funds
Revenues				
Other taxes	$ -	$ -	$ -	$ 5,522,474
Subventions and grants	-	1,538,640	13,810,881	41,210,681
Park development fees	-	-	-	941,198
Licenses and permits	-	-	-	138,278
Fines and forfeitures	-	-	-	327,157
Special assessments	-	-	-	22,751,382
Charges for current services	257,470	-	-	2,907,163
Drainage fees	-	-	-	761,622
Traffic impact fees	-	-	-	878,735
Facilities impact fees	-	-	-	760,967
Interfund interest	-	-	-	94,231
Interest	2,423	1,393,304	-	7,541,704
Net increase (decrease) in fair value of Investments	1,441	223,062	-	3,374,432
Developer contributions	-	-	-	15,339
State contributions	-	-	-	87,911
Other agency contributions	-	-	-	1,267,359
County contributions	-	-	-	332,802
Other revenue	-	-	-	352,507
Total revenues	261,334	3,155,006	13,810,881	89,265,942
Expenditures				
Current				
General government	-	-	142,937	737,013
Public safety	-	-	-	1,322,298
Public services	-	699,780	8,211,230	29,858,351
Community development	-	-	-	933,324
Cultural and recreational	87,301	-	-	2,575,356
Health and welfare	-	-	-	306,655
Capital outlay	195,061	838,862	2,855,852	43,276,043
Debt service				
Principal	-	-	-	1,113,894
Interest	-	-	-	197,460
Interfund interest	-	-	-	213,831
Total expenditures	282,362	1,538,642	11,210,019	80,534,225
Excess (deficiency) of revenues over expenditures	(21,028)	1,616,364	2,600,862	8,731,717
Other Financing Sources (Uses)				
Transfers in	-	-	-	520,000
Transfers out	-	-	-	(4,330,694)
Total other financing sources (uses)	-	-	-	(3,810,694)
Net Change in Fund Balances	(21,028)	1,616,364	2,600,862	4,921,023
Fund Balances (Deficit) - Beginning, as previously reported	1,873,371	-	-	208,026,800
Adjustments (Note 20)	-	2,352,606	(5,163,825)	(2,312,121)
Fund Balances, Beginning of Year, as restated	1,873,371	2,352,606	(5,163,825)	205,714,679
Fund Balances (Deficit) - End of Year	$ 1,852,343	$ 3,968,970	$ (2,562,963)	$ 210,635,702

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Air Quality Improvement Fund - Special Revenue Funds

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Subventions and grants	$ 220,000	$ -	$ -	$ -
Interest	-	7,500	8,399	899
Net increase (decrease) in fair value of investments	-	-	4,997	4,997
Total revenues	220,000	7,500	13,396	5,896
Expenditures				
Capital outlay	23,000	253,240	2,302	250,938
Excess (deficiency) of revenues over (under) expenditures	197,000	(245,740)	11,094	256,834
Net Change in Fund Balance	197,000	(245,740)	11,094	256,834
Fund Balance (Deficit) - Beginning of Year	353,581	353,581	353,581	-
Fund Balance (Deficit) - End of Year	$ 550,581	$ 107,841	$ 364,675	$ 256,834

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Community Development Block Grant Fund -
Special Revenue Funds
Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Subventions and grants	$ 4,562,480	$ 2,775,830	$ 1,149,804	$ (1,626,026)
Interest	-	-	62,315	62,315
Net increase (decrease) in fair value of investments	-	-	32,182	32,182
Total revenues	4,562,480	2,775,830	1,244,301	(1,531,529)
Expenditures				
Current				
Public safety	-	-	-	-
Public services	-	-	240	(240)
Community development	1,968,790	1,076,970	514,777	562,193
Health and welfare	196,680	223,700	219,944	3,756
Capital outlay	900,000	1,216,000	469	1,215,531
Debt service				
Principal	333,000	333,000	333,000	-
Interest	14,520	14,520	14,518	2
Total expenditures	3,412,990	2,864,190	1,082,948	1,781,242
Excess (deficiency) of revenues over (under) expenditures	1,149,490	(88,360)	161,353	249,713
Net Change in Fund Balance	1,149,490	(88,360)	161,353	249,713
Fund Balance (Deficit) - Beginning of Year	2,210,857	2,210,857	2,210,857	-
Fund Balance (Deficit) - End of Year	$ 3,360,347	$ 2,122,497	$ 2,372,210	$ 249,713

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Citywide Maintenance and Services (CFD 2022-1) Fund - Special Revenue Funds
Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Special assessments	$ 22,030	$ 44,480	$ (115,560)	$ (160,040)
Interest	-	-	3,049	3,049
Net increase (decrease) in fair value of investments	-	-	1,574	1,574
Total revenues	22,030	44,480	(110,937)	(155,417)
Expenditures				
Current				
General government	22,030	22,030	23,189	(1,159)
Excess (deficiency) of revenues over (under) expenditures	-	22,450	(134,126)	(156,576)
Net Change in Fund Balance	-	22,450	(134,126)	(156,576)
Fund Balance (Deficit) - Beginning of Year	140,041	140,041	140,041	-
Fund Balance (Deficit) - End of Year	$ 140,041	$ 162,491	$ 5,915	$ (156,576)

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Drainage Funds -

Special Revenue Funds

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Drainage fees	$ 627,000	$ 870,000	$ 761,622	$ (108,378)
Interfund interest	-	50,000	94,231	44,231
Interest	23,000	35,000	362,412	327,412
Net increase (decrease) in fair value of investments	-	-	187,165	187,165
Total revenues	650,000	955,000	1,405,430	450,430
Expenditures				
Current				
Public services	-	-	413	(413)
Capital outlay	7,702,240	8,721,490	275,876	8,445,614
Debt service				
Interfund interest	40,000	40,000	94,231	(54,231)
Total expenditures	7,742,240	8,761,490	370,520	8,390,970
Excess (deficiency) of revenues over (under) expenditures	(7,092,240)	(7,806,490)	1,034,910	8,841,400
Other Financing Sources (Uses)				
Tranfers in	467,300	467,300	-	(467,300)
Transfers out	(87,900)	(87,900)	(85,404)	2,496
Total other financing sources (uses)	379,400	379,400	(85,404)	(464,804)
Net Change in Fund Balance	(6,712,840)	(7,427,090)	949,506	8,376,596
Fund Balance (Deficit) - Beginning of Year	15,517,956	15,517,956	15,517,956	-
Fund Balance (Deficit) - End of Year	$ 8,805,116	$ 8,090,866	$ 16,467,462	$ 8,376,596

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Drainage Benefit Assessment District -

Special Revenue Funds

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Special assessments	$ 151,700	$ 151,700	$ 134,992	$ (16,708)
Interest	5,000	5,000	49,333	44,333
Net increase (decrease) in fair value of investments	-	-	25,481	25,481
Total revenues	156,700	156,700	209,806	53,106
Expenditures				
Current				
Public services	49,200	49,200	22,086	27,114
Excess (deficiency) of revenues over (under) expenditures	107,500	107,500	187,720	80,220
Net Change in Fund Balance	107,500	107,500	187,720	80,220
Fund Balance (Deficit) - Beginning of Year	1,551,752	1,551,752	1,551,752	-
Fund Balance (Deficit) - End of Year	$ 1,659,252	$ 1,659,252	$ 1,739,472	$ 80,220

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Enhanced Infrastructure Financing District (EIFD) -
Special Revenue Funds
Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Special assessments	$ 300,000	$ 300,000	$ 529,230	$ 229,230
Interest	-	-	32,101	32,101
Net increase (decrease) in fair value of investments	-	-	16,581	16,581
Total revenues	300,000	300,000	577,912	277,912
Expenditures				
Current				
General government	-	135,000	155,928	(20,928)
Excess (deficiency) of revenues over (under) expenditures	300,000	165,000	421,984	256,984
Net Change in Fund Balance	300,000	165,000	421,984	256,984
Fund Balance (Deficit) - Beginning of Year	716,005	716,005	716,005	-
Fund Balance (Deficit) - End of Year	$ 1,016,005	$ 881,005	$ 1,137,989	$ 256,984

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Federal Funds -

Special Revenue Funds

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Subventions and grants	$ 14,209,690	$ 25,732,010	$ 5,407,048	$ (20,324,962)
Expenditures				
Current				
Public services	-	-	14,126	(14,126)
Capital outlay	14,154,820	20,177,530	5,255,683	14,921,847
Total expenditures	14,154,820	20,177,530	5,269,809	14,907,721
Excess (deficiency) of revenues over (under) expenditures	54,870	5,554,480	137,239	(5,417,241)
Other Financing Sources (Uses)				
Transfers out	-	-	(51,529)	(51,529)
Net Change in Fund Balance	54,870	5,554,480	85,710	(5,417,241)
Fund Balance (Deficit) - Beginning of Year	(5,557,914)	(5,557,914)	(5,557,914)	-
Fund Balance (Deficit) - End of Year	$ (5,503,044)	$ (3,434)	$ (5,472,204)	$ (5,417,241)

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Federal Home Program - Special Revenue Funds

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Subventions and grants	$ 2,905,000	$ 2,355,870	$ 161,239	$ (2,194,631)
Interest	-	-	119,120	119,120
Net increase (decrease) in fair value of investments	-	-	7,711	7,711
Total revenues	2,905,000	2,355,870	288,070	(2,067,800)
Expenditures				
Current				
Community development	2,905,370	2,355,870	250,527	2,105,343
Excess (deficiency) of revenues over (under) expenditures	(370)	-	37,543	37,543
Net Change in Fund Balance	(370)	-	37,543	37,543
Fund Balance (Deficit) - Beginning of Year	8,040,351	8,040,351	8,040,351	-
Fund Balance (Deficit) - End of Year	$ 8,039,981	$ 8,040,351	$ 8,077,894	$ 37,543

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Federal Jobs Programs Fund -
Special Revenue Funds
Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Other revenues	$ 53,800	$ 53,800	$ 61,741	$ 7,941
Expenditures				
Current				
Public services	94,000	94,000	69,036	24,964
Total expenditures	94,000	94,000	69,036	24,964
Excess (deficiency) of revenues over (under) expenditures	(40,200)	(40,200)	(7,295)	32,905
Other Financing Sources (Uses)				
Tranfers in	40,320	40,320	-	(40,320)
Net Change in Fund Balance	120	120	(7,295)	(7,415)
Fund Balance (Deficit) - Beginning of Year	(13,067)	(13,067)	(13,067)	-
Fund Balance (Deficit) - End of Year	$ (12,947)	$ (12,947)	$ (20,362)	$ (7,415)

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Federal Home ARP Fund -

Special Revenue Funds

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Subventions and grants	$ -	$ -	$ 785	$ 785
Expenditures				
Current				
Community development	2,033,830	57,500	8,186	49,314
Excess (deficiency) of revenues over (under) expenditures	(2,033,830)	(57,500)	(7,401)	50,099
Net Change in Fund Balance	(2,033,830)	(57,500)	(7,401)	50,099
Fund Balance (Deficit) - Beginning of Year	(2,140)	(2,140)	(2,140)	-
Fund Balance (Deficit) - End of Year	$ (2,035,970)	$ (59,640)	$ (9,541)	$ 50,099

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Fire Facilities Impact Fund -

Special Revenue Funds

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Facilities impact fees	$ 700,000	$ 700,000	$ 488,705	$ (211,295)
Interest	50,000	50,000	322,362	272,362
Net increase (decrease) in fair value of investments	-	-	166,479	166,479
Total revenues	750,000	750,000	977,546	227,546
Expenditures				
Current				
General government	37,500	37,500	24,435	13,065
Excess (deficiency) of revenues over (under) expenditures	712,500	712,500	953,111	240,611
Net Change in Fund Balance	712,500	712,500	953,111	240,611
Fund Balance (Deficit) - Beginning of Year	10,410,040	10,410,040	10,410,040	-
Fund Balance (Deficit) - End of Year	$ 11,122,540	$ 11,122,540	$ 11,363,151	$ 240,611

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Gas Tax Fund -

Special Revenue Funds

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Other taxes	$ 4,598,040	$ 4,707,490	$ 4,678,309	$ (29,181)
Interfund interest	-	-	-	-
Interest	120,000	120,000	145,746	25,746
Net increase (decrease) in fair value of investments	-	-	84,513	
State contributions	1,000	-	-	
County contributions	150,000	150,000	157,886	
Total revenues	4,869,040	4,977,490	5,066,454	88,964
Expenditures				
Current				
General government	91,900	-	-	-
Public services	1,147,000	1,360,990	1,162,858	198,132
Capital outlay	6,169,430	12,949,770	5,846,873	7,102,897
Total expenditures	7,408,330	14,310,760	7,009,731	7,301,029
Excess (deficiency) of revenues over (under) expenditures	(2,539,290)	(9,333,270)	(1,943,277)	7,389,993
Other Financing Sources (Uses)				
Tranfers in	-	-	-	-
Transfers out	(438,700)	(438,700)	(129,552)	309,148
Total other financing sources (uses)	(438,700)	(438,700)	(129,552)	309,148
Net Change in Fund Balance	(2,977,990)	(9,771,970)	(2,072,829)	7,699,141
Fund Balance (Deficit) - Beginning of Year	13,225,700	13,225,700	13,225,700	-
Fund Balance (Deficit) - End of Year	$ 10,247,710	$ 3,453,730	$ 11,152,871	$ 7,699,141

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Housing Authority Fund -

Special Revenue Funds

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Charges for current services	$ 93,100	$ 73,100	$ 59,761	$ (13,339)
Subventions and grants	-	121,110	43,426	(77,684)
Interest	1,500	1,500	37,415	35,915
Net increase (decrease) in fair value of investments	-	-	21,742	21,742
Total revenues	94,600	195,710	162,344	(33,366)
Expenditures				
Current				
Community development	105,510	219,820	90,584	129,236
Excess (deficiency) of revenues over (under) expenditures	(10,910)	(24,110)	71,760	95,870
Net Change in Fund Balance	(10,910)	(24,110)	71,760	95,870
Fund Balance (Deficit) - Beginning of Year	1,501,144	1,501,144	1,501,144	-
Fund Balance (Deficit) - End of Year	$ 1,490,234	$ 1,477,034	$ 1,572,904	$ 95,870

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Landscape Maintenance Fund - Special Revenue Funds

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Fines and forfeitrues	$ 4,000	$ 4,000	$ 1,625	$ (2,375)
Special assessments	7,468,380	7,468,380	7,469,525	1,145
Interest	87,000	87,000	449,421	362,421
Net increase (decrease) in fair value of investments	-	-	232,101	232,101
Developer contributions	30,000	30,000	2,610	(27,390)
Other revenues	1,000	8,810	8,807	(3)
Total revenues	7,590,380	7,598,190	8,164,089	565,899
Expenditures				
Current				
General Government	125,600	125,600	140,887	(15,287)
Public services	8,915,710	9,704,210	8,401,963	1,302,247
Capital outlay	-	276,580	59,309	217,271
Total expenditures	9,041,310	10,106,390	8,602,159	1,504,231
Excess (deficiency) of revenues over (under) expenditures	(1,450,930)	(2,508,200)	(438,070)	2,070,130
Other Financing Sources (Uses)				
Tranfers in	-	-	-	-
Transfers out	(30,000)	(30,000)	-	30,000
Total other financing sources (uses)	(30,000)	(30,000)	-	30,000
Net Change in Fund Balance	(1,480,930)	(2,538,200)	(438,070)	2,100,130
Fund Balance (Deficit) - Beginning of Year	15,335,245	15,335,245	15,335,245	-
Fund Balance (Deficit) - End of Year	$ 13,854,315	$ 12,797,045	$ 14,897,175	$ 2,100,130

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Local Transport Article 3 Fund -
Special Revenue Funds
Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Subventions and grants	$ 222,760	$ 222,760	$ 169,290	$ (53,470)
Interest	-	1,000	4,236	3,236
Net increase (decrease) in fair value of investments	-	-	2,519	2,519
Total revenues	222,760	223,760	176,045	(47,715)
Expenditures				
Capital outlay	409,000	222,760	17,834	204,926
Excess (deficiency) of revenues over (under) expenditures	(186,240)	1,000	158,211	157,211
Net Change in Fund Balance	(186,240)	1,000	158,211	157,211
Fund Balance (Deficit) - Beginning of Year	2,588	2,588	2,588	-
Fund Balance (Deficit) - End of Year	$ (183,652)	$ 3,588	$ 160,799	$ 157,211

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Measure A LA County Parks Fund - Special Revenue Funds

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Park development fees	$ 1,445,000	$ 5,937,900	$ -	$ (5,937,900)
Expenditures				
Current				
Capital outlay	1,445,000	5,931,550	93,697	5,837,853
Excess (deficiency) of revenues over (under) expenditures	-	6,350	(93,697)	(100,047)
Net Change in Fund Balance	-	6,350	(93,697)	(100,047)
Fund Balance (Deficit) - Beginning of Year	(6,350)	(6,350)	(6,350)	-
Fund Balance (Deficit) - End of Year	$ (6,350)	$ -	$ (100,047)	$ (100,047)

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Measure R Local Return Fund - Special Revenue Funds

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Subventions and grants	$ 2,903,180	$ 2,903,180	$ 2,707,805	$ (195,375)
Interfund interest	-	-	-	-
Interest	25,000	150,000	574,140	424,140
Net increase (decrease) in fair value of investments	-	-	296,511	296,511
Total revenues	2,928,180	3,053,180	3,578,456	525,276
Expenditures				
Current				
Public services	-	-	74,775	(74,775)
Capital outlay	1,271,430	3,185,340	845,142	2,340,198
Total expenditures	1,271,430	3,185,340	919,917	2,265,423
Excess (deficiency) of revenues over (under) expenditures	1,656,750	(132,160)	2,658,539	2,790,699
Net Change in Fund Balance	1,656,750	(132,160)	2,658,539	2,790,699
Fund Balance (Deficit) - Beginning of Year	13,133,916	13,133,916	13,133,916	-
Fund Balance (Deficit) - End of Year	$ 14,790,666	$ 13,001,756	$ 15,792,455	$ 2,790,699

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Measure M Fund -

Special Revenue Funds

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Subventions and grants	$ 5,534,010	$ 5,941,360	$ (21,269)	$ (5,962,629)
Expenditures				
Current				
Public services	-	-	1,769	(1,769)
Capital outlay	5,534,010	5,941,360	2,578,188	3,363,172
Total expenditures	5,534,010	5,941,360	2,579,957	3,361,403
Excess (deficiency) of revenues over (under) expenditures	-	-	(2,601,226)	(2,601,226)
Net Change in Fund Balance	-	-	(2,601,226)	(2,601,226)
Fund Balance (Deficit) - Beginning of Year	(141,310)	(141,310)	(141,310)	-
Fund Balance (Deficit) - End of Year	$ (141,310)	$ (141,310)	$ (2,742,536)	$ (2,601,226)

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Measure M Local Return Fund - Special Revenue Funds

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Subventions and grants	$ 3,290,260	$ 3,290,260	$ 3,067,853	$ (222,407)
Interfund interest	-	-	-	-
Interest	10,000	250,000	311,842	61,842
Net increase (decrease) in fair value of investments	-	-	161,048	161,048
Total revenues	3,300,260	3,540,260	3,540,743	483
Expenditures				
Current				
Public services	-	-	28,351	(28,351)
Capital outlay	1,075,090	3,432,220	1,801,726	1,630,494
Total expenditures	1,075,090	3,432,220	1,830,077	1,602,143
Excess (deficiency) of revenues over (under) expenditures	2,225,170	108,040	1,710,666	1,602,626
Net Change in Fund Balance	2,225,170	108,040	1,710,666	1,602,626
Fund Balance (Deficit) - Beginning of Year	11,186,681	11,186,681	11,186,681	-
Fund Balance (Deficit) - End of Year	$ 13,411,851	$ 11,294,721	$ 12,897,347	$ 1,602,626

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Miscellaneous Grants/Developer Contributions -
Special Revenue Funds
Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Subventions and grants	$ 115,000	$ 437,390	$ 16,000	$ (421,390)
Interest	-	-	80,739	80,739
Net increase (decrease) in fair value of investments	3,000	3,000	48,019	45,019
Other agency contributions	3,898,250	4,076,750	1,267,359	(2,809,391)
County contributions	567,910	350,000	174,916	(175,084)
Other revenue	120,000	120,000	244,780	124,780
Total revenues	4,704,160	4,987,140	1,831,813	(3,155,327)
Expenditures				
Current				
General Government	-	-	73,719	(73,719)
Public safety	567,910	472,150	205,450	266,700
Public services	-	-	6,720	(6,720)
Community development	-	-	-	-
Cultural and recreational	139,290	135,000	95,460	39,540
Capital outlay	4,591,850	5,100,260	95,733	5,004,527
Total expenditures	5,299,050	5,707,410	477,082	5,230,328
Excess (deficiency) of revenues over (under) expenditures	(594,890)	(720,270)	1,354,731	2,075,001
Net Change in Fund Balance	(594,890)	(720,270)	1,354,731	2,075,001
Fund Balance (Deficit) - Beginning of Year	1,614,861	1,614,861	1,614,861	-
Fund Balance (Deficit) - End of Year	$ 1,019,971	$ 894,591	$ 2,969,592	$ 2,075,001

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Park Assessments Fund -
Special Revenue Funds
Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Special assessments	$ 3,110,200	$ 3,110,200	$ 3,172,720	$ 62,520
Interest	25,500	25,500	107,764	82,264
Net increase (decrease) in fair value of investments	-	-	55,653	55,653
Total revenues	3,135,700	3,135,700	3,336,137	200,437
Expenditures				
Current				
General government	63,100	58,100	25,435	32,665
Cultural and recreational	50,000	81,000	33,367	47,633
Capital outlay	256,540	472,050	53,283	418,767
Total expenditures	369,640	611,150	112,085	499,065
Excess (deficiency) of revenues over (under) expenditures	2,766,060	2,524,550	3,224,052	699,502
Other Financing Sources (Uses)				
Transfers out	(2,557,300)	(2,557,300)	(2,290,368)	266,932
Net Change in Fund Balance	208,760	(32,750)	933,684	966,434
Fund Balance (Deficit) - Beginning of Year	2,902,715	2,902,715	2,902,715	-
Fund Balance (Deficit) - End of Year	$ 3,111,475	$ 2,869,965	$ 3,836,399	$ 966,434

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Park Development Fund -

Special Revenue Funds

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Park development fees	$ 1,500,000	$ 1,300,000	$ 941,198	$ (358,802)
Interest	50,000	50,000	209,783	159,783
Net increase (decrease) in fair value of investments	-	-	108,341	108,341
Total revenues	1,550,000	1,350,000	1,259,322	(90,678)
Expenditures				
Current				
Public services	-	-	50,255	(50,255)
Capital outlay	617,000	3,504,170	2,469,127	1,035,043
Debt service				
Interfund interest	119,600	119,600	119,600	-
Total expenditures	736,600	3,623,770	2,638,982	984,788
Excess (deficiency) of revenues over (under) expenditures	813,400	(2,273,770)	(1,379,660)	894,110
Other Financing Sources (Uses)				
Transfers out	(150,000)	(150,000)	-	150,000
Net Change in Fund Balance	663,400	(2,423,770)	(1,379,660)	1,044,110
Fund Balance (Deficit) - Beginning of Year	3,146,241	3,146,241	3,146,241	-
Fund Balance (Deficit) - End of Year	$ 3,809,641	$ 722,471	$ 1,766,581	$ 1,044,110

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Proposition A Fund -

Special Revenue Funds

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Subventions and grants	$ 4,666,690	$ 4,666,690	$ 4,353,449	$ (313,241)
Interest	30,000	30,000	326,065	296,065
Net increase (decrease) in fair value of investments	-	-	168,394	168,394
Total revenues	4,696,690	4,696,690	4,847,908	151,218
Expenditures				
Current				
General government	15,000	15,000	-	15,000
Public safety	1,008,780	1,058,600	925,406	133,194
Public services	2,759,800	3,522,100	3,077,047	445,053
Community development	2,250,000	2,250,000	-	2,250,000
Health and welfare	-	-	-	-
Capital outlay	5,897,340	9,251,710	942,553	8,309,157
Total expenditures	11,930,920	16,097,410	4,945,006	11,152,404
Excess (deficiency) of revenues over (under) expenditures	(7,234,230)	(11,400,720)	(97,098)	11,303,622
Net Change in Fund Balance	(7,234,230)	(11,400,720)	(97,098)	11,303,622
Fund Balance (Deficit) - Beginning of Year	11,383,993	11,383,993	11,383,993	-
Fund Balance (Deficit) - End of Year	$ 4,149,763	$ (16,727)	$ 11,286,895	$ 11,303,622

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Proposition C Fund -

Special Revenue Funds

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Subventions and grants	$ 4,153,320	$ 8,215,170	$ -	$ (8,215,170)
Interest	-	20,000	-	(20,000)
Total revenues	4,153,320	8,235,170	-	(8,235,170)
Expenditures				
Current				
Public services	-	-	103	(103)
Capital outlay	4,153,320	8,364,080	3,127,283	5,236,797
Total expenditures	4,153,320	8,364,080	3,127,386	5,236,694
Excess (deficiency) of revenues over (under) expenditures	-	(128,910)	(3,127,386)	(2,998,476)
Net Change in Fund Balance	-	(128,910)	(3,127,386)	(2,998,476)
Fund Balance (Deficit) - Beginning of Year	794,556	794,556	794,556	-
Fund Balance (Deficit) - End of Year	$ 794,556	$ 665,646	$ (2,332,830)	$ (2,998,476)

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Proposition C Local Return Fund -
Special Revenue Funds
Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Subventions and grants	$ 3,870,900	$ 3,870,900	$ 3,611,076	$ (259,824)
Interest	100,000	300,000	391,273	91,273
Net increase (decrease) in fair value of investments	-	-	197,625	197,625
Total revenues	3,970,900	4,170,900	4,199,974	29,074
Expenditures				
Current				
Public services	-	-	168,959	(168,959)
Capital outlay	1,516,000	5,829,760	4,609,781	1,219,979
Total expenditures	1,516,000	5,829,760	4,778,740	1,051,020
Excess (deficiency) of revenues over (under) expenditures	2,454,900	(1,658,860)	(578,766)	1,080,094
Other Financing Sources (Uses)				
Transfers out	(579,600)	(579,600)	(579,541)	59
Total other financing sources (uses)	(579,600)	(579,600)	(579,541)	59
Net Change in Fund Balance	1,875,300	(2,238,460)	(1,158,307)	1,080,153
Fund Balance (Deficit) - Beginning of Year	16,665,283	16,665,283	16,665,283	-
Fund Balance (Deficit) - End of Year	$ 18,540,583	$ 14,426,823	$ 15,506,976	$ 1,080,153

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Public Facilities Fund -

Special Revenue Funds

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Facilities impact fees	490,000	490,000	$ 272,262	$ (217,738)
Interest	5,000	5,000	65,066	60,066
Net increase (decrease) in fair value of investments	-	-	33,601	33,601
Total revenues	495,000	495,000	370,929	(124,071)
Expenditures				
Current				
Capital outlay	320,470	940,170	282,439	657,731
Excess (deficiency) of revenues over (under) expenditures	174,530	(445,170)	88,490	533,660
Net Change in Fund Balance	174,530	(445,170)	88,490	533,660
Fund Balance (Deficit) - Beginning of Year	2,133,683	2,133,683	2,133,683	-
Fund Balance (Deficit) - End of Year	$ 2,308,213	$ 1,688,513	$ 2,222,173	$ 533,660

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Public Safety Fund -

Special Revenue Funds

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Subventions and grants	$ 432,000	$ 432,000	$ 500,637	$ 68,637
Fines and forfeitures	300,000	300,000	300,532	532
Interest	500	500	61,604	61,104
Net increase (decrease) in fair value of investments	-	-	36,639	36,639
Total revenues	732,500	732,500	899,412	166,912
Excess (deficiency) of revenues over (under) expenditures	732,500	732,500	899,412	166,912
Other Financing Sources (Uses)				
Transfers out	(150,000)	(150,000)	(300,532)	(150,532)
Net Change in Fund Balance	582,500	582,500	598,880	16,380
Fund Balance (Deficit) - Beginning of Year	1,911,832	1,911,832	1,911,832	-
Fund Balance (Deficit) - End of Year	$ 2,494,332	$ 2,494,332	$ 2,510,712	$ 16,380

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Road Maintenance & Rehabilitation Fund -
Special Revenue Funds
Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Subventions and grants	$ 4,333,560	$ 4,274,220	$ 4,567,020	$ 292,800
Interest	4,000	10,000	192,422	182,422
Net increase (decrease) in fair value of investments	-	-	99,375	99,375
Total revenues	4,337,560	4,284,220	4,858,817	574,597
Expenditures				
Current				
Public services	-	-	21,403	(21,403)
Capital outlay	6,541,380	13,711,990	9,120,894	4,591,096
Total expenditures	6,541,380	13,711,990	9,142,297	4,569,693
Excess (deficiency) of revenues over (under) expenditures	(2,203,820)	(9,427,770)	(4,283,480)	5,144,290
Net Change in Fund Balance	(2,203,820)	(9,427,770)	(4,283,480)	5,144,290
Fund Balance (Deficit) - Beginning of Year	11,060,103	11,060,103	11,060,103	-
Fund Balance (Deficit) - End of Year	$ 8,856,283	$ 1,632,333	$ 6,776,623	$ 5,144,290

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
South Antelope Valley Emergency Services (SAVES) Fund -
Special Revenue Funds
Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Subventions and grants	$ 50,000	$ -	$ 9,824	$ 9,824
Expenditures				
Current				
Health and welfare	50,000	-	18,169	(18,169)
Excess (deficiency) of revenues over (under) expenditures	-	-	(8,345)	(8,345)
Net Change in Fund Balance	-	-	(8,345)	(8,345)
Fund Balance (Deficit) - Beginning of Year	(8,511)	(8,511)	(8,511)	-
Fund Balance (Deficit) - End of Year	$ (8,511)	$ (8,511)	$ (16,856)	$ (8,345)

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Sewer Maintenance Assessment District -
Special Revenue Funds
Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Licenses and permits	$ 113,600	$ 113,600	$ 138,278	$ 24,678
Special assessments	6,339,400	6,340,700	6,091,307	(249,393)
Interest	87,000	87,000	1,228,387	1,141,387
Net increase (decrease) in fair value of investments	-	-	634,391	634,391
Total revenues	6,540,000	6,541,300	8,092,363	1,551,063
Expenditures				
Current				
General Government	16,720	16,720	226	16,494
Public services	3,955,020	4,669,080	3,296,308	1,372,772
Capital outlay	10,012,090	9,445,660	85,036	9,360,624
Total expenditures	13,983,830	14,131,460	3,381,570	10,749,890
Excess (deficiency) of revenues over (under) expenditures	(7,443,830)	(7,590,160)	4,710,793	12,300,953
Other Financing Sources (Uses)				
Transfers out	(347,300)	(347,300)	-	347,300
Total other financing sources (uses)	(347,300)	(347,300)	-	347,300
Net Change in Fund Balance	(7,791,130)	(7,937,460)	4,710,793	12,648,253
Fund Balance (Deficit) - Beginning of Year	34,747,334	34,747,334	34,747,334	-
Fund Balance (Deficit) - End of Year	$ 26,956,204	$ 26,809,874	$ 39,458,127	$ 12,648,253

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Sewer Upgrade Fund -

Special Revenue Funds

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Interest	$ -	$ 7,500	$ 14,438	$ 6,938
Net increase (decrease) in fair value of investments	-	-	7,456	7,456
Total revenues	-	7,500	21,894	14,394
Expenditures				
Current				
Capital outlay	334,110	424,450	2,550	421,900
Excess (deficiency) of revenues over (under) expenditures	(334,110)	(416,950)	19,344	436,294
Net Change in Fund Balance	(334,110)	(416,950)	19,344	436,294
Fund Balance (Deficit) - Beginning of Year	489,594	489,594	489,594	-
Fund Balance (Deficit) - End of Year	$ 155,484	$ 72,644	$ 508,938	$ 436,294

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

State Grants Fund -

Special Revenue Funds

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Subventions and grants	$ 869,160	$ 1,859,480	$ 117,173	$ (1,742,307)
Interest	5,000	5,000	22,254	17,254
Net increase (decrease) in fair value of investments	-	-	12,078	12,078
State contributions	1,633,960	616,840	45,277	(571,563)
Total revenues	2,508,120	2,481,320	196,782	(2,284,538)
Expenditures				
Current				
Public safety	400,590	383,680	191,442	192,238
Public services	-	-	16,773	(16,773)
Community development	1,185,920	168,800	69,250	99,550
Capital outlay	455,000	1,515,640	636,032	879,608
Total expenditures	2,041,510	2,068,120	913,497	1,154,623
Excess (deficiency) of revenues over (under) expenditures	466,610	413,200	(716,715)	(1,129,915)
Net Change in Fund Balance	466,610	413,200	(716,715)	(1,129,915)
Fund Balance (Deficit) - Beginning of Year	(616,903)	(616,903)	(616,903)	-
Fund Balance (Deficit) - End of Year	$ (150,293)	$ (203,703)	$ (1,333,618)	$ (1,129,915)

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Street Lighting Assessment District Fund -
Special Revenue Funds
Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Other taxes	$ 230,000	$ 230,000	$ 782,068	$ 552,068
Special assessments	4,904,520	4,904,520	5,469,168	564,648
Interest	108,600	108,600	722,571	613,971
Net increase (decrease) in fair value of investments	-	-	373,170	373,170
Developer contributions	20,000	20,000	12,729	(7,271)
Total revenues	5,283,320	5,298,120	7,384,706	2,086,586
Expenditures				
Current				
Public services	4,799,790	4,892,490	3,859,875	1,032,615
Debt service				
Principal	780,950	780,950	780,894	56
Interest	183,020	183,020	182,942	78
Total expenditures	5,763,760	5,856,460	4,823,711	1,032,749
Excess (deficiency) of revenues over (under) expenditures	(480,440)	(558,340)	2,560,995	3,119,335
Other Financing Sources (Uses)				
Transfers out	(40,000)	(40,000)	-	40,000
Total other financing sources (uses)	(40,000)	(40,000)	-	40,000
Net Change in Fund Balance	(520,440)	(598,340)	2,560,995	3,159,335
Fund Balance (Deficit) - Beginning of Year	22,840,355	22,840,355	22,840,355	-
Fund Balance (Deficit) - End of Year	$ 22,319,915	$ 22,242,015	$ 25,401,350	$ 3,159,335

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Traffic Impact Fund -

Special Revenue Funds

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Traffic impact fees	$ 300,000	$ 900,000	$ 878,735	$ (21,265)
Interest	10,000	10,000	77,048	67,048
Net increase (decrease) in fair value of investments	-	-	39,791	39,791
Total revenues	310,000	910,000	995,574	85,574
Expenditures				
Current				
Capital outlay	100,000	239,400	-	239,400
Excess (deficiency) of revenues over (under) expenditures	210,000	670,600	995,574	324,974
Other Financing Sources (Uses)				
Transfers out	-	-	(893,768)	(893,768)
Total other financing sources (uses)	-	-	(893,768)	(893,768)
Net Change in Fund Balance	210,000	670,600	101,806	(568,794)
Fund Balance (Deficit) - Beginning of Year	2,606,945	2,606,945	2,606,945	-
Fund Balance (Deficit) - End of Year	$ 2,816,945	$ 3,277,545	$ 2,708,751	$ (568,794)

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Communications PEG Fund -

Special Revenue Funds

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Other taxes	$ 265,000	$ 120,000	$ 62,097	(57,903)
Interest	-	-	19,123	19,123
Net increase (decrease) in fair value of investments	-	-	11,376	11,376
Total revenues	265,000	120,000	92,596	(27,404)
Expenditures				
Current				
General government	354,740	275,000	150,257	124,743
Excess (deficiency) of revenues over (under) expenditures	(89,740)	(155,000)	(57,661)	97,339
Net Change in Fund Balance	(89,740)	(155,000)	(57,661)	97,339
Fund Balance (Deficit) - Beginning of Year	833,028	833,028	833,028	-
Fund Balance (Deficit) - End of Year	$ 743,288	$ 678,028	$ 775,367	$ 97,339

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Solid Waste Fund -

Special Revenue Funds

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Charges for current services	$ 541,000	$ 590,230	$ 616,398	$ 26,168
Interest	-	-	40,197	40,197
Net increase (decrease) in fair value of investments	-	-	20,757	20,757
State contributions	766,320	145,070	42,634	(102,436)
Total revenues	1,307,320	735,300	719,986	(15,314)
Expenditures				
Current				
Public services	1,335,130	545,100	674,281	(129,181)
Excess (deficiency) of revenues over (under) expenditures	(27,810)	190,200	45,705	(144,495)
Net Change in Fund Balance	(27,810)	190,200	45,705	(144,495)
Fund Balance (Deficit) - Beginning of Year	1,363,459	1,363,459	1,363,459	-
Fund Balance (Deficit) - End of Year	$ 1,335,649	$ 1,553,659	$ 1,409,164	$ (144,495)

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Palmdale Community Foundation -
Special Revenue Funds
Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Other revenue	$ 60,500	$ 70,500	$ 37,179	$ (33,321)
Expenditures				
Current				
Health and welfare	266,420	276,420	68,542	207,878
Excess (deficiency) of revenues over (under) expenditures	(205,920)	(205,920)	(31,363)	174,557
Net Change in Fund Balance	(205,920)	(205,920)	(31,363)	174,557
Fund Balance (Deficit) - Beginning of Year	247,239	247,239	247,239	-
Fund Balance (Deficit) - End of Year	$ 41,319	$ 41,319	$ 215,876	$ 174,557

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Water Park Fund -

Special Revenue Funds

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Charges for current services	$ 1,938,000	$ 1,684,000	$ 1,973,534	$ 289,534
Interest	-	75,000	105,352	30,352
Net increase (decrease) in fair value of investments	-	-	62,659	62,659
Total revenues	1,938,000	1,759,000	2,141,545	382,545
Expenditures				
Current				
Cultural and recreational	2,151,530	2,219,480	2,359,228	(139,748)
Capital outlay	1,646,000	1,646,000	1,184,458	461,542
Total expenditures	3,797,530	3,865,480	3,543,686	321,794
Excess (deficiency) of revenues over (under) expenditures	(1,859,530)	(2,106,480)	(1,402,141)	704,339
Other Financing Sources (Uses)				
Tranfers in	520,000	520,000	520,000	-
Net Change in Fund Balance	(1,339,530)	(1,586,480)	(882,141)	704,339
Fund Balance (Deficit) - Beginning of Year	4,931,644	4,931,644	4,931,644	-
Fund Balance (Deficit) - End of Year	$ 3,592,114	$ 3,345,164	$ 4,049,503	$ 704,339

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Public Art Fund -

Special Revenue Funds

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Charges for current services	$ 250,000	$ 250,000	$ 257,470	$ 7,470
Interest	-	-	2,423	2,423
Net increase (decrease) in fair value of investments	-	-	1,441	1,441
Total revenues	250,000	250,000	261,334	11,334
Expenditures				
Current				
Cultural and recreational	110,380	80,620	87,301	(6,681)
Capital outlay	235,000	447,650	195,061	252,589
Total expenditures	345,380	528,270	282,362	245,908
Excess (deficiency) of revenues over (under) expenditures	(95,380)	(278,270)	(21,028)	257,242
Net Change in Fund Balance	(95,380)	(278,270)	(21,028)	257,242
Fund Balance (Deficit) - Beginning of Year	1,873,371	1,873,371	1,873,371	-
Fund Balance (Deficit) - End of Year	$ 1,777,991	$ 1,595,101	$ 1,852,343	$ 257,242

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

American Rescue Plan Act (ARPA) -

Special Revenue Funds

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Subventions and grants	$ 6,752,440	$ 13,200,120	$ 1,538,640	$ (11,661,480)
Interest	300,000	300,000	1,393,304	1,093,304
Net increase (decrease) in fair value of investments	-	-	223,062	223,062
Total revenues	7,052,440	13,500,120	3,155,006	(10,345,114)
Expenditures				
Current				
Public services	935,270	2,068,037	699,780	1,368,257
Capital outlay	5,732,170	11,005,990	838,862	10,167,128
Total expenditures	6,667,440	13,074,027	1,538,642	11,535,385
Excess (deficiency) of revenues over expenditures	385,000	426,093	1,616,364	1,190,271
Net Change in Fund Balance	385,000	426,093	1,616,364	1,190,271
Fund Balance (Deficit) - Beginning of Year	2,352,606	2,352,606	2,352,606	-
Fund Balance (Deficit) - End of Year	$ 624,405	$ 716,665	$ 3,968,970	$ 6,082,297

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Local Transportation Article 8 Fund -
Special Revenue Funds
Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Subventions and grants	$ 10,039,030	$ 20,434,030	$ 13,810,881	$ (6,623,149)
Interest	10,000	10,000	-	(10,000)
Total revenues	10,049,030	20,444,030	13,810,881	(6,633,149)
Expenditures				
Current				
General government	155,000	150,000	142,937	7,063
Public services	9,519,840	10,343,640	8,211,230	2,132,410
Capital outlay	298,300	4,429,490	2,855,852	1,573,638
Total expenditures	9,973,140	14,923,130	11,210,019	3,713,111
Excess (deficiency) of revenues over expenditures	75,890	5,520,900	2,600,862	(10,346,260)
Other Financing Sources (Uses)				
Transfers out	(115,900)	(115,900)	-	-
Total other financing sources (uses)	(115,900)	(115,900)	-	-
Net Change in Fund Balance	(40,010)	5,405,000	2,600,862	(10,346,260)
Fund Balance (Deficit) - Beginning of Year	(5,163,825)	(5,163,825)	(5,163,825)	-
Fund Balance (Deficit) - End of Year	$ (5,203,835)	$ 241,175	$ (2,562,963)	$ (10,346,260)

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Palmdale Financing Authority Fund-
Debt Service Funds
Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Interest	$ 10,000	$ -	$ 82,855	$ 82,855
Expenditures				
Community development	-	-	5,550	(5,550)
Debt service				
Principal	2,575,000	2,575,000	2,712,314	(137,314)
Interest	2,593,510	2,817,330	2,929,653	(112,323)
Total expenditures	5,168,510	5,392,330	5,647,517	(255,187)
Excess (deficiency) of revenues over (under) expenditures	(5,158,510)	(5,392,330)	(5,564,662)	(172,332)
Other Financing Sources (Uses)				
Tranfers in	5,168,680	5,168,680	5,641,969	473,289
Net Change in Fund Balance	10,170	(223,650)	(28,265,916)	(28,042,266)
Fund Balance (Deficit) - Beginning of Year	35,168,016	35,168,016	35,168,016	-
Fund Balance (Deficit) - End of Year	$ 35,178,186	$ 34,944,366	$ 6,902,100	$ (28,042,266)

City of Palmdale, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Community Facilities District (CFD) Funds -
Capital Projects Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Special assessments	$ 52,300	$ 52,300	$ 52,551	$ 251
Interest	19,000	19,000	132,402	113,402
Net increase (decrease) in fair value of investments	-	-	813	813
Total revenues	71,300	71,300	185,766	114,466
Expenditures				
Public Services	-	-	1,956	(1,956)
Excess (deficiency) of revenues over (under) expenditures	71,300	71,300	183,810	112,510
Net Change in Fund Balance	71,300	71,300	183,810	112,510
Fund Balance (Deficit) - Beginning of Year	3,056,387	3,056,387	3,056,387	-
Fund Balance (Deficit) - End of Year	$ 3,127,687	$ 3,127,687	$ 3,240,197	$ 112,510

City of Palmdale, California
Combining Statement of Net Position
Internal Service Funds
June 30, 2025

	Information Technology	Fleet Maintenance	Total Internal Service Funds
Assets			
Current Assets			
Investments	$ 1,421,963	$ -	$ 1,421,963
Deposits and prepaids	394,488	-	394,488
Total current assets	1,816,451	-	1,816,451
Capital Assets and Right of Use Assets			
Depreciable Capital Assets			
Vehicles	-	14,935,408	14,935,408
Equipment	6,379,659	-	6,379,659
SBITA assets	3,860,935	-	3,860,935
Less accumulated depreciation	(7,836,649)	(7,257,323)	(15,093,972)
Capital assets, net	2,403,945	7,678,085	10,082,030
Total assets	4,220,396	7,678,085	11,898,481
Liabilities			
Accounts payable	38,976	335,899	374,875
Due to other funds	-	1,522,723	1,522,723
Interest payable	26,196	-	26,196
Subscription liability	452,388	-	452,388
Total current liabilities	517,560	1,858,622	2,376,182
Due in More than One Year			
Subscription liability	1,481,343	-	1,481,343
Total due in more than one year	1,481,343	-	1,481,343
Total liabilities	1,998,903	1,858,622	3,857,525
Net Position			
Net investment in capital assets	470,214	7,678,085	8,148,299
Unrestricted (deficit)	1,751,279	(1,858,622)	(107,343)
Total net position	$ 2,221,493	$ 5,819,463	$ 8,040,956

City of Palmdale, California

Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
June 30, 2025

	Information Technology	Fleet Maintenance	Total Internal Service Funds
Operating Revenues			
Charges for current services	$ 4,170,292	$ 4,025,630	$ 8,195,922
Other revenue	-	28,689	28,689
Total operating revenues	4,170,292	4,054,319	8,224,611
Operating Expenses			
Salaries, wages and benefits	1,306,325	677,541	1,983,866
Material and supplies	361,420	505,850	867,270
Utilities	102,951	489	103,440
Administrative	8,181	5,865	14,046
Depreciation/amortization	779,948	1,048,660	1,828,608
Repairs and maintenance	1,575,115	290,098	1,865,213
Other expenditures	-	2,133	2,133
Total operating expenses	4,133,940	2,530,636	6,664,576
Operating income (loss)	36,352	1,523,683	1,560,035
Nonoperating Revenues (Expenses)			
Investment and interest income	147,367	-	147,367
Net realized and unrealized gains (losses)	87,646	-	87,646
Interest expense	5,717	-	5,717
Total nonoperating revenues (expenses)	240,730	-	240,730
Income (Loss) before Operating Transfers	277,082	1,523,683	1,800,765
Transfers In	250,000	250,000	500,000
Change in Net Position	527,082	1,773,683	2,300,765
Net Position - Beginning of Year	1,694,411	4,045,780	5,740,191
Net Position (Deficit) - End of Year	$ 2,221,493	$ 5,819,463	$ 8,040,956

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City of Palmdale, California
Combining Statement of Cash Flows
Internal Service Funds
June 30, 2025

	Information Technology	Fleet Maintenance	Total Internal Service Funds
Operating Activities			
Cash received from interfund services provided	$ 3,796,697	$ 4,025,630	$ 7,822,327
Cash paid to employees for services	(1,306,325)	(677,541)	(1,983,866)
Cash paid to suppliers for goods and services	(2,102,170)	(1,113,365)	(3,215,535)
Cash (paid)/received for other services	-	28,689	28,689
Net Cash Provided (Used) by Operating Activities	388,202	2,263,413	2,651,615
Noncapital Financing Activities			
Transfers from other funds	250,000	250,000	500,000
Transfers to other funds	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	250,000	250,000	500,000
Capital and Related Financing Activities			
Acquisition and construction of capital assets	(120,114)	(2,513,413)	(2,633,527)
SBITA arrangements	(589,768)	-	(589,768)
Net Cash Provided (Used) by Capital and Related Financing Activities	(709,882)	(2,513,413)	(3,223,295)
Investing Activities			
Gain/(loss) on investments	87,646	-	87,646
Interest income	147,367	-	147,367
Change in investments	(163,333)	-	(163,333)
Net Cash Provided (Used) by Investing Activities	71,680	-	71,680
Total Cash Flow Increase/(Decrease)	-	-	-
Beginning Cash and Cash Equivalents	-	-	-
Ending Cash and Cash Equivalents	$ -	$ -	$ -
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Net Income/Loss from Operating Activities	36,352	1,523,683	1,560,035
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Depreciation and Amortization Expense	779,948	1,048,660	1,828,608
Changes in Assets and Liabilities			
(Increase) Decrease in Accounts Receivable	20,893	-	20,893
(Increase) Decrease in Prepaids and Deposits	(394,488)	-	(394,488)
(Decrease) Increase in Accounts Payable	(54,503)	261,583	207,080
(Decrease) Increase in Due to Other Funds	-	(570,513)	(570,513)
Net Cash Provided (Used) by Operating Activities	388,202	2,263,413	2,651,615
Schedule of Non-cash investing, Capital and Financing Activities			
Subscription Liability for the Acquisition of Rights to Use Subscription Asset	$ 434,223	$ -	$ 434,223

Retiree Health Premium Trust Funds - These funds are used to account for the receipt of City funds held in trust to provide Eligible Retirees with a supplement to reduce their premiums for participating in the City's Health Plan.

Assessment and Community Facilities District Fund - This fund is used to account for receipts and disbursements associated with 1915 Act Assessment Bonds and Special Tax Bonds which are administered by, but are not the liability of, the City.

City of Palmdale, California
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025

	OPEB Trust Defined Benefit Plan	OPEB Trust Defined Contribution Plan	Total
Assets			
Cash and cash equivalents	$ 139	$ 2,229,979	$ 2,230,118
Investments			
Mutual funds	801,323	1,872,213	2,673,536
Total assets	801,462	4,102,192	4,903,654
Liabilities			
Accounts payable	338,699	-	338,699
Total net position restricted for OPEB benefits	$ 462,763	$ 4,102,192	$ 4,564,955

City of Palmdale, California
Statement of Net Position Assets and Liabilities
Assessment and Community Facilities District Custodial Funds
June 30, 2025

	AD 88-1 Redevelopment	AD 90-2 Redevelopment	AD 87-1 Redevelopment	Anaverde	Trade and Commerce
Assets					
Cash	$ -	$ -	$ -	$ -	$ -
Receivables					
Property tax receivable	-	-	-	9,907	25,172
Due from other governmental units	-	-	-	-	-
Restricted assets					
Cash and investments	424,871	211,545	160,697	2,053,369	1,898,157
Interest receivable	282	139	602	4,987	3,398
Total assets	425,153	211,684	161,299	2,068,263	1,926,727
Liabilities					
Accounts payable	-	-	-	9,919	10,401
Advances due to city of palmdale	269,908	313,951	-	-	-
Deposits	57,580	7,210	19,917	-	-
Total liabilities	327,488	321,161	19,917	9,919	10,401
Net Position					
Restricted					
Held on behalf of others	97,665	(109,477)	141,382	2,058,344	1,916,326
Total net position	$ 97,665	$ (109,477)	$ 141,382	$ 2,058,344	$ 1,916,326

Sierra Gateway	AD 91-2 Redevelopment	Ritter Ranch	Godde Hills	Joshua Ranch	Total
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	1,381	4,551	41,011
1,565	-	-	-	-	1,565
225,681	24,951	298,526	307,263	3,296,999	8,902,059
-	93	734	431	12,361	23,027
227,246	25,044	299,260	309,075	3,313,911	8,967,662
4,407	-	5,939	4,949	564,754	600,369
329,984	-	-	-	-	913,843
-	-	-	-	-	84,707
334,391	-	5,939	4,949	564,754	1,598,919
(107,145)	25,044	293,321	304,126	2,749,157	7,368,743
$ (107,145)	$ 25,044	$ 293,321	$ 304,126	$ 2,749,157	$ 7,368,743

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	OPEB Trust Defined Benefit Plan	OPEB Trust Defined Contribution Plan	Total
Additions			
Employer contributions to retiree medical trust	$ -	$ 101,900	$ 101,900
Investment and interest income	36,814	182,707	219,521
Net realized and unrealized gains (losses)	64,296	115,801	180,097
Total additions	101,110	400,408	501,518
Deductions			
Benefits paid to participants and expenses	395,187	279,620	674,807
Total deductions	395,187	279,620	674,807
Change in Net Position	(294,077)	120,788	(173,289)
Net Position Held in Trust at Beginning of Year	756,840	3,981,404	4,738,244
Net Position Held in Trust at End of Year	$ 462,763	$ 4,102,192	$ 4,564,955

City of Palmdale, California
Statement of Fiduciary Change in Net Position
Assessment and Community Facilities District
Custodial Funds
Year Ended June 30, 2025

	AD 88-1 Redevelopment	AD 90-2 Redevelopment	AD 87-1 Redevelopment	Anaverde	Trade and Commerce
Additions					
Other taxes	$ -	$ -	$ -	$ 1,549,121	$ 1,009,258
Investment and interest income	10,788	5,369	4,576	37,931	75,435
Net realized and unrealized gains (losses)	6,248	3,111	2,363	19,563	13,330
Total additions	17,036	8,480	6,939	1,606,615	1,098,023
Deductions					
Administrative expense	-	-	-	106,629	138,772
Interest expense	-	-	-	618,625	287,455
Principal payments on long-term debt	-	-	-	805,000	551,491
Total deductions	-	-	-	1,530,254	977,718
Change in Net Position	17,036	8,480	6,939	76,361	120,305
Net Position (Deficit) at Beginning of Year	80,629	(117,957)	134,443	1,981,983	1,796,021
Net Position (Deficit) at End of Year	$ 97,665	$ (109,477)	$ 141,382	$ 2,058,344	$ 1,916,326

Sierra Gateway	AD 91-2 Redevelopment	Ritter Ranch	Godde Hills	Joshua Ranch	Total
$ -	$ -	$ 87,081	$ 140,752	$ 870,709	$ 3,656,921
6	711	8,108	12,525	93,488	248,937
-	367	4,398	1,695	48,883	99,958
6	1,078	99,587	154,972	1,013,080	4,005,816
20,462	-	27,047	42,858	754,487	1,090,255
-	-	-	44,250	-	950,330
-	-	-	50,000	-	1,406,491
20,462	-	27,047	137,108	754,487	3,447,076
(20,456)	1,078	72,540	17,864	258,593	558,740
(86,689)	23,966	220,781	286,262	2,490,564	6,810,003
$ (107,145)	$ 25,044	$ 293,321	$ 304,126	$ 2,749,157	$ 7,368,743

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Statistical Section

Palmdale, California

Year Ended June 30, 2025

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This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

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Financial Trends 187

These schedules contain information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity 197

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.

Debt Capacity 202

These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information 209

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

Operating Information 212

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Source: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

City of Palmdale, California
Net Position by Component
Year Ended June 30, 2025
(accrual basis of accounting)

	2016	2017	2018	2019
Governmental Activities				
Net Investment in Capital Assets	$ 662,351,171	$ 659,365,081	$ 643,077,802	$ 644,332,182
Restricted Net Position	144,651,291	149,318,498	158,892,011	168,327,294
Unrestricted	30,980,820	36,278,228	43,372,746	38,660,581
Total Governmental Activities Net Position	$ 837,983,282	$ 844,961,807	$ 845,342,559	$ 851,320,057
Business-Type Activities				
Unrestricted	$ -	$ -	$ -	$ -
Total Business-type Activities Net Position	$ -	$ -	$ -	$ -
Primary Government				
Net Investment in Capital Assets	$ 662,351,171	$ 659,365,081	$ 643,077,802	$ 644,332,182
Restricted Net Position	144,651,291	149,318,498	158,892,011	168,327,294
Unrestricted	30,980,820	36,278,228	43,372,746	38,660,581
Total Primary Government Net Position	$ 837,983,282	$ 844,961,807	$ 845,342,559	$ 851,320,057

2020	2021	2022	2023	2024	2025
$ 649,681,476	$ 635,725,018	$ 618,136,264	$ 609,762,857	$ 609,871,573	$ 657,179,110
172,484,623	206,139,337	233,562,972	236,174,325	264,319,596	307,089,233
44,530,808	39,155,744	45,438,999	83,801,172	95,074,877	57,930,834
$ 866,696,907	$ 881,020,099	$ 897,138,235	$ 929,738,354	$ 969,266,046	$ 1,022,199,177
$ -	$ -	$ -	$ (1,128,896)	$ 6,926,211	$ 3,628,056
$ -	$ -	$ -	$ (1,128,896)	$ 6,926,211	$ 3,628,056
$ 649,681,476	$ 635,725,018	$ 618,136,264	$ 609,762,857	$ 609,871,573	$ 657,179,110
172,484,623	206,139,337	233,562,972	236,174,325	264,319,596	307,089,233
44,530,808	39,155,744	45,438,999	82,672,276	102,001,088	61,558,890
$ 866,696,907	$ 881,020,099	$ 897,138,235	$ 928,609,458	$ 976,192,257	$ 1,025,827,233

City of Palmdale, California
Changes in Net Position
Year Ended June 30, 2025
(accrual basis of accounting)

	2016	2017	2018	2019
Expenses				
Governmental Activities:				
General Government	$14,771,775	$15,162,734	$16,416,215	$18,136,297
Public Safety	$24,453,097	$26,436,495	$28,284,134	$29,586,144
Transportation	$53,165,326	$51,989,170	$55,006,590	$59,682,264
Community Development	$7,900,847	$8,715,698	$7,584,015	$8,645,117
Cultural and Recreational	$9,704,499	$10,405,253	$11,463,299	$12,060,182
Health and Welfare	-	-	-	-
Interest on Long-term Debt	$6,116,645	$3,948,940	$3,327,586	$3,237,967
Public Service	-	-	-	-
Total Governmental Activities Expenses	$116,112,189	$116,658,290	$122,081,839	$131,347,971
Business-Type Activities				
Palmdale CCA	-	-	-	-
Total Business-type Activities Expenses	-	-	-	-
Total Primary Government Expenses	$116,112,189	$116,658,290	$122,081,839	$131,347,971
Program Revenues				
Governmental Activities Charges for Services:				
General Government	$5,967,654	$6,095,516	$6,716,003	$6,933,948
Public Safety	$3,478,453	$3,188,196	$2,687,364	$2,667,432
Transportation	$16,469,772	$16,853,232	$17,545,979	$17,712,240
Community Development	$6,541,258	$6,674,317	$6,775,750	$7,486,493
Cultural and Recreational	$5,226,101	$5,320,091	$5,255,553	$5,262,707
Health and Welfare	$344,932	$354,054	$311,587	$322,559
Public Service	-	-	-	-
Operating Grants and Contributions	$9,206,823	$9,058,728	$8,540,307	$13,858,198
Capital Grants and Contributions	$29,098,236	$30,874,206	$23,778,358	$38,211,672
Total Governmental Activities Program Revenues	$76,333,229	$78,418,340	$71,610,901	$92,455,249
Business-Type Activities Charges for Services: Power	-	-	-	-
Total Business-type Activities Program Revenues	-	-	-	-
Total Primary Government Program Revenues	$76,333,229	$78,418,340	$71,610,901	$92,455,249
Net (Expense)/Revenue				
Governmental Activities	($39,778,960)	($38,239,950)	($50,470,938)	($38,892,722)
Business-type Activities	-	-	-	-
Total Primary Government Net Expense	($39,778,960)	($38,239,950)	($50,470,938)	($38,892,722)

2020	2021	2022	2023	2024	2025
$19,602,733	$23,661,402	$26,570,018	$31,726,963	$41,711,266	$31,024,338
$31,440,137	$34,120,577	$35,668,009	$38,133,053	$41,218,066	$46,034,629
$60,561,501	$64,363,055	$75,158,621	$305,266	-	-
$8,673,102	$10,337,092	$9,269,097	$12,005,237	$12,192,625	$12,103,519
$12,643,328	$8,681,441	$9,648,980	$13,634,111	$15,987,459	$24,826,124
$1,287,612	$1,136,316	$316,031	$588,116	$550,969	$306,655
$2,955,972	$2,966,821	$2,182,745	$2,555,060	$4,310,678	$3,731,179
-	-	-	$75,322,520	$84,937,841	$82,808,989
$137,164,385	$145,266,704	$158,813,501	$174,270,326	$200,908,904	$200,835,433
-	-	-	$29,459,055	$59,369,877	$81,431,124
-	-	-	$29,459,055	$59,369,877	$81,431,124
$137,164,385	$145,266,704	$158,813,501	$203,729,381	$260,278,781	$282,266,557
$10,430,987	$8,697,930	$7,060,041	$7,868,872	$7,563,083	$8,245,586
$3,658,425	$3,352,082	$5,889,031	$5,273,458	$6,555,792	$5,347,459
$18,427,062	$23,981,954	$25,124,723	-	-	-
$7,588,544	$8,177,023	$7,993,491	$8,053,093	$8,361,154	$9,195,809
$3,643,056	$5,885,950	$8,258,640	$8,052,680	$7,507,733	$7,793,831
$289,499	$220,105	$216,738	$184,106	$191,420	$166,953
-	-	-	$25,471,077	$32,195,528	$25,513,905
$9,552,177	$3,828,357	$2,740,434	$19,313,133	$16,291,059	$11,117,528
$40,280,273	$34,148,793	$32,939,685	$33,403,301	$38,302,819	$54,425,642
$93,870,023	$88,292,194	$90,222,783	$107,619,720	$116,968,588	$121,806,713
-	-	-	$29,406,756	$67,424,984	$77,982,078
-	-	-	$29,406,756	$67,424,984	$77,982,078
$93,870,023	$88,292,194	$90,222,783	$137,026,476	$184,393,572	$199,788,791
($43,294,362)	($56,974,510)	($68,590,718)	($66,650,606)	($83,940,316)	($79,028,720)
-	-	-	($52,299)	$8,055,107	($3,449,046)
($43,294,362)	($56,974,510)	($68,590,718)	($66,702,905)	($75,885,209)	($82,477,766)

	2016	2017	2018	2019
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes	$6,154,152	$7,026,181	$7,689,753	$9,298,991
Sales and Use Taxes	$19,186,043	$18,577,244	$19,267,083	$21,798,640
Motor Vehicle in Lieu	$12,523,079	$13,062,518	$13,925,859	$14,171,324
Franchise Taxes	$5,562,090	$5,352,221	$5,463,623	$6,225,233
Transient Occupancy Taxes	$3,278,724	$3,716,154	$4,028,350	$4,653,290
Property Transfer Taxes	-	-	-	-
Business License Taxes	$569,381	$589,805	$628,303	$628,479
Unrestricted Investment Earnings/(Loss)	$537,396	($71,826)	$519,275	$2,365,811
Other	$412,936	$592,876	$594,975	$569,791
Transfers	-	-	-	-
Total Governmental Activities	$48,223,801	$48,845,173	$52,251,202	$59,711,559
Business-type Activities: Unrestricted Investment Earnings/(Loss)	-	-	-	-
Transfers	-	-	-	-
Total Business-type Activities	-	-	-	-
Change in Net Position				
Governmental Activities	($39,778,960)	($38,239,950)	($50,470,938)	($59,209,086)
Business-type Activities	-	-	-	-
Total Primary Government Change in Net Position	($39,778,960)	($38,239,950)	($50,470,938)	($59,209,086)

Source: Annual Comprehensive Financial Reports for the relevant year.

2020	2021	2022	2023	2024	2025
$10,058,703	$9,962,884	$26,366,000	$28,779,848	$31,159,311	$32,820,836
$21,587,441	$30,305,927	$50,484,625	$50,484,537	$50,073,637	$55,894,601
$15,024,455	$16,133,114	$180,305	$173,567	$209,159	-
$5,458,426	$7,441,119	$7,497,156	$8,684,132	$9,581,190	$10,385,384
$3,697,656	$4,667,137	$5,540,832	$4,608,941	$5,096,411	$4,888,140
-	-	$952,103	$551,908	$478,671	$585,556
$666,997	$468,666	$677,197	$624,183	$518,357	$686,633
$1,504,089	$401,101	($7,686,544)	$1,417,412	$17,264,540	$17,736,036
$673,444	$1,267,638	$697,180	$2,666,630	$9,086,732	$1,101,832
-	-	-	$1,077,918	-	-
$58,671,211	$70,647,586	$84,708,854	$99,069,076	$123,468,008	$124,099,018
-	-	-	$1,321	-	$150,891
-	-	-	($1,077,918)	-	-
-	-	-	($1,076,597)	-	$150,891
($43,294,362)	($56,974,510)	($68,590,718)	$32,418,470	$39,527,692	$45,070,298
-	-	-	($1,128,896)	$8,055,107	($3,298,155)
($43,294,362)	($56,974,510)	($68,590,718)	$31,289,574	$47,582,799	$41,772,143

	2016	2017	2018	2019
The following fund balances are classified in compliance with GASB 54:				
General Fund				
Nonspendable	$11,433,344	$10,889,726	$11,072,269	$876,958
Restricted	$3,363,298	$3,433,942	$3,507,069	$4,414,580
Assigned	$7,816,109	$10,808,898	$11,838,025	$14,021,843
Unassigned	$29,139,751	$31,648,004	$35,914,833	$43,846,622
Total General Fund	**$51,752,502**	**$56,780,570**	**$62,332,196**	**$63,160,003**
All Other Governmental Funds				
Restricted	$165,219,475	$164,464,462	$179,943,144	$184,867,493
Unassigned	($13,624,754)	($15,208,273)	($13,373,212)	($16,523,119)
Total All Other Governmental Funds	**$151,594,721**	**$149,256,189**	**$166,569,932**	**$168,344,374**
Total Governmental Funds	**$203,347,223**	**$206,036,759**	**$228,902,128**	**$231,504,377**

Source: Annual Comprehensive Financial Reports for the relevant year.

2020	2021	2022	2023	2024	2025
$470,243	$2,390,182	$2,554,221	$2,569,673	$1,825,542	$1,216,677
$2,580,329	$2,923,365	$6,297,363	$7,830,725	$9,763,960	$11,841,241
$15,564,685	$35,798,239	$23,989,477	$13,092,740	$11,004,526	$13,815,878
$47,795,298	$17,389,479	$40,428,440	$69,083,182	$80,391,662	$84,272,631
$66,410,555	**$58,501,265**	**$73,269,501**	**$92,576,320**	**$102,985,690**	**$111,146,427**
$194,970,111	$215,685,053	$240,397,464	$261,436,934	$325,456,897	$307,089,233
($11,305,691)	($5,848,882)	($3,713,302)	($2,866,524)	($12,553,107)	($34,535,802)
$183,664,420	**$209,836,171**	**$236,684,162**	**$258,570,410**	**$312,903,790**	**$272,553,431**
$250,074,975	**$268,337,436**	**$309,953,663**	**$351,146,730**	**$415,889,480**	**$383,699,858**

City of Palmdale, California
Changes in Fund Balances – Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2016	2017	2018	2019	2020
Revenues:					
Taxes (see page 197)	$ 50,600,450	$ 51,283,788	$ 54,229,982	$ 59,912,769	$ 59,928,123
Subventions and Grants	25,690,529	26,057,852	28,470,216	31,759,025	41,727,112
Fees and Charges	18,823,349	18,711,910	18,692,915	14,995,901	22,247,921
Licenses and Permits	2,539,507	2,667,827	2,180,693	1,998,982	3,528,336
Special Assessments	17,227,611	17,579,851	18,204,324	18,569,358	18,397,067
Interfund Interest	577,052	543,708	516,103	481,194	882,858
Interest	1,342,135	1,695,340	2,260,381	3,487,106	3,528,323
Successor Agency Contributions	17,265,417	41,258	35,953	35,925	-
Capital Contributions	463,304	153,796	126,153	161,608	5,898,413
Net increase (decrease) in fair value of investments	320,522	(1,648,795)	(941,708)	2,401,196	1,317,573
Other revenue	4,218,962	4,483,380	3,925,523	9,361,216	3,657,594
Interest Revenue	-	-	-	-	-
Total Revenues	139,068,838	121,569,915	127,700,535	143,164,280	161,113,320
Expenditures:					
Current:					
General Government	14,681,150	15,276,501	15,629,948	16,266,972	20,039,498
Public Safety	24,785,404	26,793,853	28,107,228	29,083,581	30,684,148
Public Services	22,095,709	20,952,691	20,980,917	22,432,301	23,487,783
Community Development	7,242,971	7,229,495	6,566,458	7,324,760	7,192,095
Cultural and Recreational	9,206,904	9,736,509	10,086,436	10,783,255	11,246,819
Health and Welfare	3,031,167	3,650,042	1,872,018	1,774,890	1,209,687
Capital Outlay	28,470,675	26,733,173	25,935,646	37,329,350	38,890,472
Debt service:					
Principal	5,433,042	3,391,747	3,425,667	3,587,279	5,744,341
Interfund Interest	577,052	543,708	516,103	481,194	882,858
Interest	4,627,754	3,663,254	3,348,492	3,416,038	3,245,817
Cost of Issuance	361,287	383,662	157,280	-	-
Total Expenditures	120,513,115	118,354,635	116,626,193	132,479,619	142,623,518
Excess (Deficiency) of Revenues Over (Under) Expenditures	18,555,723	3,215,280	11,074,342	10,684,660	18,489,802
Other Financing Sources (Uses):					
Capital Lease Proceeds	1,234,862	-	14,161	-	-
Gain (Loss) on Resale Land	-	-	377,481	91,753	80,796
Issuance of Notes	-	-	-	1,252,500	-
Issuance of Bonds	4,235,000	17,475,000	11,397,102	-	-
Issuance of Long-term Debt	-	-	-	-	-
Payments to Refunded Bond Escrow	(18,784,512)	(19,420,000)	-	-	-
Debt Issuance Premiums (Discounts)	-	1,419,256	-	-	-
Proceeds from Financing Related to Leases	-	-	-	-	-
Refunded Debt	-	-	-	-	-
Transfers In	8,824,216	29,471,537	8,153,168	9,104,075	7,644,581
Transfers Out	(8,824,216)	(29,471,537)	(8,153,168)	(9,104,075)	(7,644,581)
Total Other Financing Sources (Uses)	(13,314,650)	(525,744)	11,788,744	1,344,253	80,796
Special Item:					
Write-off of Permit Held for Sale				(10,158,182)	-
Extraordinary Items:					
Extraordinary Gain (Loss) Upon Dissolution of the Redevelopment Agency	-	-	-	-	-
Net Change in Fund Balances	$ 5,241,073	$ 2,689,536	$ 22,863,086	$ 1,870,731	$ 18,570,598
Debt service as a percentage of noncapital	13.21%	9.87%	12.35%	7.60%	8.52%

2021	2022	2023	2024	2025
$ 73,442,350	$ 95,738,138	$ 98,305,989	$ 110,283,440	$ 110,192,297
28,048,936	29,955,623	43,421,415	33,930,446	41,364,075
23,850,691	26,552,574	25,184,391	30,614,351	25,794,907
3,385,143	5,747,192	5,066,521	6,299,389	4,975,125
19,505,242	19,263,188	21,355,867	22,641,328	22,803,933
440,665	26,251	197,519	203,562	213,831
1,203,208	2,316,885	5,696,495	11,423,862	11,663,518
	-	-	-	-
3,506,182	2,418,565	2,224,920	3,478,181	1,703,411
(483,057)	(10,179,175)	(4,534,354)	5,478,605	5,837,513
3,728,242	3,828,120	7,240,973	5,248,939	4,016,584
-	2,611	1,840	1,082	305
156,627,602	175,669,972	204,161,576	229,603,185	228,565,499
17,797,687	20,406,076	31,377,928	33,616,861	23,547,693
33,615,289	35,754,740	33,072,154	39,481,350	44,966,161
28,455,439	32,762,556	49,106,675	33,937,470	46,662,017
9,388,083	7,913,876	12,636,912	11,034,097	10,856,206
7,369,676	9,231,767	11,041,091	12,666,446	21,536,905
1,088,504	312,924	473,993	287,609	306,655
24,579,551	20,405,381	18,366,685	44,439,702	103,525,422
4,764,954	5,188,550	5,048,427	5,791,619	5,848,666
3,052,447	2,393,414	2,238,143	3,123,777	3,902,545
706,665	26,251	184,419	203,562	213,831
141,893	-	-	1,048,943	-
130,960,188	134,395,535	163,546,427	185,631,436	261,366,101
25,667,414	41,274,437	40,615,149	43,971,749	(32,800,602)
-	-	-	-	-
-	341,784	-	-	-
14,103,744	-	-	-	-
-	-	-	-	-
-	-	-	37,160,000	-
(14,943,599)	-	-	(3,776,459)	-
-	-	-	59,130	-
-	-	-	419,161	1,110,980
-	-	-	3,770,000	
42,407,576	8,709,061	11,473,926	13,919,142	39,066,018
(48,972,673)	(8,709,061)	(10,896,008)	(14,419,141)	(39,566,018)
(7,404,952)	341,784	577,918	37,131,833	610,980
-		-	-	-
-		-	-	-
$ 18,262,462	$ 41,616,221	$ 41,193,067	$ 81,103,582	$ (32,189,622)
5.25%	6.71%	3.73%	3.59%	2.58%

City of Palmdale, California
General Governmental Tax Revenue by Source
Last Ten Fiscal Years

Fiscal Year	Property and Tax Increment Revenue [a]	Sales and Use Taxes [b]	Business License Tax	Franchise Tax	Gasoline Tax	Transient Occupancy Tax [c]	Real Property Transfer Tax	Total
2015-16	18,118,214	19,186,043	569,381	5,562,090	3,392,713	3,278,724	493,284	50,600,449
2016-17	19,514,208	18,577,244	589,805	5,352,221	3,031,375	3,716,154	502,781	51,283,788
2017-18	20,983,338	19,267,083	628,303	5,463,623	3,310,498	4,028,350	548,787	54,229,982
2018-19	22,953,195	21,798,640	628,479	6,225,233	3,213,087	4,653,290	440,845	59,912,768
2019-20	24,442,179	21,587,441	666,997	5,458,426	3,559,379	3,697,656	516,045	59,928,123
2020-21	25,981,042	30,305,927	468,666	7,441,119	3,566,382	4,667,137	650,123	73,080,397
2021-22	26,365,999	50,484,625	677,197	7,497,156	3,668,344	5,540,832	952,103	95,186,257
2022-23	28,779,848	50,484,537	624,183	8,684,132	4,225,711	4,608,941	551,908	97,959,261
2023-24	31,159,313	50,073,637	518,357	18,081,188	4,556,678	5,096,411	478,671	109,964,255
2024-25	32,820,836	55,894,601	686,633	10,385,384	4,678,308	4,888,140	585,556	109,939,459

a The City's property and tax increment revenue has increased over the last ten years due to the increases in the City's population and housing boom.

City of Palmdale, California

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

Fiscal Year	Secured Property								
	Residential Property	Commercial Property	Industrial Property	Dry Farm Property	Government Property	Institutional Property	Irrigated Property	Miscellaneous Property	Recreational Property
2015-16	7,635,291,990	1,365,232,525	511,346,775	3,144	292,000	225,436,801	2,386,169	3,365,234	31,833,238
2016-17	8,037,144,588	1,420,981,536	538,952,556	3,191	452,000	243,902,415	2,422,533	5,191,041	32,269,300
2017-18	8,533,219,339	1,469,739,955	591,126,895	3,254	-	255,229,741	2,470,953	5,416,084	35,235,135
2018-19	9,092,073,933	1,539,003,968	637,402,588	1,311,427	-	264,757,053	2,520,345	6,346,928	40,385,529
2019-20	9,604,501,555	1,615,682,922	461,649,492	1,337,654	-	280,936,547	2,973,968	9,002,895	40,807,956
2020-21	10,110,405,114	1,748,162,062	467,272,879	1,364,404	-	332,597,730	3,033,418	9,255,140	53,368,986
2021-22	10,576,572,497	1,776,996,314	499,665,315	1,378,537	-	286,951,575	3,064,824	13,722,590	51,999,974
2022-23	11,388,056,864	1,830,123,822	566,669,970	2,819,010	-	300,040,294	5,193,711	13,997,032	49,497,383
2023-24	12,205,204,006	1,884,903,832	580,332,311	2,875,388	-	356,358,965	18,287,869	12,020,752	50,247,113
2024-25	12,806,431,692	1,907,209,203	604,677,040	2,932,892	-	307,637,689	18,653,598	12,261,161	50,035,258

Fiscal Year	Secured Property							Total Taxable Assessed Value	Total Direct Tax Rate
	Vacant Land Property	Cross Reference Property	Exempt Property	Unknown Property	Total Secured	SBE Nonunitary Property	Unsecured Property		
2015-16	577,190,707	200,289,742	(75,198,398)	6,000	10,477,475,927	963,200	415,364,218	10,893,803,345	0.07867%
2016-17	605,292,964	176,381,014	(75,989,372)	6,000	10,987,009,766	963,200	392,307,216	11,380,280,182	0.07878%
2017-18	652,028,634	201,337,611	(68,143,060)	6,000	11,677,670,541	836,266	448,141,048	12,126,647,855	0.07858%
2018-19	649,821,664	196,505,558	(67,773,322)	6,000	12,362,361,671	836,266	499,037,306	12,862,235,243	0.07875%
2019-20	646,784,750	261,764,983	(76,302,878)	6,000	12,849,145,844	836,266	741,701,115	13,591,683,225	0.07893%
2020-21	690,821,809	262,686,124	(75,151,870)	-	13,603,815,796	836,266	1,014,356,469	14,619,008,531	0.07824%
2021-22	696,688,023	272,762,641	(75,763,812)	-	14,104,038,478	743,841	793,603,730	14,898,386,049	0.07858%
2022-23	813,600,723	227,898,611	(75,770,290)	22	15,122,127,152	743,841	956,020,410	16,078,891,403	0.08046%
2023-24	797,891,383	229,263,300	(72,777,231)	22	16,064,607,710	743,841	1,162,198,761	17,227,550,312	0.07874%
2024-25	837,908,907	224,763,560	(73,275,783)	-	16,699,235,217	743,841	1,432,486,793	18,132,465,851	0.07855%

Note 1: Exempt values are not included in total taxable assessed value

Note 2: In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Data Source: L.A County Assessor Combined Tax Rolls

City of Palmdale, California
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Rate per $100 of Taxable Value)

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-2024	2024-2025
Basic Levy[1]	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%
Acton-Agua Dulce USD DS 2008 Series A	0.03538%	0.03886%	0.03652%	0.03875%	0.04022%	0.03906%	0.03903%	0.03790%	0.03800%	0.03833%
Antelope Valley Community College	0.02556%	0.02560%	0.04869%	0.04847%	0.04722%	0.04247%	0.04424%	0.04060%	0.04078%	0.04335%
Antelope Valley Union High	0.02428%	0.02474%	0.02357%	0.02317%	0.02187%	0.02163%	0.02360%	0.02289%	0.02045%	0.02045%
Antelope Valley East Kern Water Agency	0.07049%	0.07049%	0.07049%	0.07049%	0.07049%	0.07049%	0.07049%	0.07049%	0.07049%	0.02099%
Eastside Union School District	0.08176%	0.08449%	0.08029%	0.07257%	0.07363%	0.06430%	0.06774%	0.04626%	0.01696%	0.03613%
Lancaster School District	0.05449%	0.05511%	0.06398%	0.05620%	0.05864%	0.06540%	0.06567%	0.06259%	0.06537%	0.06658%
Palmdale School District	0.04973%	0.03819%	0.07534%	0.07211%	0.07059%	0.07264%	0.07121%	0.07131%	0.09885%	0.09654%
Palmdale Water District	0.29922%	0.27726%	0.26591%	0.22356%	0.21817%	0.19676%	0.26418%	0.23064%	0.25930%	0.17882%
Westside Union School District	0.08107%	0.07929%	0.07904%	0.07895%	0.07507%	0.07656%	0.07546%	0.07421%	0.07431%	0.05808%
Total Direct & Overlapping Tax Rates[2]	**1.72199%**	**1.69404%**	**1.74381%**	**1.68427%**	**1.67590%**	**1.64931%**	**1.72162%**	**1.65689%**	**1.68451%**	**1.55927%**
City Share of 1% Levy per Prop 13[3]	0.10374%	0.10374%	0.10374%	0.10367%	0.10367%	0.10367%	0.10367%	0.10367%	0.10367%	0.10367%
Total Direct Rate[4]	0.07867%	0.07878%	0.07858%	0.07875%	0.07893%	0.07824%	0.07858%	0.08046%	0.07870%	0.07855%

Notes:

1 In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values fo the payment of any approved bonds.

2 Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

3 City's share of 1% levy is based on the City's share of the general fund tax rate area with the largest net taxable value with the City. ERAF general fund tax shifts may not be included in tax ratio figures.

4 Total direct rate is the weighted average of all individual direct rates and applied by the City of Palmdale.

Data Source: L.A. County Assessor Tax Rate Table

City of Palmdale, California
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2024-25 Taxable Assessed Value	2024-25 Percentage of Total City Taxable Assessed Value	2015-16 Taxable Assessed Value	2015-16 Percentage of Total City Taxable Assessed Value
Lockheed Corporation	$ 765,427,772	4.20%	$ 361,984,933	3.30%
Northrop Grumman Systems Corporation	593,893,941	3.26%	148,634,227	1.36%
Lancaster Hospital Corporation	273,399,051	1.50%	223,512,256	2.04%
Antelope Valley Shop LLC	179,679,944	0.99%	121,700,383	1.11%
Walmart/Sams Club	91,399,969	0.50%	77,499,589	0.71%
Hastings Ranch Shopping Center LP	71,075,630	0.39%		0.00%
Spectrum Pacific West LLC	69,118,344	0.38%		0.00%
Allegra Palmdale LLC	62,111,880	0.34%		0.00%
Golden Spectrum Property LLC	49,539,254	0.27%	42,043,572	0.38%
2018 1 IH Borrower LP	47,251,724	0.26%		0.00%
MGP X Properties LLC Lessor	-	0.00%	111,202,955	1.01%
Time Warner Cable	-	0.00%	53,321,332	0.49%
Universal Health Svs of Palmdale Inc.	-	0.00%		0.00%
Target Coporation	-	0.00%	39,256,363	0.36%
LV Ritter Ranch LLC	-	0.00%	33,125,521	0.30%
Top Ten Total	2,202,897,509	12.10%	1,212,281,131	11.05%
Total City Taxable Assessed Value	$ 18,211,974,827	100.00%	$ 10,969,161,743	100.00%

Source: HdL Coren & Cone

City of Palmdale, California
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	City Property Tax			Subsequent Collections			Total Collections	
	Levy (1)	Collections (2)	Percent of Levy	Supplemental (3)	Redemption (4)	Refunds/ Adjustments (5)		Percent of Levy
2015-16	5,564,458	4,851,602	87.19%	186,674	60,744	362,953	5,461,974	98.16%
2016-17	5,402,998	4,987,980	92.32%	140,425	61,470	155,603	5,345,477	98.94%
2017-18	5,828,578	5,228,633	89.71%	147,686	55,389	324,312	5,756,019	98.76%
2018-19	6,806,674	5,583,646	82.03%	181,836	55,887	912,182	6,733,551	98.93%
2019-20	7,618,313	5,801,915	76.16%	175,030	66,903	1,338,234	7,382,082	96.90%
2020-21	7,448,412	6,270,301	84.18%	122,110	112,061	879,714	7,384,187	99.14%
2021-22	7,499,947	6,530,266	87.07%	193,286	112,685	700,093	7,536,329	100.49%
2022-23	7,875,427	6,789,097	86.21%	166,732	119,240	738,453	7,813,522	99.21%
2023-24	7,315,531	7,145,710	97.68%	233,609	124,487	1,173,784	8,677,591	118.62%
2024-25	7,744,689	7,366,244	95.11%	71,991	149,885	1,164,678	8,752,798	113.02%

(1) Billings represents the Secured, Unsecured, and Homeowners Property Tax billed amounts for each fiscal year.

(2) Collections represents the Secured, Unsecured, and Homeowners Property Tax collected amounts for each fiscal year.

(3) SB813 requires than a supplemental assessment be enrolled for the amount of the difference in value between regular assessment roll and the new fair market value after a change of ownership. The Supplemental figures were taken from LA County remittances and may include supplemental amounts from prior fiscal years.

(4) Redemption collections represent tax-defaulted secured property taxes that were unpaid at the end of a fiscal year. The Redemption figures were taken from LA County remittances and may include redemption amounts from prior fiscal years.

(5) Refunds represent overpayments of taxes due because of a decrease in value; whereas adjustments represent changes to the tax roll. The Refund and Adjustment figures were taken from LA County remittances and may include refunds and/or adjustments from prior fiscal years.

City of Palmdale, California
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Certificates of Participation	Revenue Bonds	Capital Leases	Other Notes Payable	SBITA Liability	Total Governmental Activities	Percentage of Personal Income (1)	Per Capita (1)
2015-16	62,879,049	12,440,000	1,636,893	6,117,000		83,072,942	2.74%	519
2016-17	41,160,000	30,736,782	1,310,146	5,862,000		79,068,928	2.63%	499
2017-18	39,815,000	28,901,224	1,091,639	17,614,522		87,422,385	2.80%	550
2018-19	38,315,000	26,982,753	964,360	18,271,625		84,533,738	2.54%	536
2019-20	36,655,000	25,054,801	832,294	15,984,014		78,526,109	2.25%	501
2020-21	33,649,908	22,635,000	1,183,278	15,035,845		72,504,031	2.04%	465
2021-22	31,542,451	21,088,805	1,019,884	13,918,357		67,569,497	1.90%	404
2022-23	29,438,552	18,950,834	966,140	12,573,358	2,629,459	64,558,343	1.55%	389
2023-24	27,250,006	53,911,990	3,110,826	11,450,485	2,089,276	97,812,583	2.10%	589
2024-25	24,977,692	51,796,057	1,692,769	10,289,129	1,933,731	90,689,378	1.93%	551

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) These ratios are calculated using per capita personal income and population for the prior calendar year provided by HdL, Coren & Cone

Source: City of Palmdale, Finance Department

City of Palmdale, California
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	Tax Allocation Bonds a	Revenue Bonds		Total	Percent of Assessed Value (1)	Per Capita
2015-16	-	8,205,000		8,205,000	0.08%	52
2016-17	-	25,180,000	a	25,180,000	0.22%	158
2017-18	-	23,685,000		23,685,000	0.19%	149
2018-19	-	22,090,000		22,090,000	0.17%	140
2019-20	-	20,465,000		20,465,000	0.15%	131
2020-21	-	18,800,000		18,800,000	0.15%	120
2021-22	-	17,025,000		17,025,000	0.11%	102
2022-23	-	15,105,000		15,105,000	0.09%	91
2023-24	-	50,190,000	b	50,190,000	0.29%	302
2024-25	-	48,240,000		48,240,000	0.26%	289

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

General bonded debt is debt payable with governmental fund resources recorded in Palmdale Financing Authority (of which the City has none).

(1) Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

a An increase in total Revenue Bonds reported in 2017 compared to 2016 is the result of refunding revenue bonds issued to pay off certificates of participation during 2016-17.

b An increase in total Revenue Bonds reported in 2024 compared to 2023 is the result of newley issued Revenue Bonds to fund the construction of the City's Chimbole Center and the Library.

City Assessed Valuation
Redevelopment Agency Incremental Valuation
Total Assessed Valuation

Overlapping Tax And Assessment Debt	Total Debt 6/30/2025	Percentage Applicable to City	City's Share Of Debt 6/30/2025
Antelope Valley Joint Community College District	$ 462,772,103	36.769%	$ 170,156,675
Antelope Valley Union High School District	89,394,873	41.737%	37,310,738
Acton-Agua Dulce Unified School District	6,670,665	0.009%	600
Eastside Union School District	14,235	22.588%	3,215,402
Lancaster School District	109,412,293	0.482%	527,367
Palmdale School District	194,744,541	94.722%	184,465,924
Westside Union School District	30,693,838	40.612%	12,465,381
Palmdale School District Community Facilities District No. 90-1	71,588,773	98.218%	70,313,061
Westside Union School District Community Facilities Districts	8,595,000	100.000%	8,595,000
City of Palmdale Community Facilities Districts	42,838,749	100.000%	42,838,749
City of Palmdale Assessment District No. 2006-1	855,000	100.000%	855,000
City of Palmdale Street Lighting and Maintenance Assessment Districts	6,986,218	100.000%	6,986,218
California Municipal Finance Authority Community Facilities District# 2022-08	6,425,000	100.000%	6,425,000
Total Direct & Ovelapping Tax And Assessment Debt			$ 544,155,115
Direct And Overlapping General Fund Debt			
Los Angeles County General Fund Obligations	$ 3,036,637,390	0.866%	$ 26,297,280
Los Angeles County Superintendent of Schools Certificates of Participation	2,331,775	0.866%	20,193
Antelope Valley Joint Community College District Certificates of Participation	9,920,000	36.769%	3,647,485
Acton-Agua Dulce Unified School District Certificates of Participation	1,285,000	0.009%	116
Antelope Valley Union High School District General Fund Obligations	4,095,000	41.737%	1,709,130
Lancaster School District Certificates of Participation	5,275,000	0.482%	25,426
Palmdale School District Certificates of Participation	16,425,595	94.722%	15,558,652
City of Palmdale General Fund Obligations	73,604,818	100.000%	73,604,818
Total Of Direct And Overlapping General Fund Debt			$ 120,863,100
Overlapping Tax Increment Debt			
Successor Agency To Palmdale Redevelopment Agency	$ 47,488,469	100.000%	$ 47,488,469
Total Of Overlapping Tax Increment Debt			$ 47,488,469
Total Direct Debt			73,604,818
Total Overlapping Debt			$ 638,901,866
Combined Total Debt			$ 712,506,684

(1) The percentage of overlapping debt applicable to the city is estimated using txable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Combined Total Debt excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Fiscal Year	Assessed Valuation	Debt Limit (1)	Total Net Debt Applicable to the Limit (2)	Total Debt Applicable to the Limit as a Percentage of Debt Limit
2015-16	10,969,161,743	411,343,565	121,994,744	29.66%
2016-17	11,455,817,554	429,593,158	121,593,787	28.30%
2017-18	12,194,790,915	457,304,659	114,426,984	25.02%
2018-19	12,930,008,625	484,875,323	105,383,212	21.73%
2019-20	13,667,986,103	512,549,479	98,452,808	19.21%
2020-21	14,694,160,401	551,031,015	91,438,375	16.59%
2021-22	14,974,149,861	561,530,620	84,274,517	15.01%
2022-23	16,154,662,024	605,799,826	76,912,668	12.70%
2023-24	17,300,327,543	648,762,283	104,213,970	16.06%
2024-25	18,211,974,827	682,949,056	96,942,197	14.19%

Source: Los Angeles County

Note (1): The legal debt limit is statutorily computed at 3.75% of assessed valuation.

Note (2): Total net debt applicable to the limit includes Tax Allocation Bonds and Revenue Bonds.

Note (3): The aggregate principal amount of the City's general obligation debt for public improvements is statutorily limited to 15.0 percent of the City's total reported assessed valuation.

City of Palmdale, California

Former Community Redevelopment Agency – Project Area 1 & 1A Pledged Revenue Coverage

Last Ten Fiscal Years

	1993 Revenue Bonds Debt Service (1)		2003 Revenue Bonds 19.2 Debt Service (3)		2009 Note Payable 6.0 Debt Service (4)		2010 Tax Allocation Note $27.5M Debt Service (5)	
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2015-16	-	-	910,000	602,638	125,000	358,613	1,429,282	1,321,378
2016-17	-	-	-	-	-	-	1,518,883	1,231,777
2017-18	-	-	-	-	-	-	1,614,102	1,136,558
2018-19	-	-	-	-	-	-	1,715,292	1,035,369
2019-20	-	-	-	-	-	-	1,822,825	927,835
2020-21	-	-	-	-	-	-	1,937,100	813,560
2021-22	-	-	-	-	-	-	2,058,542	692,118
2022-23	-	-	-	-	-	-	2,187,598	563,063
2023-24	-	-	-	-	-	-	2,321,278	429,382
2024-25	-	-	-	-	-	-	2,461,926	288,734

	Debt Summary			**Pledged Revenue**			
Fiscal Year	Total Principal	Total Interest	Total Debt Service	Gross Tax Increment (6)	Less: Operating Expenses (7)	Net Available	Coverage
2015-16	2,464,282	2,282,629	4,746,911	9,245,959	352,357	8,893,602	1.87
2016-17	1,518,883	1,231,777	2,750,660	9,666,704	393,523	9,273,181	3.37
2017-18	1,614,102	1,136,558	2,750,660	10,236,117	402,461	9,833,656	3.58
2018-19	1,715,292	1,035,369	2,750,661	10,529,801	429,833	10,099,968	3.67
2019-20	1,822,825	927,835	2,750,660	11,393,921	452,757	10,941,164	3.98
2020-21	1,937,100	813,560	2,750,660	11,560,764	477,635	11,083,129	4.03
2021-22	2,058,542	692,118	2,750,660	10,762,947	485,552	10,277,395	3.74
2022-23	2,187,598	563,063	2,750,661	14,423,539	501,972	13,921,567	5.06
2023-24	2,321,278	429,382	2,750,660	13,262,411	515,909	12,746,502	4.63
2024-25	2,461,926	288,734	2,750,660	13,650,092	536,797	13,113,294	4.77

Note: Details regarding the City's debt and the Successor Agency to the former Community Redevelopment Agency's debt can be found in the notes

Note: As the result of the dissolution of the former Community Redevelopment Agency, the debt listed on this schedule has been assumed by the Successor Agency of the Former Community Redevelopment Agency. The debt has been approved by the State Department of Finance as an enforceable obligation and will be paid from future tax revenues received by the Private Purpose Trust Fund. (Note 19)

Source: City of Palmdale, Finance Department

(1) Revenue Bonds were fully matured and paid off in FY 2011.

(2) 2003 Bond Anticipation Note was fully defeased in June 2009 by the CRA Loan associated with the 2009 Revenue Bonds.

(3) 2003 Revenue Bonds were fully defeased in April 2016 by the Successor Agency 2016 Series A Tax Allocation Refunding Bonds.

(4) 2009 Revenue Bonds were fully defeased in June 2016 by the Successor Agency 2016 Series B Tax Allocation Refunding Bonds.

(5) Sole source of payment on 2011 Tax Allocation Notes is Available Tax Increment, but is subordinate to any existing or future indebtedness.

(6) Gross Tax Increment consist of property taxes generated from Project Area No. 1&1A

(7) Operating Expenses consist of the 20% set-aside property taxes generated from Project Area No. 1&1A up until 2011, pass through payments pursuant to agreements to allocate tax increment funds to various Local Agencies, and other charges related to administering Area 1&1A debt.

City of Palmdale, California

Former Community Redevelopment Agency – Project Area 2A Pledged Revenue Coverage

Last Ten Fiscal Years

Fiscal	1999 Sublien TAB 2.7 Debt Service (2)		2002 TAB 5.3 Debt Service		2004 TAB 6.09 Debt Service (3)		2004 TAB 18.5 Debt Service (3)		1998 TAB 30.6 Debt Service (2)		1994 Revenue Bonds Debt Service (1)	
Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2015-16	115,000	70,950	-	-	165,000	252,890	320,000	842,750	740,000	1,211,500	215,000	-
2016-17	-	-	-	-	-	-	-	-	-	-	-	-
2017-18	-	-	-	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-	-	-	-
2024-25	-	-	-	-	-	-	-	-	-	-	-	-

Fiscal	1997 Revenue Bonds Debt Service (1)		2016 TAB A&B 73.1 Debt Service		**Debt Summary**			**Pledged Revenue**				
Year	Principal	Interest	Total Principal	Total Interest	Total Principal	Total Interest	Total Debt Service	Sales Tax (4)	Gross Tax Increment (4)	Less: Operating Expenses (5)	Net Available	Coverage
2015-16	905,000	25,340	-	-	2,460,000	2,403,430	4,863,430	Note (6)	34,915,819	20,449,662	Note (6)	Note (6)
2016-17	-	-	$ 1,235,000	$ 2,611,743	1,235,000	2,611,743	3,846,743	Note (7)	40,469,941	22,224,293	18,245,648	4.74
2017-18	-	-	3,130,000	3,394,850	3,130,000	3,394,850	6,524,850	Note (7)	40,400,227	22,619,322	17,780,905	2.73
2018-19	-	-	3,250,000	3,282,900	3,250,000	3,282,900	6,532,900	Note (7)	44,929,524	24,908,918	20,020,606	3.06
2019-20	-	-	3,365,000	3,133,775	3,365,000	3,133,775	6,498,775	Note (7)	45,399,840	27,528,918	17,870,922	2.75
2020-21	-	-	3,540,000	2,961,150	3,540,000	2,961,150	6,501,150	Note (7)	55,069,687	29,999,947	25,069,740	3.86
2021-22	-	-	3,725,000	2,779,525	3,725,000	2,779,525	6,504,525	Note (7)	51,713,436	25,024,544	26,688,892	4.10
2022-23	-	-	3,915,000	2,588,525	3,915,000	2,588,525	6,503,525	Note (7)	59,111,800	30,448,362	28,663,438	4.41
2023-24	-	-	4,085,000	2,388,525	4,085,000	2,388,525	6,473,525	Note (7)	60,168,056	32,002,572	28,165,485	4.35
2024-25	-	-	4,300,000	2,178,900	4,300,000	2,178,900	6,478,900	Note (7)	58,343,311	30,905,941	27,437,370	4.23

Note: Details regarding the City's debt and the Successor Agency to the former Community Redevelopment Agency's debt can be found in the notes to the financial statements.

Note: As the result of the dissolution of the former Community Redevelopment Agency, the debt listed on this schedule has been assumed by the Successor Agency of the Former Community Redevelopment Agency. The debt has been approved by the State Department of Finance as an enforceable obligation and will be paid from future tax revenues received by the Private Purpose Trust Fund. (Note 19)

Source: City of Palmdale, Finance Department

(1) The 1994 and 1997 Revenue Bonds were fully matured and paid off in FY 2016.

(2) The 1998 and 1999 Tax Allocation Bonds were fully defeased in April 2016 by the Successor Agency 2016 Series A Tax Allocation Refunding Bonds.

(3) The 2004 $18.5M and 2004 $6.1 Tax Allocation Bonds were fully defeased in June 2016 by the Successor Agency 2016 Series B Tax Allocation Refunding Bonds.

(4) Gross sales tax and tax increment consist of property taxes and sales tax generated from Project Area No. 2A.

(5) Operating Expenses consist of the 20% set-aside property taxes generated from Project Area No. 2A up until 2011, pass through payments pursuant to agreements to allocate tax increment funds to various Local Agencies, and other charges related to administering Area 2A debt.

(6) Due to the dissolution of the Community Redevelopment Agency in 2012, the Sales Tax generated by Project Area was not available therefore the "Net Available" and "Coverage" percent is not available.

(7) Due to the FY 2016 refunding of bond issues with a sales tax pledge, there is no longer any pledge of sales tax towards any Successor Agency debt.

City of Palmdale, California

Former Community Redevelopment Agency – Project Area 2A (20 Percent Set Aside) Pledged Revenue Coverage

Last Ten Fiscal Years

Fiscal Year	2003 TAB 5.9 Debt Service (1)		2003 TAB 7.2 Debt Service (1)		2005 TAB 14.115 Debt Service (1)		2005 TAB 2.8 Debt Service (1)	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2015-16	190,000	179,103	35,000	338,333	570,000	407,479	40,000	110,976
2016-17	-	-	-	-	-	-	-	-
2017-18	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-
2024-25	-	-	-	-	-	-	-	-

	Debt Summary			Pledged Revenue		
Fiscal Year	Total Principal	Total Interest	Total Debt Service	20 Percent Set Aside Tax Increment (2)	Net Available	Coverage
2015-16	835,000	1,035,891	1,870,891	6,983,164	6,983,164	3.73
2016-17	-	-	-	-	-	-
2017-18	-	-	-	-	-	-
2018-19	-	-	-	-	-	-
2019-20	-	-	-	-	-	-
2020-21	-	-	-	-	-	-
2021-22	-	-	-	-	-	-
2022-23	-	-	-	-	-	-
2023-24	-	-	-	-	-	-
2024-25	-	-	-	-	-	-

Note: Details regarding the City's debt and the Successor Agency to the former Community Redevelopment Agency's debt can be found in the notes to the financial statements

Note: As the result of the dissolution of the former Community Redevelopment Agency, the debt listed on this schedule has been assumed by the Successor Agency of the Former Community Redevelopment Agency. The debt has been approved by the State Department of Finance as an enforceable obligation and will be paid from future tax revenues received by the Private Purpose Trust Fund. (Note 19)

Source: City of Palmdale, Finance Department

(1)The 2003 Series C & D TAB's and the 2005 Series E & F TAB's were fully defeased in April 2016 by the Successor Agency 2016 Series B TAB's.

(2)The pledged revenues represent 20% property tax increments generated from Project Area 2A and set aside as required by State law for low and moderate income housing.

(2) Due to the dissolution of the Community Redevelopment Agency during 2012, the 20% set aside is no longer required. The 20% set aside calculated is based on what it should have been if legally required.

City of Palmdale, California
Demographic and Economic Statistics
Last Ten Fiscal Years

Calendar Year	(1) Population	(2) Personal Income (thousands *of dollars)*	(2) Per Capita Personal Income	(2) Median Age	(3) School Enrollment	(4) Unemployment Rate	(5) Percent of Pop 25+ with HS Degree	(5) Percent of Pop 25+ with Bachelor's Degree
2015	160,072	3,028,678	18,920	29.30	37,243	9.0%	73.6%	15.5%
2016	158,605	3,010,803	18,983	30.10	38,351	7.1%	74.2%	14.8%
2017	158,905	3,121,978	19,646	30.40	38,333	6.2%	74.0%	15.0%
2018	157,854	3,327,236	21,077	31.30	38,188	6.4%	74.4%	14.7%
2019	156,737	3,598,995	22,962	31.90	38,005	14.9%	75.8%	16.5%
2020	156,074	3,545,820	22,718	32.00	37,209	15.3%	74.6%	15.5%
2021	167,398	3,565,478	21,299	32.30	36,332	12.4%	75.6%	15.7%
2022	165,917	4,173,670	25,155	32.60	35,640	7.1%	76.3%	16.1%
2023	166,055	4,653,319	28,022	33.00	36,361	6.6%	76.6%	16.7%
2024	167,097	4,760,594	28,489	33.20	37,644	7.0%	77.0%	16.6%

Source:

(1) California State Department of Finance, Demographic Research Unit E-1: City/County Population Estimates

(2) 2004-2013 Income, Age, and Education Data: ESRA - Demographic Estimates are based on the last available Census. Projections are developed by incorporating all of the prior census data released to date. Demographic Data is totaled from Census Block Groups that overlap the City's Boundaries. U.S. Census Bureau, most recent American Community Survey. 2010, and later - Income, Age and Education Data - US Census Bureau, most recent American Community Survey.

(3) Palmdale School District, California Department of Education - SARC Not Available for Palmdale School District and AVUHSD. Only Westside School District is available

(4) California Employment Development Department.

(5) U.S. Census Bureau

City of Palmdale, California
Principal Employers – Palmdale and Antelope Valley
Calendar Year 2025 and Calendar Year 2015

	2025			2015	
Employer	Number of Employees	Percentage of Total Valley Employment	Employer	Number of Employees	Percentage of Total Valley Employment
Northrop Grumman	9,476	51.94%	Edwards Air Force Base	10,647	28.53%
Lockheed Martin	4,151	22.75%	China Lake NWC	6,690	17.93%
Walmart Supercenters (3 stores)	1,199	6.57%	County of Los Angeles	3,743	10.03%
PALMDALE REGIONAL MEDICAL CENTER	1,081	5.93%	Lockheed Martin	3,700	9.92%
WORLD CLASS DISTRIBUTION, INC.	681	3.73%	Mojave Air & Spaceport	2,500	6.70%
Target Stores (2 Stores+Optical)	409	2.24%	Antelope Valley Hospital Medical Center	2,300	6.16%
Allied Universal Security Services	368	2.02%	Northrop Grumman	2,100	5.63%
KELLER WILLIAMS REALTY ANTELOPE VALLEY	331	1.81%	Walmart (5 stores)	1,922	5.15%
THE HOME DEPOT (2 Stores)	297	1.63%	CA Correction Institute - Tehachapi	1,915	5.13%
LOWE'S HOME CENTERS (2 Stores)	250	1.37%	Antelope Valley Mall (All Stores)	1,800	4.82%
	18,243	**100.00%**		**37,317**	**100.00%**

Source: City of Palmdale Economic Development Department -Business Lincense Division_HDL

City of Palmdale, California

Full-time Equivalent City Government Employees by Function/Program

Last Ten Fiscal Years

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
CITY COUNCIL						0.50	1.00	1.00	1.50	1.00
CITY MANAGER	6.00	8.00	8.00	12.00	25.00	46.50	56.00	56.00	55.50	14.00
OPERATIONS									26.00	31.00
CITY ATTORNEY	4.00	4.00	4.00	6.00	6.00	8.00	8.00	8.00	4.00	-
ADMINISTRATIVE SERVICES1	20.00	21.00	21.00	21.00	13.00	-	-	-	-	-
ECONOMIC & COMMUNITY DEVELOPMENT*	25.00	27.00	29.00	29.00	30.00	31.00	34.00	34.00	34.00	35.00
NEIGHBORHOOD SERVICES (Housing)	20.00	21.00	24.00	23.00	23.00	24.00	31.00	38.00	14.00	8.00
Public Safety										36.00
PUBLIC WORKS2	97.00	103.00	110.00	112.00	114.00	116.00	119.00	126.00	128.00	132.00
RECREATION & CULTURE	14.00	14.00	16.00	16.00	17.00	19.00	22.00	24.00	28.00	31.00
Total	186.00	198.00	212.00	219.00	228.00	245.00	271.00	287.00	291.00	288.00

City of Palmdale, California
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	2015/16	2016/17	2017/18	2018/19	2019/20	2020-21	2021-22	2022-23	2023-24	2024-25
Communications										
Video / Photography	16	12	21	94	127	113	124	145	56	136
Social Media / Writing	7	8	7	5	8	8	932	597	594	1,178
Graphics	39	33	39	65	68	72	985	961	1,029	526
Magazine / E-newsletters produced	3	3	3	15	15	15	104	3	4	53
Web Updates	148	109	188	224	265	309	251	213	317	735
Economic and Community Development										
Film permits issued	36	35	29	30	19	28	39	29	15	70
Businesses licensed	9,585	10,099	9,929	9,456	9,372	6,560	8,692	8,207	8,711	8,989
Building permits issued	1,814	1,742	1,566	1,674	1,935	1,951	1,224	1,979	4,117	4,180
Engineer grading permits issued	22	26	18	16	41	27	48	30	16	34
Engineer Geotechnical review	20	12	12	17	20	16	45	28	33	39
Engineer Improvement plans	139	166	194	373	320	115	251	367	373	337
Engineer Inspections	2,219	965	1,101	1,543	1,311	1,009	1,575	1,502	1,470	2,345
Financial assistance to businesses	-	-	-	-	-	70	34	24	0	0
SBDC business counseling/Training hours	206	374	286	351	249	358	444	8,000	517	354
Business retention site visits	34	36	35	25	8	290	385	558	246	240
AJCC Training Hours for Local Businesses and Workforce						37	184	81	2,080	0
General Government										
Buildings maintained	64	65	57	60	60	60	75	75	75	77
Square footage of facilities	424,488	418,000	418,000	423,000	432,000	432,000	405,000	420,000	420,000	423,000
Neighborhood Services										
Neighborhood watch presentations	66	86	88	32	14	16	21	34	45	6
Business watch presentations	52	57	63	11	3	2	2	8	17	11
PAC presentations	25	8	11	8	4	5	3	11	23	0
Administration Citations Processed	361	818	630	559	1,242	968	1,081	1,479	1,031	1,337
Parking Enforcement										
Vehicle Impounds	500	483	462	396	405	351	268	417	1,027	978
Citations Issued	3,560	5,430	7,233	6,014	6,633	3,065	3,073	3,890	6,937	4,123
Calls for Service	2,837	9,346	2,007	2,626	2,485	3,445	1,620	1,032	1,128	2,505
Number of law violations:										
Part 1 crimes	4,200	5,946	4,082	3,757	2,895	3,232	3,327	3,450	3,773	5,435
Part 2 crimes	4,835	10,743	7,876	7,985	5,387	6,985	4,866	6,131	4,116	6,562
Crime reports taken	15,630	16,689	11,958	11,742	8,268	12,232	12,325	14,587	15,190	15,188
Arrests	5,976	9,061	6,583	6,652	6,554	5,355	4,606	3,648	3,156	3,398
Accident reports taken	2,081	2,226	1,435	1,850	1,720	2,320	1,855	1,684	1,958	2,025
Animal licenses issued	9,643	11,416	11,616	11,747	10,656	8,111	8,923	7,469	7,682	6,955
Code Enforcement cases closed	4,190	4,607	4,390	3,045	3,572	2,271	3,680	4,883	3,629	4,134
Mobile Home Parks paid occupied spaces	787	787	787	787	787	791	784	784	784	787
Affordable Housing - Apartment Units 4	291	291	291	291	299	299	296	295	291	291
Health and Welfare										
Family members assisted with food and/or shelter	7,516	6,573	9,143	3,080	5,563	4,346	5,846	12,111	9,235	10,787
SAVES meals provided	94,170	94,595	118,321	209,100	347,511	387,610	314,740	372,260	547,083	789,327
SAVES motel vouchers provided (night)	59	160	101	61	42	298	490	2,067	1,413	647

City of Palmdale, California
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	2015/16	2016/17	2017/18	2018/19	2019/20	2020-21	2021-22	2022-23	2023-24	2024-25
Public Services										
Number of landscape districts maintained	230	230	230	233	233	248	246	246	249	249
Landscaped area (acres) maintained	376	377	377	377	377	381	482	482	483	483
Irrigation controllers maintained	532	413	413	534	534	534	518	518	521	521
Landscape median area maintained (sq. ft.)	2,500,344	2,553,144	2,553,144	2,553,144	2,553,144	2,553,144	2,581,950	2,581,950	2,581,950	2,581,950
SR 14 Interchange area maintained (sq. ft.)	125,382	125,382	125,382	125,382	125,382	125,382	125,382	125,382	125,382	125,382
Park-n-ride spaces maintained	2,009	2,009	2,009	2,006	2,006	2,006	2,006	2,006	2,006	2,725
Park-n-ride Acres Maintaned	22	22	22	22	22	22	22	22	22	22
Detention basins maintained	267	267	267	267	267	267	294	294	295	295
Detention basins (acres) maintained	110	110	110	110	110	110	613	613	613	613
Service requests - landscape maint.	1,236	1,016	1,016	1,297	1,341	1,310	3,791	3,692	5,795	2,474
Vandalism repair hours	23	13	13	42	42	42	2,772	3,797	4,324	5,313
Graffiti abatement hours	4,720	1,204	1,210	1,573	1,573	1,781	2,085	3,230	3,782	4,808
Lighting districts	164	164	164	170	170	170	5	5	5	5
Number of street lights in districts	18,515	18,515	18,515	18,523	18,523	18,523	18,592	18,790	18,632	18,592
Commercial acreage in street lighting districts	2,111	2,111	2,111	2,115	2,115	2,115	2,166	2,167	2,167	2,167
Residential parcels in street lighting districts	40,785	40,785	40,792	40,790	40,790	40,790	46,329	46,559	39,754	46,572
Striping and marking ln. ft. and sq. ft.	2,500,000	1,713,453	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Trees planted	45	100	75	141	141	142	104	91	70	99
Trees pruned	455	455	1,678	959	959	755	2,843	2,688	1,339	2,172
Street signs maintained	9,150	14,500	14,500	14,500	14,500	14,560	14,560	14,560	20,452	20,452
Street centerline miles	504	508	508	508	508	508	508	508	534	534
Street pavement area (acres)	2,109	2,172	2,172	2,172	2,172	2,172	2,172	2,712	2,282	2,282
Bridges maintained	9	9	9	9	9	9	9	9	12	12
Box culverts maintained	7	7	7	7	7	7	7	7	7	7
Number of passengers served 3	3,462,497	2,534,682	2,442,282	2,301,868	1,902,780	2,451,000	1,113,754	1,245,217	1,560,004	1,637,048
Number of commuter and fixed routes 3	18	18	19	21	22	22	20	20	20	20
Cultural and Recreational										
Library circulation	263,750	315,639	198,361	179,521	179,521	60,700	144,407	160,668	163,515	178,326
Library volumes owned	73,045	73,612	78,073	88,214	88,214	33,100	26,923	230,012	85,165	101,760
Library programs	271	339	428	528	528	180	185	239	413	419
Playhouse general attendance	N/A	8,900	10,800	16,200	8,000	-	5,000	7,520	10,774	10,658
Larry Chimbole Center attendance	80,000	80,000	80,120	80,500	40,000	9,200	35,577	-	-	-
Legacy Commons Attendance	40,000	55,875	55,900	59,556	49,825	5,000	39,500	63,209	81,244	84,008
Oasis Park Recreation Center attendance	N/A	47,000	47,000	47,200	15,000	1,500	61,522	34,600	21,126	25,494
Amphitheater attendance	N/A	47,500	50,800	48,600	10,000	7,500	8,507	30,426	25,000	47,507
Recreational swimming attendance	N/A	2,450	2,500	2,400	3,081	2,218	1,200	3,080	1,637	1,150
Lesson swimming attendance	N/A	2,680	2,587	2,450	1,665	1,415	2,646	1,885	3,695	3,846
Youth sports participants	1,784	1,664	1,586	1,718	1,169	818	1,229	1,401	1,508	1,548
Adult sports participants	2,530	2,574	2,560	1,712	1,192	60	1,200	1,050	1,232	1,350
General Program Registrants 2	11,328	11,510	11,264	12,000	9,000	7,600	8,100	8,260	11,909	11,741
Aquatic Program Registrants 2	2,833	2,910	2,999	2,800	3,200	2,300	2,900	3,127	3,842	3,905
Facility Rental Bookings 2	2,600	4,452	925	698	400	90	6,419	2,489	3,560	4,957
Airpark Attendance 2	17,100	16,336	17,000	20,210	3,000	600	10,000	13,500	2,600	193
Airpark Guided Tours 2	60	22	30	34	10	2	1	-	-	-
Community Event Attendance 2	44,000	44,000	44,000	50,600	10,000	200	9,000	12,000	1,854	1,722
Playhouse Performance Attendance 2	9,416	13,345	15,230	16,200	5,000	-	4,428	6,430	6,430	10,658
DryTown Admissions 2	91,400	92,000	92,000	77,137	34,443	10,000	84,096	72,963	60,218	77,384
Tournament Attendance 2	47,320	58,032	65,000	85,000	65,000	4,500	70,000	80,000	80,000	130,000

Source: City of Palmdale, various City departments

Notes

1 New methodology used beginning FY 2021-22

2 Began reporting in FY 2013-14

3 Figures provided by Antelope Valley Transit Authority

4 Four multifamily apartment buildings purchased in September 2015

City of Palmdale, California
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
General Government										
Number of City owned building facilities	55	55	55	55	55	55	75	75	75	77
City Vehicles	4	4	4	4	4	4	4	4	4	4
Public Safety Vehicles	12	12	16	26	31	33	34	34	34	43
Public Services										
Streets and Bikeways (miles)	580	580	580	580	580	580	580	580	536	536
Landscaped area (acres)	260	260	260	260	260	260	482	482	483	483
Park-n-ride	22	22	22	22	22	22	22	22	22	22
Storm drainage systems (feet)	95,000	95,000	95,000	9,500	100,000	100,000	100,000	100,000	100,000	100,000
Retention and detention basins	11	11	11	11	11	11	300	300	301	301
Storm drainage pump stations	3	3	3	19	19	19	19	19	20	20
Detention basins (acres)	207	207	207	207	207	207	613	613	614	614
Traffic signals	184	188	195	195	199	200	252	226	236	244
Traffic signs	8,700	8,750	8,750	8,750	8,750	8,750	14,560	14560	20452	20452
Transportation Center	1	1	1	1	1	1	1	1	1	1
Bridges	9	9	9	9	9	9	9	9	9	9
Street Lights1	4,200	4,200	18,523	18,523	18,523	18,523	18,523	18,790	18,790	18,790
Vehicles	91	91	104	102	101	101	101	106	111	105
Traffic Operation Center							1	1	1	1
Community Development										
Mobile Home Parks	3	3	3	3	3	3	3	3	3	3
Cultural and Recreational										
Number of Parks	21	22	22	22	22	22	23	24	22	22
Developed park acreage	576	588	588	588	588	588	592	351	368	378
Number of swimming pools	3	3	3	4	4	4	4	4	4	4
Number of tennis courts	10	10	10	10	10	10	10	10	7	7
Number of Libraries	1	1	1	1	1	1	1	1	1	1
Number of Community Centers	3	3	3	3	3	3	3	3	3	3
Skate Parks	2	2	2	2	2	2	2	2	2	2
Soccer Fields	29	30	30	30	30	30	30	29	20	20
Basketball courts	9	9	9	9	9	9	9	9	12	12
Softball / Baseball fields	13	13	13	15	15	15	15	16	10	10
Volleyball courts	7	7	7	7	7	7	7	7	5	5
Little League Fields	11	11	11	11	11	11	11	11	6	6
Roller Hockey rinks	2	2	2	2	2	2	2	2	2	2
Aquatics Facility - Water Park	1	1	1	1	1	1	1	1	1	1
Community Theatre	1	1	1	1	1	1	1	1	1	1
Amphitheatre	1	1	1	1	1	1	1	1	1	1
Vehicles	6	6	5	6	6	6	6	6	6	6
Futsal Courts										7
Pickleball Courts										15
Health and Welfare										
Vehicles	2	2	2	2	3	3	3	3	3	3

Source: City of Palmdale, various City departments



PALMDALE

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Annual Financial Report
June 30, 2025

Housing Authority of the City of Palmdale

(A Component Unit of the City of Palmdale)

Housing Authority of the City of Palmdale
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June 30, 2025

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Independent Auditor's Report

To the Honorable Members of the Board of Commissioners
of the Housing Authority of the City of Palmdale
City of Palmdale, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Housing Authority of the City of Palmdale (Authority), a component unit of the City of Palmdale, California (the City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Authority, as of June 30, 2025, and the respective changes in financial position thereof, and the respective budgetary comparison for each major fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 15 to the financial statements, the Authority adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025. Accordingly, a restatement has been made to the governmental activities net position as of July 1, 2024, to restate beginning net position. Our opinions are not modified with respect to this matter.

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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the Authority's proportionate share of the City's net pension liability, and the schedule of contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2026, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Eide Bailly LLP

Ontario, California
November 23, 2026

As management of the City of Palmdale Housing Authority (Authority), a component unit of the City of Palmdale, we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2025.

Financial Highlights

- The assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $75,961,668.
- The Authority's total net position increased in the current year by $773,937. Details can be found on page 10.
- As of the close of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of $50,534,142, an increase of $1,185,259 in comparison with the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business. The statement of net position presents information on all of the Authority's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the differences reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The statement of activities presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Authority that are principally supported by intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business- type activities). The Authority has no business-type activities. The governmental activities of the Authority include community development and interest on long-term debt.

The government-wide financial statements can be found on page 10 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All three of the funds of the Authority are governmental funds.

Government Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances, provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The governmental fund financial statements can be found on pages 13 - 19. Budget and actual statements can be found on pages 17 - 19.

The Authority maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Housing Facilities Fund Special Revenue Fund and the Housing Asset Special Revenue Fund, all of which are considered to be major funds. The Authority does not have any non-major governmental funds.

The Housing Facilities Special Revenue Fund is used to account for revenues and expenditures related to the operation of three mobile home parks; Boulders I, Boulders II, and Boulders at the Lake, four Multifamily apartments; Impressions, La Quinta, Park Vista and Summerwood, and one apartment building located at 513 East Avenue Q4. The funds are distributed under the terms of various agreements. The Housing Facilities Special Revenue Fund has a fund balance of $947,225.

Revenues received by the Authority in its capacity as the owner of Boulders I, Boulders II, and Boulders at the Lake mobile home parks are restricted to be used in accordance with California's Housing Authorities Law. Revenues received by the Authority in its capacity as housing successor to the former Community Redevelopment Agency are restricted to be used in accordance with the affordable housing provisions of California's Community Redevelopment Law, as amended by Health and Safety Code section 34176.1.

Impressions, La Quinta, Park Vista and Summerwood Multifamily Apartments were acquired by the Authority during fiscal year 2015-16. Net revenues derived from the operations of the Housing Facilities Fund will be reserved for repair and replacements, payment of debt service, bond reserve amounts, and operating reserves. Any revenues net of the operations and reserves may be used for any lawful purpose of the Authority. Housing Revenue Bonds were issued on September 3, 2015 to finance the acquisition of the four apartment facilities.

The apartment building located at 513 East Avenue Q4, was acquired by the Authority during fiscal year 2018-19. Net revenues derived from the operations of the Housing Facilities Ave Q4 Fund will be reserved for repair and replacements. Any revenues net of the operations and reserves may be used for any lawful purpose of the Authority.

The Housing Asset Fund is used to account for the restricted housing assets of the former Community Redevelopment Agency Housing Development Fund. Revenues received from assets previously held by the former CRA Housing Development Fund are restricted to be used in accordance with the affordable housing provisions of California's Community Redevelopment Law, as amended by Health and Safety Code section 34176.1, added by Senate Bill 341 (2013-2014 Regular Session). The Housing Asset Fund has a fund balance of $48,014,013.

The Authority adopts an annual appropriated budget for its General Fund, Housing Facilities Fund, and Housing Asset Fund. A budgetary comparison statement has been provided for General Fund and each of the Special Revenue funds to demonstrate compliance with budget.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20 - 41 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets exceeded liabilities by $75,961,668 as of June 30, 2025.

Housing Authority's Net Position

	Governmental Activities 2025	Governmental Activities 2024
Current and Other Assets	$ 61,131,935	59,481,004
Capital Assets	24,038,656	24,841,033
Total Asset	85,170,591	84,322,037
Deferred Outflows of Resources	351,046	386,152
Current and Other Liabilities	4,433,579	4,437,352
Long-Term Liabilities Outstanding	3,774,389	3,648,724
Net Pension Liabilities	1,351,522	1,276,551
Total Liabilities	9,559,490	9,362,627
Deferred Inflows of Resources	479	2,872
Net Position		
Net Investment in Capital Assets	21,019,741	21,650,927
Restricted		
Community Development	53,369,023	53,390,619
Unrestricted	1,572,904	301,144
Total Net Position	$ 75,961,668	75,342,690

The Authority's net investment restricted in capital assets reflects a balance of $21,019,741. Net investment in capital assets is defined as land, buildings, machinery and equipment, infrastructure, and construction in progress, net of depreciation and less any related debt used to acquire these assets that is still outstanding.

The Authority's restricted net position of $53,369,023 represents resources that are subject to the affordable housing provisions of California Redevelopment Law, by contract or grant agreement, health and safety code and debt service.

The Authority's Long-term Liabilities reflect a balance of $3,774,389, consisting of $3,435,000 of Multifamily Housing Revenue Bonds (2015 Bonds) used to finance the acquisition of the Housing Facility Apartments on September 3, 2015. The remaining balance consists of unpaid compensated absences of $339,389.

The Authority's Current and Other Liabilities reflect a balance of $4,433,579. Current and Other Liabilities consist of liabilities totaling $418,834 that are considered payable within a year, and consist of accounts payable, due to City, and accrued interest. The remaining balance consists of $4,014,745 of refundable deposits and unearned revenue.

Housing Authority's Changes in Net Position

	Governmental Activities 2025	Governmental Activities 2024
Revenues		
Program Revenue		
Charges for Services	$ 9,556,657	$ 8,359,371
Operating Grants and Contributions	-	353,565
General Revenue		
Unrestricted Investment Earnings/(Loss)	851,984	681,129
Other	-	-
Total Revenues	10,408,641	9,394,065
Expenses		
Community Development	9,463,003	8,979,822
Interest on Long-term Debt	171,701	174,722
Total Expenses	9,634,704	9,154,544
Change in Net Position	773,937	239,521
Net Position - Beginning of Year	75,342,690	75,103,169
Adjustment (Note 15)	(154,959)	-
Net Position - End of Year	$ 75,961,668	$ 75,342,690

Governmental Activities. Governmental activities increased the Authority's net position by $773,937. The increase is primarily the result of increased Community Development program activities during the year.

- Charges for services increased by $1,197,286, or 14.32 percent primarily due to asset, program and project management fees collected during the year, as well as an increase in rents collected as higher occupancy levels were achieved at the four Multifamily Housing Facility Apartments.
- Operating Grants and contributions decreased by $353,565 or 100 percent.
- Community Development expenses increased by $483,181 or 5.38 percent due to increases in compliance monitoring for Mobile Homes, and operating costs at the four Multifamily Housing Facility Apartments.

Financial Analysis of the Government's Funds

As noted earlier, the Authority uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds. The focus of the Authority's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Authority's financing requirements. In particular, fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of $50,534,142 an increase of $1,185,259 in comparison with the prior year. The fund balances were classified as follows:

- $48,961,238 is "Restricted" due to the existence of externally enforceable legal restrictions that are related primarily to special revenue funding sources.
- $1,572,904 is "Unassigned" and represents positive residual resources.

The General Fund has a fund balance of $1,572,904, which was an increase of $71,760 from the prior fiscal year. The Housing Asset Fund has an ending fund balance of $48,014,013, a decrease of $377,715 from the prior fiscal year. The decrease reflects revenues in that, despite increasing from the prior year, were insufficient to cover current-year expenditures.

The Housing Facilities Fund has an ending fund balance of $947,225, an increase of $1,491,214 from the prior fiscal year. The increase is primarily attributable to revenues from the use of property exceeding operating expenditures and debt service payments.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget resulted in an increase in appropriations of $114,310, primarily for Linc Housing Corporation (a nonprofit public benefit corporation) loan draws. Differences between the final amended budget and actual expenditures resulted in $129,236 of unused appropriations, primarily due to lower-than-anticipated salaries and benefits expenditures, contract services, and Linc loan draws. Actual revenues were $33,366 below the final amended budget, primarily due to lower-than-anticipated ARPA grant revenues for affordable housing development. These variances resulted in a favorable change in fund balance of $95,870.

Capital Asset and Debt Administration

Capital Assets. The Authority's investment in capital assets for its governmental activities as of June 30, 2025, amounts to $24,038,656 (net of accumulated depreciation). This investment in capital assets includes land, buildings and structures, and infrastructure. A $802,377 decrease in the Authority's investment in capital assets as compared to prior year is primarily the result of current year depreciation. There were additions of $29,462 and no disposals in the current year.

Housing Authority's Capital Assets

	Governmental Activities 2025	Governmental Activities 2024
Land	$ 11,962,311	$ 11,962,311
Buildings & Structures	6,577,981	6,750,019
Improvements Other than Buildings	396,701	484,835
Infrastructure	5,101,663	5,643,868
Total	$ 24,038,656	$ 24,841,033

Additional information on the Authority's capital assets can be found on page 32, Note 7.

Long-Term Debt. At the end of the current fiscal year, the Authority had total bonded debt outstanding of $3,435,000. The 2015 Bonds are secured by pledges of the net revenue received from the operations of the Housing Facilities.

Housing Authority's Outstanding Debt
Revenue Bonds

	Governmental Activities 2025	Governmental Activities 2024
2015 Multifamily Housing Revenue Bonds	$ 3,435,000	$ 3,540,000

The Authority's total long-term liability was $3,435,000, which is the amount of Revenue Bonds. The total debt decreased primarily as the result of regularly scheduled debt service payments on the Multi-Family Housing Bond. The Authority did not apply for a rating on the bonds. No such rating should be assumed based upon any other Authority or City rating that may be obtained. See Note 12.

Request for Information

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Palmdale Housing Authority, Office of the Director of Operations, 38250 Sierra Highway, 2nd Floor, Palmdale, California, 93550.

Government-Wide Financial Statements

Housing Authority of the City of Palmdale
Statement of Net Position
June 30, 2025

	Governmental Activities
Assets	
Cash	$ 3,405,774
Investments	16,163,491
Accounts and interest receivable	7,026,781
Due from other governmental units	4,309,777
Notes and liens	25,234,970
Land held for development	3,249,136
Restricted investments	1,742,006
Capital assets	
Not being depreciated	
Land and improvements	11,962,311
Being depreciated/amortized, net of accumulated depreciation/amortization:	
Buildings and structures	6,577,981
Improvements other than buildings	396,701
Infrastructure	5,101,663
Total assets	85,170,591
Deferred Outflows of Resources	
Pension related amounts	351,046
Liabilities	
Accounts payable	392,017
Accrued interest payable	14,308
Due to city	12,509
Deposits	186,745
Unearned revenue	3,828,000
Total current liabilities	4,433,579
Long-term Liabilities	
Due within one year	176,820
Due in more than one year	3,597,569
Net pension liability	1,351,522
Total noncurrent liabilities	5,125,911
Total liabilities	9,559,490
Deferred inflows of resources	
Pension related amounts	479
Net Position	
Net investment in capital assets	21,019,741
Restricted	
Community development	53,369,023
Unrestricted	1,572,904
Total net position	$ 75,961,668

Housing Authority of the City of Palmdale
Statement of Activities
Year Ended June 30, 2025

	Expenses	Program Revenues: Charges for Services	Total Net (Expense) Revenues and Changes in Net Position
Governmental Activities			
Community development	$ 9,463,003	$ 9,556,657	$ 93,654
Interest on long-term debt	171,701	-	(171,701)
Total governmental activities	$ 9,634,704	$ 9,556,657	(78,047)
General Revenue			
Unrestricted investment earnings/(loss)			851,984
Total general revenues			851,984
Change in Net Position			773,937
Net Position - Beginning of Year			75,342,690
Adjustment (Note 15)			(154,959)
Net Position - Beginning of Year, As restated			75,187,731
Net Position - End of Year			$ 75,961,668

Governmental Fund Financial Statements

The **General Fund** is the Housing Authority's primary operating fund and has been classified as a major fund. It accounts for compliance, administrative, and monitoring expenditures collected for the Housing Authority.

Special Revenue Funds are used to account for specific revenues that are restricted to expenditure for a particular purpose. The following funds have been classified as major funds:

Housing Asset Fund – Used to account for the restricted housing assets of the former Community Redevelopment Agency Housing Development Fund, which were transferred to the Successor Agency Fund and then transferred to the Housing Asset Fund upon acceptance of the Housing Successor role by the Housing Authority. Revenues received from assets previously held by the former CRA Housing Development Fund are restricted to be used in accordance with the affordable housing provisions of California's Community Redevelopment Law, as amended by Health and Safety Code section 34176.1, added by Senate Bill 341.

Housing Facilities Fund – Used to account for the revenues and expenditures related to the operations of four apartment complexes, mobile home parks and one apartment building, consisting of four units.

The Housing Authority of the City of Palmdale owns and operates the Impressions, La Quinta, Park Vista, and Summerwood Multifamily Apartments. Net revenues derived from the operations of the Housing Facilities Fund will be restricted for repair and replacements, payment of debt service, bond reserve amounts, and operating reserves. Any revenues net of the operations and reserves may be used for any lawful purpose (i.e., assigned) of the Housing Authority.

The mobile home Parks funds are distributed under the terms of various agreements. Revenues received by the Housing Authority in its capacity as the owner of the mobile home parks are restricted to be used in accordance with California's Housing Authorities Law. Revenues received by the Housing Authority in its capacity as housing successor to the former Community Redevelopment Agency are restricted to being used in accordance with the affordable housing provisions of California's Community Redevelopment Law, as amended by Health and Safety Code section 34176.1, added by Senate Bill 341 (2013-2014 Regular Session).

The Housing Authority of the City of Palmdale acquired two apartment buildings with eight units from New Beginnings Outreach located at 507 and 513 East Avenue Q4 in 2018. The Housing Authority of the City of Palmdale leased the 507 East Avenue Q4 apartment building to Victory Outreach in 2021. The Housing Authority owns and operates the apartment building located at 513 East Avenue Q4. Net revenues, derived from the operations, in the Housing Facilities Ave. Q4 Fund, will be restricted for management, repair and replacements. Any revenues net of the operations and reserves may be used for any lawful purpose (i.e. assigned) of the Housing Authority.

Housing Authority of the City of Palmdale
Balance Sheet
Governmental Funds
June 30, 2025

	General Fund	Special Revenue Funds: HA Housing Asset Fund	Special Revenue Funds: Housing Authority Facilities Fund	Total Governmental Funds
Assets				
Cash	$ -	$ -	$ 3,405,774	$ 3,405,774
Investments	1,478,402	13,165,405	1,519,684	16,163,491
Receivables				
Accounts and interest receivable	55,662	6,785,075	186,044	7,026,781
Advances due from other funds	-	1,186,001	-	1,186,001
Interfund promissory note	-	4,155,000	-	4,155,000
Notes and liens	43,426	25,191,544	-	25,234,970
Advances due from fiduciary funds	-	4,309,777	-	4,309,777
Restricted investments	-	39,590	1,702,416	1,742,006
Land held for development	-	3,249,136	-	3,249,136
Total assets	1,577,490	58,081,528	6,813,918	66,472,936
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	3,365	48,705	339,947	392,017
Deposits	1,000	-	185,745	186,745
Unearned revenue	-	3,828,000	-	3,828,000
Advances due to other funds	-	-	1,186,001	1,186,001
Due to City	-	12,509	-	12,509
Interfund promissory note	-	-	4,155,000	4,155,000
Total liabilities	4,365	3,889,214	5,866,693	9,760,272
Deferred Inflows of Resources				
Unavailable revenue	221	6,178,301	-	6,178,522
Fund Balances				
Restricted	-	48,014,013	947,225	48,961,238
Unassigned	1,572,904	-	-	1,572,904
Total fund balances	1,572,904	48,014,013	947,225	50,534,142
Total liabilities, deferred inflows of resources and fund balances	$ 1,577,490	$ 58,081,528	$ 6,813,918	$ 66,472,936

Total Fund Balances - Total Governmental Funds		$ 50,534,142
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital Assets used in governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet.		
Governmental capital assets	$ 38,056,555	
Less accumulated amortization and depreciation	(14,017,899)	24,038,656
Accounts receivable not available to pay for current-period expenditures are reported as deferred inflows of resources in the funds.		6,178,522
Deferred outflows related to pensions are not reported in the Governmental Fund Balance Sheet.		
Deferred outflows related to pensions		351,046
Interest due on long-term debt does not require current financial resources and therefore is not reported as a liability on the Governmental Funds Balance Sheet.		
Interest payable		(14,308)
Long-Term Liabilities are not due and payable in the current period and therefore are not reported as a liability in the Governmental Funds Balance Sheet.		
Compensated absences	(339,389)	
Net pension liability	(1,351,522)	
Bonds payable	(3,435,000)	(5,125,911)
Deferred inflows related to pensions are deferred inflows of resources and are not reported in the Governmental Funds Balance Sheet.		(479)
Net Position of Governmental Activities		$ 75,961,668

Housing Authority of the City of Palmdale

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2025

	General Fund	Special Revenue Funds		Total Governmental Funds
		HA Housing Asset Fund	Housing Authority Facilities Fund	
Revenues				
Charges for current services	$ 59,761	$ 344,189	$ 20	$ 403,970
Subventions and grants	43,426	-	-	43,426
Use of property	-	-	8,633,366	8,633,366
Interest	37,415	533,833	43,020	614,268
Net increase (decrease) in fair value of investments	21,742	193,614	22,360	237,716
Other revenue	-	-	6,450	6,450
Total revenues	162,344	1,071,636	8,705,216	9,939,196
Expenditures				
Current				
Community development	90,584	1,679,483	6,131,411	7,901,478
Capital outlay	-	-	575,758	575,758
Debt service				
Principal	-	-	105,000	105,000
Interest	-	-	171,701	171,701
Total expenditures	90,584	1,679,483	6,983,870	8,753,937
Excess (deficiency) of revenues over (under) expenditures	71,760	(607,847)	1,721,346	1,185,259
Other Financing Sources (Uses)				
Transfers in	-	230,132	-	230,132
Transfers out	-	-	(230,132)	(230,132)
Total other financing sources (uses)	-	230,132	(230,132)	-
Net Change in Fund Balances	71,760	(377,715)	1,491,214	1,185,259
Fund Balances (Deficit) - Beginning of Year	1,501,144	48,391,728	(543,989)	49,348,883
Fund Balances - End of Year	$ 1,572,904	$ 48,014,013	$ 947,225	$ 50,534,142

Net Change in Fund Balances - Total Governmental Funds		$ 1,185,259
Amounts reported for governmental activities in the Statement of Activities and Changes in Net Position (page 11) are different because:		
Governmental Funds report capital outlays as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets is allocated over their estimated useful lives and recorded as depreciation expense.		
Capital asset additions - current year	$ 29,462	
Less depreciation expense	(831,839)	(802,377)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		469,445
Long-term debt issuance provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Government-Wide Statement of Net Position. Principal repayments of long-term debt and escrow agent paymentsare expenditures/uses in the Governmental Funds, but they reduce long-term liabilities in the Government-Wide Statement of Net Position. Also premiums are recognized in the current period in the Governmental Funds, whereas these amounts are amortized in the Government-Wide Statement of Activities. This is the amount by which repayments exceeded proceeds.		
Bonds & certificates of participation payable		105,000
Some expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the Governmental Funds.		
Compensated absences	(75,706)	
Pension expense	(107,684)	(183,390)
Net change in net position - governmental activities		$ 773,937

Budgetary Comparison Statements

Housing Authority of the City of Palmdale

Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual

General Fund

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance wit Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for current services	$ 93,100	$ 73,100	$ 59,761	$ (13,339)
Subventions and grants	-	121,110	43,426	(77,684)
Interest	1,500	1,500	37,415	35,915
Net increase (decrease) in fair value of investments	-	-	21,742	21,742
Total revenues	94,600	195,710	162,344	(33,366)
Expenditures				
Current				
Community development	105,510	219,820	90,584	129,236
Total expenditures	105,510	219,820	90,584	129,236
Net Changes in Fund Balance	(10,910)	(24,110)	71,760	95,870
Fund Balance - Beginning of Year	1,501,144	1,501,144	1,501,144	-
Fund Balance - End of Year	$ 1,490,234	$ 1,477,034	$ 1,572,904	$ 95,870

Housing Authority of the City of Palmdale

Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual

Housing Asset Fund – Special Revenue Fund

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Charges for current services	$ 154,960	$ 242,140	$ 344,189	$ 102,049
Interest	100,000	100,000	533,833	433,833
Net increase (decrease) in fair value of investments	-	-	193,614	193,614
Total revenues	254,960	342,140	1,071,636	729,496
Expenditures				
Current				
Community development	7,828,320	11,876,010	1,679,483	10,196,527
Total expenditures	7,828,320	11,876,010	1,679,483	10,196,527
Excess (deficiency) of revenues over (under) expenditures	(7,573,360)	(11,533,870)	(607,847)	10,926,023
Other Financing Sources (Uses)				
Transfers in	1,359,210	1,353,710	230,132	(1,123,578)
Total other financing sources (uses)	1,359,210	1,353,710	230,132	(1,123,578)
Net Changes in Fund Balance	(6,214,150)	(10,180,160)	(377,715)	9,802,445
Fund Balance (Deficit) - Beginning of Year	48,391,728	48,391,728	48,391,728	-
Fund Balance (Deficit) - End of Year	$ 42,177,578	$ 38,211,568	$ 48,014,013	$ 9,802,445

Housing Authority of the City of Palmdale

Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual

Housing Facilities Fund – Special Revenue Fund

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Charges for services	$ -	$ -	$ 20	$ 20
Use of property	8,477,050	8,604,560	8,633,366	28,806
Interest	8,700	8,700	43,020	34,320
Net increase (decrease) in fair value of investments	-	-	22,360	22,360
Other revenue	-	-	6,450	6,450
Total revenues	8,485,750	8,613,260	8,705,216	91,956
Expenditures				
Current				
Community development	6,097,530	6,118,510	6,131,411	(12,901)
Capital outlay	355,000	439,650	575,758	(136,108)
Debt service				
Principal	105,000	89,000	105,000	(16,000)
Interest	171,700	146,700	171,701	(25,001)
Total expenditures	6,729,230	6,793,860	6,983,870	(190,010)
Excess (deficiency) of revenues Over (under) expenditure	1,756,520	1,819,400	1,721,346	(98,054)
Other Financing Sources (Uses)				
Transfers out	(1,359,210)	(1,353,710)	(230,132)	1,123,578
Total other financing sources (uses)	(1,359,210)	(1,353,710)	(230,132)	1,123,578
Net Changes in Fund Balance	397,310	465,690	1,491,214	1,025,524
Fund Balance (Deficit) - Beginning of Year	(543,989)	(543,989)	(543,989)	-
Fund Balance (Deficit) - End of Year	$ (146,679)	$ (78,299)	$ 947,225	$ 1,025,524

Note 1 - Summary of Significant Accounting Policies

A. Description of the Reporting Entity

The Housing Authority of the City of Palmdale, California (Authority) was established on April 9, 1997, pursuant to provisions of the State of California Housing Authorities Law. The Authority is subject to the financial accountability of the City Council of the City of Palmdale, California (City) and, accordingly, is a blended component unit of the City although it is a separate legal entity. The Authority's primary purpose is to address the shortage of multi-family housing in the City of Palmdale with respect to which long-term affordability for low-income persons is ensured as the result of recorded agreements or covenants.

As the result of the dissolution of the former Community Redevelopment Agency, and under the provision of AB 1484, the City can elect to become the Housing Successor and retain the housing assets. The City elected to become the Housing Successor and on February 1, 2012, certain housing assets were transferred to the City's Successor Agency Housing Asset Fund and later transferred to the Authority. The Authority assumed the authority to perform housing functions previously performed by the dissolved Community Redevelopment Agency and all rights, powers, duties, obligations, and housing assets were transferred to the Authority during fiscal year 2011-12.

The financial statements of the Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting principles. The Annual Financial Statements are intended to reflect the financial position, results of operation and net position of the Housing Authority of the City of Palmdale. They do not present fairly the financial position and results of operations of the City of Palmdale, California, in conformity with accounting principles generally accepted in the United States of America. The more significant of the Authority's accounting policies are described below.

B. Financial Statement Presentation, Basis of Accounting, and Measurement Focus

The accounts of the Authority are organized on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows/outflows, fund equity, revenues and expenditures/expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are to be controlled.

Government-Wide Financial Statements

The Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements report information on all of the activities of the Authority. Interfund activity, including payables and receivables, have been eliminated in the Statement of Activities and the Statement of Net Position.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges for services to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. 2) grants and contributions that are restricted to meeting the operational requirements of a particular function, and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function. Unrestricted investment earnings are reported as general revenues.

The Government-Wide Financial Statements are presented using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all of the Authority's assets, deferred outflows of resources, liabilities (including long-term liabilities), and deferred inflows of resources are reported in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized as soon as they are earned and expenses are recognized as soon as a liability is incurred, regardless of the timing of related cash flows.

Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major funds individually. An accompanying schedule is presented to reconcile and explain the differences in net position as presented in the Statements of Net Position presented in the Government-Wide Financial Statements.

Governmental Fund Financial Statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, only current assets, current liabilities, and deferred inflows of resources are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Revenues are considered to be available when they are collectible within the period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Charges for current services and interest revenue are considered susceptible to accrual. Expenditures are recorded in the accounting period in which the related fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

The Authority has presented all funds as major funds because the Authority believes the financial position and activities of these funds are significant to the Authority as a whole. Specific fund descriptions can be found on page 12.

C. Budgets and Budgetary Accounting

An annual budget is adopted on a basis consistent with generally accepted accounting principles. Encumbrance accounting is employed in governmental funds. Encumbrances (i.e., purchase orders, contracts, and other commitments) outstanding at year-end are reported as assigned fund balance, to the extent the amounts are in the general fund, since they do not constitute expenditures or liabilities and are added to the subsequent year's adopted appropriations. In other funds, encumbrances would be part of restricted fund balance.

The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the category level. The category level includes personnel, training and meetings, operating expenditures, contingency, debt service, and capital outlay. Supplemental appropriations during the year must be approved by the City Council if they are over $100,000 or between funds, except for shifts in appropriations relating to personnel changes that may be done administratively by the City Manager. The City Manager can approve budget transfers up to $100,000 within a fund. Supplemental appropriations were made during the year and are reflected in the budgeted numbers contained in the accompanying financial statements. Unexpended appropriations at year-end may be added to the subsequent year's adopted budget by the Director of Finance with the approval of the City Manager per Council Resolution 2022- 066, Section 8.

D. Cash and Investments

Cash includes amounts in demand deposits and petty cash on hand. Investments include amounts invested in the City of Palmdale Investment Pool and Investments held by trustees. See Note 2 for additional detail.

E. Land Held for Resale

Abandoned and Foreclosed Mobile Home Rehabilitation

Abandoned and Foreclosed Mobile Homes for resale are capitalized in the special revenue funds at the lower of cost or market. To preserve the occupancy, maximize the monthly space rent revenues and minimize vacant lot potential at the mobile home parks, the Authority will purchase and rehabilitate mobile homes for resale to a qualified applicant in need of an affordable home. Fund balances are classified as restricted. At the end of the current fiscal year, the Authority did not hold any abandoned and foreclosed mobile homes for resale.

Low and Moderate Affordable Housing-Land Held for Development

Land Held for resale is capitalized in the special revenue funds at the lower of cost or market. The land held by the Authority was purchased with either low moderate housing funds or housing asset funds and is being held for resale or development in order to benefit qualified or eligible households with affordable housing. At the end of the current fiscal year, the Authority reported $3,249,136 in land held for resale.

F. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at cost where historical costs are available and at an estimated original cost where no historical records exist. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets used in operations are depreciated over their estimated useful lives using the straight- line method in the Government- Wide Financial Statements. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the balance sheet. The range of lives used for depreciation purposes for each capital asset class is as follows:

Asset	Years
Buildings and structures	50
Infrastructure	5 - 10
Improvements other than buildings	5 - 10

G. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority reports deferred outflows of resources related to pensions.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and, therefore, will not be recognized as an inflow of resources (revenue) until that time. The Authority reports deferred inflows of resources related to pensions. Governmental funds also report deferred inflows of resources for revenues that are not considered available under the modified accrual basis of accounting.

H. Compensated Absences

Compensated absences are accrued as a liability as the benefits are earned for leave balances that are more likely than not to be used for compensated leave or settled through cash or noncash means. It is the Authority's policy to permit employees to accumulate earned but unused vacation and administrative leave, compensatory floating holiday time, and sick leave. A liability for these obligations is reported in the Government-Wide Financial Statements as incurred. For governmental funds, a liability for compensated absences is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year-end that have not yet been paid with expendable available financial resources.

I. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Palmdale Housing Authority's proportionate share of the City of Palmdale Pension's Plan, which is administered by the California Public Employees Retirement System (CalPERS) and additions to/deductions from the Plan's fiduciary net position have been determined as an allocation of the City of Palmdale's net pension liability, pension expense, and deferred inflows and outflows based on contributions paid by Authority employees. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

J. Fund Equity

In the Fund Financial Statements, governmental funds may classify fund balances into five components whereby each component identifies the extent to which the Authority is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The five components of the fund balance are as follows:

Nonspendable: Resources that 1) not in spendable form, such as inventories, prepaids, long-term receivables, or non-financial assets held for resale, or 2) required to be maintained intact such as an endowment.

Restricted: Resources that are subject to externally enforceable legal restrictions; these restrictions would be either 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or 2) imposed by law through constitutional provisions or enabling legislation.

Committed: Revenues that are constrained to specific purposes by a formal action of the Authority's Board, which constitutes the most binding constraint such as an ordinance. The constraint remains binding unless removed in the same formal manner by the Authority's Board. The Authority's Board action to commit fund balance must occur within the fiscal reporting period while the amount committed may be determined subsequently.

Assigned: Resources that are constrained by the Authority's intent to be used for specific purposes, but that neither restricted nor committed. This policy delegates to the Finance Manager the authority to assign unrestricted fund balance amounts where the Authority's intent is for those amounts to be used for specific purposes. This delegation of authority is for the sole purpose of reporting these amounts in the annual financial statements.

Unassigned: Within the General Fund, the residual resources, either positive or negative, in excess of what can be properly classified in one of the other four fund balance categories. Within all other governmental funds, the negative residual resources in excess of what can be properly classified as nonspendable, restricted, or committed.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) fund balances are available, the Authority's policy is to first apply restricted fund balance. When expenditures are incurred for purposes for which committed, assigned, or unassigned fund balances are available, the Authority's policy is to first apply committed fund balance, then assigned fund balances, and finally unassigned fund balance.

K. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

L. Implemented Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) releases new accounting and financial reporting standards which may have a significant impact on the Authority's financial reporting process. New standards applicable to the year ending June 30, 2025, are as follows:

GASB Statement No. 101 – *Compensated Absences*. The primary objective of the Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and amending certain previously required disclosures. The effect of the implementation of this standard on beginning net position is disclosed in Note 15.

GASB Statement No. 102 – *Certain Risk Disclosures*. The primary objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. A concentration is defined as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. There was not a significant effect on the Authority's financial statements as a result of the implementation of this standard.

Note 2 - Cash and Investments

Cash and investments as of June 30, 2025 are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash	$ 3,405,774
Investments	16,163,491
Restricted investments	1,742,006
Total cash and investments	$ 21,311,271

Cash and investments as of June 30, 2025 consist of the following:

Cash held by third party	$ 3,405,774
Cash and investments with City of Palmdale Investment Pool	16,163,491
Investments held by Trustee	1,742,006
Total cash and investments	$ 21,311,271

Cash and investments of the Authority are pooled with funds of the City for deposit and investment purposes, except for funds required to be held by third parties for the operations of the mobile home parks and apartment facilities or to be held by outside fiscal agents. Interest earned on pooled cash and investments is credited to the funds based on each respective fund's month-end cash balance.

Detailed information concerning the City's pooled cash and investments can be found in the City's Annual Comprehensive Financial Report for the year ended June 30, 2025.

A. Investments Authorized by the California Government Code and the Authority's Investment Policy

Investments of the Authority are pooled with funds of the City and therefore adhere to the City's Investment Policy. The following table identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements with the Authority, rather than the general provisions of the California Government Code or the City's Investment Policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer**
U.S. Treasury Obligation	5 years	None	None
U.S. Federal Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	2%
Municipal Obligations	5 years	10%	15%
Medium Term Corporate Notes	3 years	10%	None
Negotiable Certificates of Deposit	5 years	30%	15%
Overnight Bank Investment Pool	N/A	10%	None
Mutual Funds	N/A	15%	10%
Local Agency Investment Fund (LAIF)	N/A	None	$ 75,000,000
California Asset Management Program (CAMP)	N/A	None	$ 75,000,000

*Excluding amounts held by bond trustees that are not subject to California Government Code Restrictions
**Per account

The City's Investment Policy also authorizes Demand Deposits of up to $2,000,000 (and $2,500,000 in the aggregate) with Bank of America or Wells Fargo Bank.

B. Disclosures Relating to Interest Rate Risk

Interest rate risk in the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Investment Policy of the City of Palmdale, Sections 4.1 and 4.2, provide guidelines for managing risk. One of the ways that the City of Palmdale manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the Authority's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the Authority's Investments by Maturity.

		Remaining Maturity in Months		
	Total	12 Months or Less	13-24 Months	25-60 Months
Cash and Investments with City of Palmdale Investment Pool	$ 16,163,491	$ 16,163,491	$ -	$ -
Held by bond trustees				
Money Market Funds	1,742,006	1,742,006	-	-
Total	$ 17,905,497	$ 17,905,497	$ -	$ -

C. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City of Palmdale's Investment Policy, or the Authority's debt agreements, and the actual rating as of year-end for each investment type.

Investment Type	Total	Minimum Legal Rating	Not Required To Be Rated	AAA/Aaa*
Cash and Investments with City of Palmdale Investment Pool	$ 16,163,491	N/A	$ 16,163,491	$ -
Held by bond trustees:				
Money market funds	1,742,006	A	-	1,742,006
Total	$ 17,905,497		$ 16,163,491	$ 1,742,006

D. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's Investment Policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Housing Authority deposits with financial institutions in excess of federal depository insurance limits of $250,000 were held in collateralized accounts held with the City of Palmdale. As of June 30, 2025, City investments were held by the safekeeping department of the broker-dealer (counterparty) used by the City of Palmdale to buy the securities in the name of the City.

E. Disclosures relating to Fair Value of Investments

The Authority categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Deposits and withdrawals in governmental investment pools, such as the City's Investment Pool are made on the basis of $1 and not fair value. Accordingly, the measurement of fair value of these types of investments is based on an uncategorized input not defined as a Level 1, Level 2, or Level 3 input. Money market investments are carried at amortized cost.

Note 3 - Notes Receivable

Notes Receivable in the amount of $25,234,970, are reported on the governmental fund financial statements and the government-wide financial statements. The balances consist of Affordable Housing Project loans made through various grants for low to moderate- income homeowners seeking to improve their homes. As the Notes are repaid, proceeds are used to continue the Affordable Housing Programs.

Note 4 - Fund Balance Classification

The Governmental Fund Balances at June 30, 2025, were classified as follows:

	HA General Fund	Special Revenue Fund HA Housing Asset Fund	Special Revenue Fund HA Facilities Fund	Total Governmental Funds
Restricted				
Low and moderate income housing	$ -	$ 48,014,013	$ 947,225	$ 48,961,238
Unassigned fund balance	1,572,904	-	-	1,572,904
Total fund balance (deficit)	$ 1,572,904	$ 48,014,013	$ 947,225	$ 50,534,142

Note 5 - Interfund Transfers

Transfers between funds for the year ended June 30, 2025, consisted of the following:

Transfer To	Transfer From	Amount
Housing Asset Fund	Housing Facilities Fund	$ 230,132
Total interfund transfers		$ 230,132

The transfers reflect a reimbursement of $230,132 from the Housing Facilities Fund to the Housing Asset Fund for interest payments on the Promissory Note.

Note 6 - Interfund Due To/From and Advances Due To/From

A. Advances and Due To/From Other Funds

The advances due to/from are reported on the Governmental Fund Balance Sheet of the Housing Asset Fund and Housing Facilities Fund as a result of the dissolution of the former Community Redevelopment Agency of the City of Palmdale resulting from the acquisition of three mobile home parks purchased during fiscal year 2002-2003. Upon acquisition, the Authority assumed the prior park owner's liabilities which were payable to the former CRA Low and Moderate Income Housing fund and City under the terms of an operating agreement. The operating agreement establishes priorities for the use of revenues from operation of the parks and provides for repayment of the advances from net income once expenses, debt service, operating, and capital reserve requirements are met. In the interim, additional liabilities and program/project management fees will continue to accrue to the long-term advances due the Authority - Housing Asset Fund if there are shortfalls in expected payment. These advances will be repaid when net income is sufficient under the operating agreement. As of June 30, 2025, the balance of these liabilities was $1,186,001.

Advances Due To/From Other Funds for the year ended June 30, 2025, were as follows:

Payable To	Payable From	Amount
Housing Asset Fund	Housing Authority Facilities	$ 1,186,001
Advances total due from/to other funds		$ 1,186,001

B. Interfund Promissory Note Between the Housing Facilities Fund and the Housing Asset Fund

The Authority and the City of Palmdale former Community Redevelopment Agency (Agency) previously entered into loan and repayment agreements whereby the Agency loaned the proceeds of a 1997 Series A (refunded by 2005 Series E) and Series B (refunded by 2003 Series C) Tax Allocation Bond debt issuances to the Authority.

The proceeds of the Bonds were used to finance the acquisition, sale, and improvement of three mobile home parks ("Parks") in the City. Immediately upon acquiring the Parks, the Agency sold them pursuant to an Affordable Housing Agreement, which reserved an option for the Agency to later designate another entity to take title of the Parks. On March 26, 2003, the Agency exercised this option by entering into a Cooperation Agreement with the Housing Authority of the City of Palmdale. Title to the property transferred from the prior owner of the Parks to the Housing Authority on April 4, 2003.

The liability for the 1997 Series B Bonds was fully defeased in December 2003 in the amount of $5,090,000 by the Agency's 2003 Tax Allocation Series C Bonds. The Agency advance refunded the 1997 Series B Bonds to take advantage of the current market and realize economic savings. The liability for the 1997 Series A Bonds was fully defeased in August 2005 in the amount of $13,170,000 by the Agency's 2005 Tax Allocation Series E Bonds. The Agency advance refunded the 1997 Series A Bonds to take advantage of the current market and realize economic savings.

Repayment agreements between the former Community Redevelopment Agency and the Authority require the Authority to pay the former Community Redevelopment Agency under the same terms as the Bonds were issued. The 2003 Series C Bonds and 2005 Series E Bonds were secured by Project Area No. 2A's Housing Set-Aside revenue and certain related reimbursements provided for in the Affordable Housing Agreement. The Housing Authority was to use operating income from the Parks to repay the former Agency, which was supposed to in turn, pay principal and interest with respect to the 2003 Series C Bonds and 2005 Series E Bonds as they become due. Under the 2003 amended Indenture, the Bonds were to be paid and secured by the tax increment of the former Community Redevelopment Agency and principal and interest was no longer required to be paid from the Authority.

As the result of the dissolution of the former Community Redevelopment Agency and the Authority assuming the duties of the former Community Redevelopment Housing Development Fund, the agreement will be maintained by the Housing Asset Fund which is now classified as an Interfund Promissory Note effective February 1, 2012. All proceeds from repayment of the note must be used in accordance with applicable housing related provisions of Community Redevelopment Law. During FY 2024-25, the Boulder Mobile Home parks paid $1,123,333 of principal and $230,132 interest for a total $1,353,465 to the Housing Asset Fund. The balance of the Note as of June 30, 2025 is $4,155,000. The remaining debt service schedule below uses a blended interest rate ranging from 3.7% to 4.75% due to the note's variable interest rate.

Year Ending	Principal	Interest	Total
2026	$ 1,170,000	$ 180,331	$ 1,350,331
2027	1,221,667	128,019	1,349,686
2028	1,313,333	73,310	1,386,643
2029	450,000	10,688	460,688
Total	$ 4,155,000	$ 392,348	$ 4,547,348

C. Advances Due from Successor Agency at June 30, 2025

Payable To	Payable From	Amount
Housing Asset Fund	City of Palmdale Successor Agency	$ 4,309,777

In fiscal years 2004-2005 and 2005-2006, the state required the former Community Redevelopment Agency (CRA) to shift tax increment of $1,862,827 to the Education Revenue Augmentation Fund (ERAF). To assist in funding this shift, the former CRA Housing Development fund advanced $355,538 and $1,507,289 (50% of the total requirements) to the former CRA Project Area No. 1 and 2A Debt Service funds, respectively.

In 2009-2010, the State required the former Community Redevelopment Agency (CRA) to shift tax increment of $11,605,102 to the Supplemental Education Revenue Augmentation Fund (SERAF). To assist in funding this shift, the former CRA Housing Development fund advanced $2,533,394 and $9,071,708 (100% of the total requirement) to the former CRA Project Area No. 1 and 2A Debt Service Fund, respectively.

In fiscal year 2010-11, the State required the former Community Redevelopment Agency (CRA) to shift tax increment of $2,389,286 to the Supplemental Education Revenue Augmentation Fund (SERAF). To assist in funding this shift, the former CRA Housing Development fund advanced $521,581 and $1,867,705 (100% of the total requirement) to the former CRA Project Area No. 1 and 2ADebt Service funds, respectively.

The Successor Agency Private Purpose Trust Fund was formed for the purpose of holding the assets and liabilities of the former Community Redevelopment Agency. All assets and liabilities were transferred to the Successor Agency Private Purpose Trust Fund which is used to account for assets and liabilities held by the City for the former Community Redevelopment Agency. The Advances Due to the Authority described above are approved enforceable obligations in existence at the date of dissolution and will be repaid by the Successor Agency from future property tax revenues. The repayment amount cannot exceed one-half of the increase between the amount distributed to the taxing entities and the 2012-13 base year (or residuals). During FY 2024-25, the Authority received $350,000 from the Successor Agency during the Recognized Obligations Payment Schedule (ROPS) period of July-June 2025 or ROPS 24-25A and B.

Note 7 - Capital Assets

Capital Assets of the Housing Authority for the year ended June 30, 2025, consisted of the following:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Land and improvements	$ 11,962,311	$ -	$ -	$ 11,962,311
Total capital assets not being depreciated	11,962,311	-	-	11,962,311
Capital Assets Being Depreciated				
Buildings and structures	8,601,907	-	-	8,601,907
Improvements other than buildings	1,130,963	29,462	-	1,160,425
Infrastructure	16,331,912	-	-	16,331,912
Total capital assets being depreciated	26,064,782	29,462	-	26,094,244
Less Accumulated Depreciation for				
Buildings and improvements	1,851,888	172,038	-	2,023,926
Improvements other than buildings	646,128	117,596	-	763,724
Infrastructure	10,688,044	542,205	-	11,230,249
Total accumulated depreciation	13,186,060	831,839	-	14,017,899
Total capital assets being depreciated, net	12,878,722	(802,377)	-	12,076,345
Governmental activities capital assets, net	$ 24,841,033	$ (802,377)	$ -	$ 24,038,656

For the year ended June 30, 2025, depreciation expense on capital assets was charged to the Community Development function in the amount of $831,839.

Note 8 - Due to City

At June 30, 2025, the Authority reported $12,509 due to the City of Palmdale.

Note 9 - Risk Management and Litigation Liability

The Authority is covered under the City of Palmdale's risk management program for general liability claims, automobile insurance and health plan.

Note 10 - Unearned Revenue/Unavailable Revenues

Unearned Revenue - Governmental funds report unearned revenue on the balance sheet in connection with resources that have been received, but not yet earned. Accordingly, this type of unearned revenue is also reported on the Statement of Net Position. At the end of the current fiscal year, the components of unearned revenue were as follows:

Housing Asset Fund: Lease Revenues Received in Advance	$ 3,828,000

Unavailable Revenue - Governmental funds also report deferred inflows of resources on the balance sheet in connection with resources that have been earned but are not yet available to finance expenditures of the current fiscal period. This type of deferred revenue is unique to governmental funds since it is tied to the modified accrual basis of accounting. Accordingly, these unavailable revenues are not reported on the Statement of Net Position. At the end of the current fiscal year, the components of unavailable revenues result from accrued interest revenue not received within the 60-day period were as follows:

Housing Asset Fund	$ 6,178,301
General Fund	221
Total	$ 6,178,522

Note 11 - Public Employee's Retirement System (PERS) Pension Plan

A. General Information about the Pension Plan

The Authority participates in the City of Palmdale's Miscellaneous pension plan by sharing the costs related to pensions with the City for eligible employees. All plan information described below pertains to the overall plan for the City.

Plan Description - All qualified permanent probationary employees are eligible to participate in the City of Palmdale's Miscellaneous Plan, an agent multiple employer defined benefit pension plan administered by the California Public Employees Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at: https://www.calpers.ca.gov/employers/actuarial-resources/public-agency-actuarial-valuation-reports.

Benefits Provided - CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full- time employment. Unused sick leave accumulated at the time of retirement will be converted to credited service at a rate of 0.004 years of service for each day of sick leave. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is the Basic Death benefit and the 1959 Survivor Benefit. The cost-of-living adjustments is 2 percent and applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2025, are summarized as follows:

	Miscellaneous Plan		
Hire Date	On or Prior to 4/10/2011 2.7 Percent @ Age 55	Between April 11, 2011 and 12/31/2012 2.0 Percent @ Age 60	On or after 1/1/2013 2.0 Percent @ Age 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	Age 50 to 55	Age 50 to 63	Age 50 to 67
Monthly benefits, as a % of annual salary	2.0 to 2.7 percent	1.092 to 2.418 percent	1.0 to 2.5 percent
Required employee contribution rates	8.0 percent	7.0 percent	7.75 percent
Required employer contribution rates	10.62 percent	10.62 percent	10.62 percent

Contributions - Section 20814(c) of the California Public Employees' Retirement law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rates of employees.

For the year ended June 30, 2025, the Authority's proportionate share of the City's contribution to the Plan was $154,310.

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2025, the Authority reported a liability of $1,351,522 for its proportionate share of the City's net pension liability.

The net pension liability of the Plan was measured as of June 30, 2024 and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024. The Authority's proportion of the City's net pension liability was based on the Authority's Fiscal Year 2024 actual contributions to the City's pension plan relative to the total contribution of the City as a whole.

At June 30, 2024, the Authority's proportion was 2.00% which is flat to its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the Authority's recognized pension expense was $261,994. At June 30, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made subsequent to the measurement date	$ 154,310	$ -
Change of assumptions	8,140	-
Difference between expected and actual experience	141,295	479
Net difference between projected and actual earnings on plan investments	47,301	-
Total	$ 351,046	$ 479

The amount of $154,310 reported as deferred outflows of resources related to pensions resulting from the Authority's contributions to the City's plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	
2026	$ 78,970
2027	138,628
2028	(3,810)
2029	(17,531)
	$ 196,257

Actuarial Assumptions - The Authority's proportion of the City's total pension liability was derived from the June 30, 2023 valuation being rolled forward to determine the June 30, 2024 total pension liability, based on the following actuarial methods and assumptions:

Actuarial Valuation Date	June 30, 2023
Actuarial Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation Rate	2.30%
Projected Salary Increase Rate	(1)
Mortality	(2)

(1) Varies by Age, Service and Type of Employment
(2) The Mortality Table used was developed based on CalPERS specific data

The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2017 experience study report.

The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the contributions will be made at rates equal to the difference between actuarially determined contributions rates and the employee rate. Based on those assumptions, each pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In determining the long-term expected 6.90 percent rate of return on pension plan investments, CalPERS took into account both short and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the pension funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to the account for assumed.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class 1	Assumed Asset Allocation	Real Return [1,2]
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

[1] An Expected Inflation Rate of 2.30% was used for this period.

[2] Figures are based on the 2021 Asset Liability Management Study.

Discount Rate - The discount rate used to measure the total pension liability was 6.90 percent, consistent with the prior year. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 6.90 percent discount rate is appropriate, and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 6.90 percent is applied to all plans in the Public Employees Retirement Fund. The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

Sensitivity of the Authority's proportionate share of the City's Net Pension Liability to Changes in the Discount Rate - The following table presents the Authority's proportionate share of the City of Palmdale's Miscellaneous Plan net pension liability as of the measurement date, calculated using the discount rate of 6.90 percent, as well as what the Authority's proportionate share of the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90 percent) or 1 percentage- point higher (7.90 percent) than the current rate.

	Discount Rate Less One Percent 5.90 Percent	Current Discount Rate 6.90 Percent	Discount Rate Pluse One Percent 7.90 Percent
Authority's proportionate share of the City's Net Pension Liability	$ 1,959,346	$ 1,351,522	$ 846,528

Pension Plan Fiduciary Net Position - Detailed information about the City's collective net pension liability is available in the City separate issued Annual Comprehensive Financial Report (ACFR) or in the separately issued CalPERS financial report which can be obtained from the CalPERS website. The City's ACFR may be obtained by contacting the City of Palmdale, Office of the Finance Manager, 38250 Sierra Highway, Suite D, Palmdale, California, 93550. Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report which can be obtained from the CalPERS website.

Note 12 - Long-Term Debt

A. Revenue Bonds

2015 Multifamily Housing Revenue Bonds Payable ($4,235,000) - On September 3, 2015, the Housing Authority of the City of Palmdale issued $4,235,000 of Multifamily Housing Revenue Bonds (2015 Bonds). The Authority did not apply for a rating on the bonds, and no such rating should be assumed based upon any other Authority or City rating that may be obtained. Interest on the 2015 Bonds is payable semi-annually on December 1 and June 1 at rates ranging from 2.625 percent to 5.25 percent per annum. Principal installments are payable June 1 of each year from 2017 to 2045.

The 2015 Bonds maturing on or after June 1, 2026, may be redeemed on or after June 1, 2025, from moneys deposited in the Redemption Fund from any source of available funds, at a redemption price equal to the principal amount of Bonds called for redemption, together with accrued interest to the date fixed for redemption, without premium.

The 2015 Bonds maturing on or after June 1, 2025, are subject to extraordinary mandatory redemption from proceeds derived from sale or part of any of the Housing Facilities not elected by the Authority to be deposited in the Repair & Replacement Fund and used for the acquisition and/or construction of improvements and extensions to the Housing Facilities, but instead transferred to the Redemption Fund, at a redemption price equal to the principal amount of Bonds called for redemption, together with accrued interest to the date fixed for redemption, without premium, on any date.

The 2015 Bonds maturing on any date, are subject to extraordinary mandatory redemption from insurance proceeds or condemnation proceeds not used for the purpose of repairing or replacing the property damaged, destroyed or taken, and transferred to the Redemption Fund pursuant to the Indenture or from proceeds of any foreclosure action under any of the Deeds of Trust transferred to the Redemption Fund, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium.

The proceeds of the 2015 Bonds were used to finance the acquisition of the Impressions, La Quinta, Park Vista, and Summerwood Apartments (collectively, the "Housing Facilities") all located within the City of Palmdale, to finance the costs to renovate portions of the Housing Facilities, pay costs related to the issuance of the bonds, and make a deposit to a Bond Reserve Account for the Bonds.

The 2015 Bonds are limited obligations of the Housing Authority of the City of Palmdale and are secured by a first pledge of all of the Net Revenues of the Housing Facilities and by the Trustee's interest in a Deed of Trust for each of the Housing Facilities. Net Revenues are derived primarily from rents received by the Authority from the operation of the Housing Facilities, less the costs of the operation and maintenance of the Housing Facilities. The 2015 Bonds are payable solely from the Net Revenues and other assets pledged under the Indenture. The 2015 Bonds do not constitute a debt or liability of the City, the State, or any political subdivision thereof, other than the Authority to the limited extent of the pledge.

Failure by the Authority to pay debt service on the Bonds constitutes an event of default under the Indenture and the Trustee is permitted to pursue remedies at law or in equity to enforce the Authority's obligation to make such payments. The Trustee has no right to accelerate the total unpaid principal amount of the debt service on the Bonds by reason of the occurrence of an event of default under the Indenture. If there is a default under the Indenture, the primary remedy of the Trustee is to foreclose on the real and personal property security granted pursuant to the Deeds of Trust and related documents. All amounts collected upon foreclosure of the Housing Facilities pursuant to the Deeds of Trust, after payment of costs of foreclosure, will first be used to pay amounts owing under the Indenture, including the payment of the Bonds.

Year Ending	Principal	Interest	Total
2026	$ 110,000	$ 167,895	$ 277,895
2027	115,000	163,275	278,275
2028	115,000	158,445	273,445
2029	125,000	153,615	278,615
2030	125,000	148,365	273,365
2031-2035	735,000	653,535	1,388,535
2036-2040	915,000	462,263	1,377,263
2041-2045	1,195,000	194,775	1,389,775
Totals	$ 3,435,000	$ 2,102,168	$ 5,537,168

B. Changes in Long-Term Liabilities

Activity for the year ended June 30, 2025, were as follows:

	Balance at June 30, 2024 As restated	Additions	Retirements	Balance at June 30, 2025	Due Within One Year
Compensated Absences Payable	$ 263,683	$ 75,706	$ -	$ 339,389	$ 66,820
2015 Multifamily Housing Revenue Bonds	3,540,000	-	105,000	3,435,000	110,000
Total long term liabilities	$ 3,803,683	$ 75,706	$ 105,000	$ 3,774,389	$ 176,820

Increases and decreases in the compensated absences liability are presented on a net basis.

Note 13 - Contingencies

Obligations of the Successor Agency Private Purpose Trust Fund

The former Community Redevelopment Agency of the City of Palmdale was dissolved on January 31, 2012. Obligations to be paid out to the Successor Agency Private Purpose Trust Fund are included in the Required Obligation Payment Schedules (ROPS) which are subject to approval by the State Department of Finance. All obligations of the Successor Agency have been approved by the State Department of Finance, however, are still subject to audit by the County Auditor-Controller and the State Controller. Additionally, obligations on a future ROPS may be denied even if it was not questioned from a preceding ROPS.

Note 14 - New Accounting Pronouncements

The following pronouncements were issued that have effective dates that may impact future financial statement presentation. The effects of the statements are currently under review.

GASB Statement No. 103 – *Financial Reporting Model Improvements*. The primary objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this statement are effective for the Authority 's fiscal year beginning after June 15, 2025. The Authority has not determined the effects, if any, on the financial statements.

GASB Statement No. 104 – *Disclosure of Certain Capital Assets*. The primary objective is that State and local governments are required to provide detailed information about capital assets in notes to financial statements. Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, requires certain information regarding capital assets to be presented by major class. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The Authority has not determined the effects, if any, on the financial statements.

GASB Statement No. 105 – *Subsequent Events*. The primary objective of this Statement is to improve the financial reporting requirements for subsequent events by enhancing consistency in their application and better meeting the information needs of financial statement users. This Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the financial statements are available to be issued. In addition, the Statement clarifies the distinction between recognized and non-recognized subsequent events, establishes disclosure requirements for certain non-recognized subsequent events, and requires disclosure of the date through which subsequent events have been evaluated. The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter. The Authority has not determined the effects, if any, on the financial statements.

Note 15 - Restatement

Change in Accounting Principle

As of July 1, 2024, the Authority adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. Therefore, compensated absences were increased by $154,959, as of July 1, 2024.

	July 1, 2024 As Previously Reported	Change in Accounting Principle	July 1, 2024 As Restated
Government-Wide			
Governmental Activities Net Position	$ 75,342,690	$ (154,959)	$ 75,187,731

Required Supplementary Information

Housing Authority of the City of Palmdale

Schedule of the Authority's Proportionate Share of the City's Net Pension Liability

Last Ten Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Authority's proportion of the net pension liability	1.96%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Authority's proportionate share of the net pension liability	$ 727,471	$ 824,554	$ 845,339	$ 864,469	$ 939,373	$ 1,030,590	$ 603,083	$ 1,172,453	$ 1,276,551	$ 1,351,522
Authority's Covered Payroll	$ 260,428	$ 251,017	$ 264,742	$ 295,946	$ 300,612	$ 328,991	$ 351,345	$ 384,616	$ 422,481	$ 503,905
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	279.34%	328.48%	319.31%	292.10%	312.49%	313.26%	156.80%	277.52%	287.10%	268.21%
Plan fiduciary net position as a percentage of the total pension liability	75.86%	72.57%	74.09%	74.74%	74.00%	72.29%	84.67%	72.09%	71.23%	71.58%

Housing Authority of the City of Palmdale

Schedule of Contributions

Last Ten Years

Contribution Years	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contribution	$ 83,721	$ 103,146	$ 70,190	$ 82,346	$ 95,420	$ 105,686	$ 118,715	$ 129,378	$ 134,503	$ 154,310
Contributions in relation to the contractually required contribution	(83,721)	(103,146)	(70,190)	(82,346)	(95,420)	(105,686)	(118,715)	(129,378)	(134,503)	(154,310)
Difference	-	-	-	-	-	-	-	-	-	-
Covered payroll	$ 251,017	$ 264,742	$ 295,946	$ 300,612	$ 328,991	$ 351,345	$ 384,616	$ 422,481	$ 503,905	$ 518,445
Contributions as a percentage of covered payroll	33%	39%	23.72%	27.39%	29.00%	30.08%	30.87%	30.62%	30.25%	29.76%

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Honorable Members of the Board of Commissioners
of the Housing Authority of the City of Palmdale
City of Palmdale, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Housing Authority of the City of Palmdale (Authority), a component unit of the City of Palmdale, California (City) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated November 23, 2026. Our report included an emphasis of matter paragraph regarding the Authority's adoption of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*, effective July 1, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control as it relates to the Authority.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Ontario, California
November 23, 2026

Annual Financial Report
June 30, 2025

Palmdale Financing Authority

(A Component Unit of the City of Palmdale)

Palmdale Financing Authority
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June 30, 2025

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Independent Auditor's Report

To the Honorable Members of the Board of Directors
of the Palmdale Financing Authority
City of Palmdale, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Palmdale Financing Authority (Authority), a component unit of the City of Palmdale, California (the City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of June 30, 2025, and the changes in its financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2026, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Eide Bailly LLP

Ontario, California
November 23, 2026

Palmdale Financing Authority
Statement of Net Position
June 30, 2025

Assets	
Interest receivable	$ 345,798
Receivable - City of Palmdale	
Current	2,911,101
Non-current	56,077,648
Total assets	59,334,547
Liabilities	
Accrued interest payable	345,798
Long term liabilities	
Due within one year	2,911,101
Due in more than one year	56,077,648
Total liabilities	59,334,547
Net Position	-
Total net position	$ -

Non-Operating Revenues	
Interest income from City receivable	$ 2,862,848
Total non-operating revenues	2,862,848
Non-Operating Expenses	
Interest	2,862,848
Total non-operating expenses	2,862,848
Change in Net Position	-
Net Position, Beginning of Year	-
Net Position, End of Year	$ -

Non-Capital Financing Activities	
Principal received from receivable	$ 2,712,314
Interest income from receivable	2,929,656
Net Cash Provided by Non-Capital Financing Activities	5,641,970
Capital and Related Financing Activities	
Principal paid on Long-term Debt	(2,712,314)
Interest on Debt	(2,929,656)
Net Cash Used for Capital and Related Financing Activities	(5,641,970)
Net Increases (Decreases) in Cash and Cash Equivalents	-
Cash and Cash Equivalents - Beginning of Year	-
Cash and Cash Equivalents - End of Year	$ -

Note 1 - Summary of Significant Accounting Policies

A. Description of the Reporting Entity

The Palmdale Financing Authority of the City of Palmdale, California (Authority) was originally created under a joint powers agreement between the City of Palmdale (City) and the Housing Authority of the City of Palmdale (Agency) on September 26, 2012 for the purpose of financing public improvements in the City. The Authority is financially accountable to the City and, accordingly, is a component unit of the City although it is a separate legal entity. Assets of the Authority, after providing for all debts and obligations, are to be transferred to the City upon final payment of the leases.

The Authority is a component unit of the City of Palmdale, California (as defined by the Governmental Accounting Standards Board) and, as such, is included in the Annual Comprehensive Financial Report (ACFR) of the City. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. Although a legally separate entity, it is reported on a blended basis as part of the primary government (the City) because a voting majority of the Authority's governing board is appointed by the City Council and they are, in substance part of the City's operations, and the debt is being repaid entirely with City resources.

B. Financial Statement Presentation, Basis of Accounting and Measurement Focus

The Authority's basic financial statements are prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting principles.

The Authority reports its activities as an enterprise fund. The Authority's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues and expenses are recognized in the period incurred regardless of the timing of related cash flows.

Proprietary funds distinguish operating revenues and expenses from those revenues and expenses that are non-operating. Non-operating revenues and expenses are those revenue and expenses generated from financing activities. All other activities are considered operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

The Annual Financial Statements are intended to reflect the financial position, results of operation and net position of the City of Palmdale Financing Authority. They do not present fairly the financial position and results of operations of the City of Palmdale, California, in conformity with accounting principles generally accepted in the United States of America.

C. Cash and Cash Equivalents

Cash may be held in demand deposits and petty cash on hand. Investments may include amounts in Federal Agency Securities, Certificates of Deposit, the Local Agency Investment Fund, money market funds, and investment agreements.

The Authority categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

D. Long Term Obligations

In the Statement of Net Position, long-term debt is a liability. Bond premium/discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

E. Net Position

Net position is classified in the following categories:

Unrestricted – This component of net position consists of resources that are available to the Authority.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

F. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

G. Implemented Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) releases new accounting and financial reporting standards which may have a significant impact on the Authority's financial reporting process. New standards applicable to the year ending June 30, 2025 are as follows:

GASB Statement No. 101 – *Compensated Absences*. The primary objective of the Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and amending certain previously required disclosures. There was no significant effect on the Authority's financial statements as a result of the implementation of this standard.

GASB Statement No. 102 – *Certain Risk Disclosures*. The primary objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. A concentration is defined as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. There was no significant effect on the Authority's financial statements as a result of the implementation of this standard.

Note 2 - Long-Term Receivables

A. Contract Receivable

The Authority and the City of Palmdale have entered into agreements that obligate the City to make payments to the Authority in consideration of the City's use and enjoyment of certain property and improvements. Title in such property and improvements, transfers to the City by the end of the contract. Accordingly, the Palmdale Financing Authority has accounted for these transactions as financed purchases. The payment schedules and detailed descriptions of the facilities subject to the contracts are included in Note 3 A – Lease Revenue Bonds. Contract receivable activity for the year ended June 30, 2025, was as follows:

	Balance at July 1, 2024	Additions	Payments	Balance at June 30, 2025	Amount Due Within One Year
Contract Receivable Related to					
2017 Lease Revenue Bonds	$ 9,260,000	$ -	$ 705,000	$ 8,555,000	$ 750,000
2021 Certificates of Participation (private placement)	11,390,006	-	762,314	10,627,692	790,168
2023 A Lease Revenue Bond	26,370,000	-	575,000	25,795,000	605,000
2023 B Lease Revenue Bond	14,560,000	-	670,000	13,890,000	705,000
Plus: Deferred Issuance Premiums	181,990	-	60,933	121,057	60,933
Total contract receivables	$ 61,761,996	$ -	$ 2,773,247	$ 58,988,749	$ 2,911,101

As of June 30, 2025, future payments for 2017 Lease Revenue Bonds are as follows:

Fiscal Year Ended	2017 Lease Receivable Principal	Interest	Total
2026	$ 750,000	$ 323,538	$ 1,073,538
2027	810,000	284,538	1,094,538
2028	920,000	241,288	1,161,288
2029	965,000	194,163	1,159,163
2030	1,095,000	152,928	1,247,928
2031-2034	4,015,000	215,516	4,230,516
Totals	$ 8,555,000	$ 1,411,971	$ 9,966,971

As of June 30, 2025, future payments for 2021 Certificates of Participation are as follows:

Year Ended	Principal	Interest	Total
2026	$ 790,168	$ 417,668	$ 1,207,836
2027	821,121	386,615	1,207,736
2028	855,041	354,345	1,209,386
2029	887,738	320,742	1,208,480
2030	923,213	285,853	1,209,066
2031-2035	5,187,685	855,841	6,043,526
2036	1,162,726	45,695	1,208,421
Totals	$ 10,627,692	$ 2,666,759	$ 13,294,451

As of June 30, 2025, future payments for 2023A Lease Revenue Bonds are as follows:

Year Ended	Principal	Interest	Total
2026	$ 605,000	$ 1,180,013	$ 1,785,013
2027	635,000	1,149,763	1,784,763
2028	665,000	1,118,013	1,783,013
2029	560,000	1,084,763	1,644,763
2030	590,000	1,056,762	1,646,762
2031-2035	1,465,000	5,100,563	6,565,563
2036-2040	4,360,000	4,355,063	8,715,063
2041-2045	5,435,000	3,282,800	8,717,800
2046-2050	6,700,000	1,995,444	8,695,444
2051-2053	4,780,000	436,500	5,216,500
Totals	$ 25,795,000	$ 20,759,684	$ 46,554,684

As of June 30, 2025, future payments for 2023B Lease Revenue Bonds are as follows:

Year Ended	Principal	Interest	Total
2026	$ 705,000	$ 875,833	$ 1,580,833
2027	70,000	836,705	906,705
2028	50,000	832,820	882,820
2029	140,000	830,020	970,020
2030	745,000	822,040	1,567,040
2031-2035	3,100,000	3,433,623	6,533,623
2036-2040	1,600,000	2,793,670	4,393,670
2041-2045	2,175,000	2,210,448	4,385,448
2046-2050	2,995,000	1,391,180	4,386,180
2051-2053	2,310,000	313,548	2,623,548
Totals	$ 13,890,000	$ 14,339,887	$ 28,229,887

Note 3 - Long-Term Debt

A. Lease Revenue Bonds

2012 Lease Revenue Bond Payable (Defeased and Paid in Full) - On December 19, 2012, the Authority issued $8,695,000 of Lease Refunding Revenue Bonds (the 2012 Bonds). Interest was payable semi-annually on March 1 and September 1 at rates ranging from 2.00% to 4.00% per annum. Principal payments were scheduled annually each September 1, from 2015 through 2029.

The proceeds from the 2012 Bonds were used to refinance an existing lease obligation, refund related certificates of participation, fund a bond reserve, and cover issuance costs. Under the lease agreement, the City made semi-annual base rental payments to the Authority, which were used to service the debt. Legal title to the facilities was held by the Authority for the benefit of bondholders during the lease term, with title transferring to the City upon full repayment.

In fiscal year 2023–24, the 2012 Bonds were refunded and defeased, and the outstanding balance was paid in full. As a result, the City has no further obligation under the 2012 Bonds, and the lease agreement associated with this debt has been terminated.

2017 Lease Revenue Bonds Payable ($17,475,000) - On April 5, 2017, the Palmdale Financing Authority issued $17,475,000 of Lease Revenue Refunding Bonds, Series 2017. Interest on the 2017 Series Bonds is payable semi-annually on November 1 and May 1 at rates ranging from 2.00% to 3.50% per annum. Principal installments are payable November 1 of each year to 2032. As of June 30, 2025, a total principal of $8,555,000 was outstanding.

The 2017 Series Bonds maturing on or after November 1, 2028, may be redeemed on or after November 1, 2027, from any available source of funds, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium. The 2017 Series Bonds are subject to special mandatory redemption as a whole, or in part on any date, from hazard insurance proceeds or condemnation proceeds not used to repair or replace any portion of the Property damaged or destroyed and elected by the Authority, at the discretion of the City, to be used for such purpose, at a redemption price equal to 100% of the principal amount thereof plus interest accrued thereon to the date fixed for redemption, without premium.

The proceeds of the 2017 Series Bonds were $18,894,256 ($17,475,000 principal and $1,419,256 premium), of which $18,505,222 (after a payment of $383,662 cost of issuance and debt service funds of $5,372) were contributed to Palmdale Civic Authority to advance refund all ($12,825,000) of the outstanding 2002 Certificates and all ($6,595,000) of the outstanding 2004 Certificates. Concurrently, the proceeds of the 2017 Bonds were used by the City to fully pay the outstanding lease receivable for the Palmdale Civic Authority's 2002 Certificate of Participation and 2004 Certificate of Participation.

The Bonds are payable from the revenues pledged under the Indenture, consisting primarily of payments to be made by the City of Palmdale to the Palmdale Financing Authority as rental for certain properties pursuant to an Agreement. The 2017 Bonds represent direct, undivided fractional interests in a contract of the Palmdale City Hall, Palmdale Main Library, Larry Chimbole Cultural Center, Domenic Massari Park, and Desert Sands Park. The City has the right, subject to certain conditions, to substitute alternate property for the above properties, as the property subject to the contract.

The agreement requires the City to pay a semi-annual base rental to the Authority on October 25 and April 25 for the use of the facilities through November 2032. The rentals will be used by the Authority to pay principal and interest with respect to the 2017 Bonds as they become due. Title to the land and facilities covered by the contract and the 2017 Bonds is vested in the Authority, for the benefit of the 2017 Bond holders, during the contract term.

Upon completion of the term of the contract and payment in full to the 2017 Bond holders, title to the property shall vest in the City. The City may, on any date, deposit sufficient funds into an irrevocable trust to pay all remaining payments, at which time the agreement shall cease and terminate and title to the property shall vest in the City.

Should the City default under the Agreement, the Trustee, as assignee of the Authority, may terminate the Agreement and re-lease the Property or may retain the Agreement and hold the City liable for all Payments thereunder on an annual basis. Under no circumstances will the Trustee have the right to accelerate Payments.

Year Ending	Principal	Interest	Total
2026	$ 750,000	$ 323,538	$ 1,073,538
2027	810,000	284,538	1,094,538
2028	920,000	241,288	1,161,288
2029	965,000	194,163	1,159,163
2030	1,095,000	152,928	1,247,928
2031-2034	4,015,000	215,516	4,230,516
Totals	$ 8,555,000	$ 1,411,971	$ 9,966,971

2021 Certificates of Participation Payable ($13,584,908) - On May 27, 2021, the City issued the Refunding of the 2007 Certificates with a private placement loan with Western Alliance Bank, in the amount of $13,584,908 with annual interest rate of 3.93 percent. The Refunding loan and other available funds in the trust accounts were used to refund the outstanding principal of the 2007 Certificates carried on Palmdale Civic Authority's books. As a result of the refunding, the City entered into a new Site Contract Agreement with Palmdale Financing Authority and terminated its existing agreement with Palmdale Civic Authority. As of June 30, 2025, a total principal of $10,627,692 was outstanding. The agreement requires the City to pay a semi-annual base rental on August 15 and February 15 to the Authority for the use of the facilities through September 2036. The rentals will be used by the Authority to pay principal and interest with respect to the 2021 Certificates as they become due. Title to the land and facilities covered by the contract and the 2021 Bonds is vested in the Authority, for the benefit of the 2021 Bond holders, during the contract term.

Upon completion of the term of the contract and payment in full to the lender, Western Alliance Bank, title to the property shall vest in the City. The City may, on any date, deposit sufficient funds into an irrevocable trust to pay all remaining payments on or after April 1, 2023 (option 1) or on or after April 1, 2029 (option 2), at which time the agreement shall cease and terminate and title to the property shall vest in the City.

In event of default under the lease, there is no available remedy of acceleration of the total lease payments due under the terms of the agreement. The City will only be liable for payments on an annual basis as they come due and the Lender would be required to seek separate judgements for the annual payments that may include foreclosure of the property.

Year Ending	Principal	Interest	Total
2026	$ 790,168	$ 417,668	$ 1,207,836
2027	821,121	386,615	1,207,736
2028	855,041	354,345	1,209,386
2029	887,738	320,742	1,208,480
2030	923,213	285,853	1,209,066
2031-2035	5,187,685	855,841	6,043,526
2036	1,162,726	45,695	1,208,421
Totals	$ 10,627,692	$ 2,666,759	$ 13,294,451

2023 Lease Revenue Bonds Series 2023A and 2023B ($40,930,000) -The City of Palmdale issued Lease Revenue Bonds, Series 2023A and 2023B, on November 30, 2023, through the Palmdale Financing Authority to finance and refinance the acquisition of real property for economic development initiatives. The Series 2023A Bonds were issued in the amount of $26,370,000 and carry an interest rate ranging from 4.125% to 5% and will mature on June 1, 2053. Scheduled principal payments will be made annually, based on the debt service schedule, beginning with $575,000 due on June 1, 2025.

The Series 2023B Bonds totaled $14,560,000 and carry an interest rate ranging from 5.6% to 6.65% and will mature on June 1, 2053. Scheduled principal payments will be made annually, based on the debt service schedule, beginning with $670,000 due on June 1, 2025.

These bonds were specifically structured to support the city's strategic efforts in acquiring land and properties that will foster business growth, attract investment, and enhance long-term economic sustainability. The bonds are backed by a pledge of general fund and Measure AV fund revenues to ensure timely repayment. By leveraging these funds, Palmdale aims to drive development opportunities and strengthen its local economy.

Lease Revenue Bonds Payable 2023A ($26,370,000) -

Year Ending	Principal	Interest	Total
2026	$ 605,000	$ 1,180,013	$ 1,785,013
2027	635,000	1,149,763	1,784,763
2028	665,000	1,118,013	1,783,013
2029	560,000	1,084,763	1,644,763
2030	590,000	1,056,762	1,646,762
2031-2035	1,465,000	5,100,563	6,565,563
2036-2040	4,360,000	4,355,063	8,715,063
2041-2045	5,435,000	3,282,800	8,717,800
2046-2050	6,700,000	1,995,444	8,695,444
2051-2053	4,780,000	436,500	5,216,500
Totals	$ 25,795,000	$ 20,759,684	$ 46,554,684

Lease Revenue Bonds Series 2023B ($14,560,000) -

Year Ending	Principal	Interest	Total
2026	$ 705,000	$ 875,833	$ 1,580,833
2027	70,000	836,705	906,705
2028	50,000	832,820	882,820
2029	140,000	830,020	970,020
2030	745,000	822,040	1,567,040
2031-2035	3,100,000	3,433,623	6,533,623
2036-2040	1,600,000	2,793,670	4,393,670
2041-2045	2,175,000	2,210,448	4,385,448
2046-2050	2,995,000	1,391,180	4,386,180
2051-2053	2,310,000	313,548	2,623,548
Totals	$ 13,890,000	$ 14,339,887	$ 28,229,887

B. Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2025, was as follows:

	Balance at July 1, 2024	Additions	Payments	Balance at June 30, 2025	Amounts Due Within One Year
2017 Lease Revenue Bonds	$ 9,260,000	$ -	$ 705,000	$ 8,555,000	$ 750,000
2021 Certificates of Participation (private placement)	11,390,006	-	762,314	10,627,692	790,168
2023A Revenue Bond	26,370,000	-	575,000	25,795,000	605,000
2023B Revenue Bond	14,560,000	-	670,000	13,890,000	705,000
Plus: Deferred Issuance Premiums	181,990	-	60,933	121,057	60,933
Total	$ 61,761,996	$ -	$ 2,773,247	$ 58,988,749	$ 2,911,101

Note 4 - New Accounting Pronouncements

The GASB has issued the following pronouncements that have effective dates which may impact future financial statement presentation. The Authority has not determined the effect of the following Statements:

GASB Statement No. 103 –*Financial Reporting Model Improvements*. The primary objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this statement are effective for the Authority's fiscal year beginning after June 15, 2025. The Authority has not determined the effects, if any, on the financial statements.

GASB Statement No. 104 – *Disclosure of Certain Capital Assets*. The primary objective is that State and local governments are required to provide detailed information about capital assets in notes to financial statements. Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, requires certain information regarding capital assets to be presented by major class. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The Authority has not determined the effects, if any, on the financial statements.

GASB Statement No. 105 – *Subsequent Events*. The primary objective of this Statement is to improve the financial reporting requirements for subsequent events by enhancing consistency in their application and better meeting the information needs of financial statement users. This Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the financial statements are available to be issued. In addition, the Statement clarifies the distinction between recognized and non-recognized subsequent events, establishes disclosure requirements for certain non-recognized subsequent events, and requires disclosure of the date through which subsequent events have been evaluated. The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter. The Authority has not determined the effects, if any, on the financial statements.

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Honorable Members of the Board of Directors
of the Palmdale Financing Authority
City of Palmdale, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Palmdale Financing Authority (Authority), a component unit of the City of Palmdale, California (City) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated November 23, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control as it relates to the Authority.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Ontario, California
November 23, 2026

Financial Statements
June 30, 2025

Palmdale Community Foundation

(A California Non-Profit Corporation)

Palmdale Community Foundation

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Independent Auditor's Report

To the Board of Directors
Palmdale Community Foundation
City of Palmdale, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the general fund of the Palmdale Community Foundation (a California nonprofit organization), a component unit of the City of Palmdale, California (the City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the Palmdale Community Foundation, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Palmdale Community Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Palmdale Community Foundation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Palmdale Community Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Palmdale Community Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Revenues, Expenditures and Changes in Fund Balances – General Fund – Budget and Actual be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2026, on our consideration of the Palmdale Community Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Palmdale Community Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Palmdale Community Foundation's internal control over financial reporting and compliance.

Eide Bailly LLP

Ontario, California
November 23, 2026

Palmdale Community Foundation
Statement of Net Position and General Fund Balance Sheet
June 30, 2025

	General Fund	Statement of Net Position
Assets		
Cash	$ 221,986	$ 221,986
Accounts and Interest Receivable	6,020	6,020
Total assets	228,006	228,006
Liabilities		
Accounts payable	5,125	5,125
Due to City	7,005	7,005
Total liabilities	12,130	12,130
Fund Balances		
Restricted	245,588	-
Unassigned	(29,712)	-
Total fund balances	215,876	-
Total liabilities and fund balance	$ 228,006	
Net Position		
Restricted		245,588
Unrestricted		(29,712)
Total net position		$ 215,876

Palmdale Community Foundation

Statement of Activities and General Fund Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2025

	General Fund	Statement of Activities
Revenues		
Program Revenues - Operating Grants and Contributions		
Contributions	$ 37,179	$ 37,179
Total revenues	37,179	37,179
Expenditures/Expenses		
Current		
Health and Welfare	68,542	68,542
Total expenditures/expenses	68,542	68,542
Net change in fund balance/change in net position	(31,363)	(31,363)
Fund Balance/Net Position, Beginning of Year	247,239	247,239
Fund Balance/Net Position, End of Year	$ 215,876	$ 215,876

Note 1 - Organization

The Palmdale Community Foundation (the "Foundation"), a non-profit organization, is organized under the California Nonprofit Public Benefit Corporation Law for public purposes.

The specific purpose of the Foundation is to receive contributions and donations from the public and to use such contributions and donations to support charitable, literary, and educational activities authorized by Section 501 (c) (3) of the Internal Revenue Code, including the support of programs, projects, and activities sponsored by the City of Palmdale.

Persons appointed to the Foundation's Board of Directors must include the City Attorney of the City of Palmdale, the Finance Director of the City of Palmdale, and the Assistant to the City Manager of the City of Palmdale. If the number of authorized directors exceeds three (3), the additional Directors must be persons who are affiliated with public or private agencies that provide services to the public in the City of Palmdale.

The accounting policies of the Foundation conform to accounting principles generally accepted in the United States of America as they are applicable to governmental units. Since the Foundation was established by the City of Palmdale, to support or carry out public services, the Foundation, as a public corporation, is considered a governmental entity for financial statement reporting purposes. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Foundation is a component unit of the City of Palmdale, California (as defined by the Governmental Accounting Standards Board) and, as such, is included in the Annual Comprehensive Financial Report of the City.

Note 2 - Significant Accounting Policies

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The statement of net position and the statement of activities include all of the financial activities of the Foundation. All of the Foundation's activities are considered governmental in nature; therefore, the Foundation does not report any business-type activities. Governmental activities are typically supported by intergovernmental revenues and other nonexchange transactions.

The statement of activities demonstrates the degree to which the direct expenses of the Foundation are offset by program revenues. The accounting used for the Foundation is the full accrual accounting method at the entity-wide level on the statements. This method of accounting is similar to private sector companies in that all the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Foundation considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. The Foundation accounts for all of its operating activities in its General Fund.

When both restricted and unrestricted net position is available, unrestricted resources are used only after restricted resources have been depleted.

Cash

Cash is stated at cost and consists of restricted demand deposits as of June 30, 2025.

Fund Balance

In the Fund Financial Statements, governmental funds may classify fund balances into five components whereby each component identifies the extent to which the Foundation is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The five components of the fund balance are as follows:

Nonspendable: Resources that are 1) not in spendable form, such as inventories, prepaids, long-term receivables, or non-financial assets held for resale, or 2) required to be maintained intact such as an endowment.

Restricted: Resources that are subject to externally enforceable legal restrictions; these restrictions would be either 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or 2) imposed by law through constitutional provisions or enabling legislation. Amounts received by the Foundation are donor restricted if they are received with donor stipulations that limit the use of the donated asset.

Committed: Resources that are constrained to specific purposes by a formal action of the Foundation's Board, which constitutes the most binding constraint such as an ordinance. The constraint remains binding unless removed in the same formal manner by the Foundation's Board. The Foundation's Board action to commit fund balance must occur within the fiscal reporting period while the amount committed may be determined subsequently.

Assigned: Resources that are constrained by the Foundation's intent to be used for specific purposes, but that are neither restricted nor committed. This policy delegates to the Finance Manager the authority to assign unrestricted fund balance amounts where the Foundation's intent is for those amounts to be used for specific purposes. This delegation of authority is for the sole purpose of reporting these amounts in the annual financial statements.

Unassigned: Within the General Fund, the residual resources, either positive or negative, in excess of what can be properly classified in one of the other four fund balance categories.

Net Position

Net position is classified in the following categories:

Restricted: This component of net position consists of resources (net assets) that are not available to the Foundation and are subject to externally enforceable legal restrictions (imposed by laws, regulations or external creditors and/or donors). Net assets consist of amounts received by the Foundation and are donor restricted if they are received with donor stipulations that limit the use of the donated asset.

Unrestricted: Unrestricted net position represents resources not restricted for any other purpose.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) fund balances are available, the Foundation's policy is to first apply restricted fund balance. When expenditures are incurred for purposes for which committed, assigned, or unassigned fund balances are available, the Foundation's policy is to first apply committed fund balance, then assigned fund balances, and finally unassigned fund balance.

Income Taxes

The Foundation is a non-profit public benefit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation and qualifies for deductible contributions as provided in Section 170(b) (A) (vi). It is also exempt from State Franchise and income taxes under Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for income taxes has been reflected in these financial statements. Income tax returns for 2022 and forward may be audited by regulatory agencies; however, the Foundation is not aware of any such actions at this time. The Foundation annually files forms 990, 199 and RRF-1 with the appropriate agencies.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 3 - Cash

Custodial credit risk is the risk that in the event of a bank failure, the Foundation's deposits may not be returned. The Foundation's cash balance of $221,986 as of June 30, 2025, represents amounts held with third-party depository financial institutions. As of June 30, 2025, the bank balance was $225,970, all of which was insured by the Federal Deposit Insurance Corporation (FDIC), up to $250,000. The difference between the bank balance and the book balance was due to outstanding checks totaling $3,984.

Note 4 - Related Party Transactions

The Foundation reimburses the City of Palmdale for the cost of providing the Foundation with various services, including accounting, administration, insurance and other services. Additionally, the Foundation provides various services to the community on behalf of the City of Palmdale. The amount due to the City of Palmdale as of June 30, 2025, was $7,005. The amount due from the City of Palmdale as of June 30, 2025, was $6,020 and recorded in accounts and interest receivable on the financial statements.

Note 5 - Restricted Fund Balance

Amounts received by the Foundation are donor restricted if they are received with donor stipulations that limit the use of the donated asset. At June 30, 2025, the Foundation had an unassigned fund balance of $(29,712) with donor restrictions in the amount of $245,588 and held for the following programs and purposes:

Community Supported Programs	Total Restricted Fund Balance
Arts & Cultural Programs	$ 565
Best of the West Snack Bar	100
Community Gardens	152
Community Outreach	16,775
Community Programs	9,249
Emancipated Youth Program	13,386
Gabriel's House	20,458
Legacy Senior Center Programs	269
Library	5,531
Parks & Recreation	13,492
Pelona Vista Fitness Court	566
Playhouse	3,940
R. Lee Ermey Memorial Avenue	1,247
SAVES Programs	85,033
Vietnam Memorial Wall	1,489
Warnack Foundation Programs	73,336
Undesignated	(29,712)
Total fund balance by program	$ 215,876

Note 6 - Risk Management

The Foundation is exposed to various risks of loss related to torts, theft of assets, errors and omissions, and natural disasters. The Foundation participates in the City of Palmdale's commercial insurance programs, who obtains the appropriate insurance coverage needed by the Foundation from insurance companies. In the past three years, there have not been any settled claims which have exceeded insurance coverage.

Required Supplementary Information
June 30, 2025

Palmdale Community Foundation

(A California Non-Profit Corporation)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Contributions	$ 60,500	$ 70,500	$ 37,179	$ (33,321)
Total revenues	60,500	70,500	37,179	(33,321)
Expenditures				
Current				
Health and welfare	266,420	276,420	68,542	207,878
Total expenditures	266,420	276,420	68,542	207,878
Net Change in Fund Balances	(205,920)	(205,920)	(31,363)	174,557
Fund Balance - Beginning of Year	247,239	247,239	247,239	-
Fund Balance - End of Year	$ 41,319	$ 41,319	$ 215,876	$ 174,557

Budgetary Information

The Foundation's budget is prepared and adopted on a modified accrual basis, where all expenditures are accounted for when liabilities are incurred. The budgetary level of control is at the fund level.

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
of the Palmdale Community Foundation
City of Palmdale, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Palmdale Community Foundation (Foundation) (a California nonprofit organization), a component unit of the City of Palmdale, California (City) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Palmdale Community Foundation's basic financial statements and have issued our report thereon dated November 23, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Palmdale Community Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Palmdale Community Foundation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Palmdale Community Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Ontario, California
November 23, 2026

MINUTES
CITY COUNCIL/SA/HA
CITY HALL COUNCIL CHAMBER
38300 SIERRA HIGHWAY, SUITE B
PALMDALE, CALIFORNIA
OCTOBER 6, 2026
5:00 PM

1) CALL MEETING TO ORDER

Mayor Ohlsen called the meeting to order at 5:02 pm.

Note: All City Council memberships are reflected in their City Council titles.

2) ROLL CALL MAYOR OHLSEN, MAYOR PRO TEM BISHOP, COUNCILMEMBERS LOA, BETTENCOURT, ALARCÓN
COMMISSIONERS FRAGA-SAENZ, BETTS

PRESENT: Eric Ohlsen, Austin Bishop, Richard J. Loa, Laura Bettencourt, Andrea Alarcón, Christina Fraga-Saenz, Dianne Betts.
ABSENT: None.

3) PLEDGE OF ALLEGIANCE

Mayor Ohlsen led the pledge of allegiance and called for a moment of silence in memory of Ms. Sandy Corrales.

4) NON-AGENDA PUBLIC COMMENTS

Rich Gallego discussed the two-minute public comment limit, meeting frequency, the town hall ordinance proposal, and the measure concerning the public's vote for mayor.

Eugene Hernandez discussed meeting access, security procedures, meeting frequency, and the public comment time limit. He thanked city employees Mike Huffington and Sarah Ferguson for their assistance. He opposed the approval of the proposed legal services firm and requested rent control.

Sharon Lucky and Linda Jackson discussed rent control and requested rental assistance. Mayor Ohlsen directed staff to obtain their contact information and review available assistance options.

Marsha discussed breast cancer awareness month, announced she was 22 years cancer-free, and invited residents to the October 24 walk at the Palmdale Amphitheater.

Marcos Alvarez offered to exchange information with the residents seeking rental assistance. He spoke in opposition of approving the contract with Colantuono, Highsmith & Whatley, PC.

Mayor Ohlsen closed Public Comments.

5) HOUSING AUTHORITY CONSENT CALENDAR

Public Comments: None.

Councilmember Alarcón requested staff reports on 5.1 and 5.2.

5.1) Adopt Resolution No. HA 2026-002, a Resolution of the Housing Authority of the City of Palmdale declaring certain properties authority-owned properties exempt surplus land under the Surplus Land Act (SLA), as amended.

Interim Housing Manager LeNoue presented the staff report.

Council and staff discussed the properties proposed for designation as surplus land, including the locations currently used to provide services to low-income neighborhoods. Discussion included the potential sale of the City-owned property on 4th Street and identifying alternative properties that could be used to continue providing services to low-income neighborhoods. Council and staff also discussed developing a policy and protocol to establish guidelines and procedures for the sale of City-owned properties.

Councilmembers discussed an equitable outreach and selection process for any future sales, including a qualified applicant pool, a lottery and possible priority for organizations already providing services. They also discussed retaining the programmed properties, assessing repair needs and costs, and using possible sale proceeds for deferred maintenance. Staff identified maintenance as the principal financial impact of retaining the properties and offered to conduct an assessment.

Mayor Ohlsen requested a report on the other properties' programs, utilization, and frequency of use.

Motion: Move to take action on the 4th Street property.
Moved by Austin Bishop, seconded by Richard J. Loa.

Vote: Motion carried (7-0)
Yes: Eric Ohlsen, Austin Bishop, Richard J. Loa, Laura Bettencourt, Andrea Alarcón, Christina Fraga-Saenz, Dianne Betts.

5.2) Receive and file the Housing Authority of the City of Palmdale 2025-2026 Annual Report pursuant to Health and Safety Code Sections 34328 and 34328.1, and authorize the Executive Director or his designee to submit the report to the California Department of Housing and Community Development (HCD).

Interim Housing Manager LeNoue presented the staff report.

The Commissioners and staff discussed the Linc Housing report. They also spoke about the importance of meeting with the residents at the Boulders at the Ranch to explain why

the recertification process is important.

Motion: Receive and file the Housing Authority of the City of Palmdale 2025-2026 Annual Report pursuant to Health and Safety Code Sections 34328 and 34328.1, and authorize the Executive Director or his designee to submit the report to the California Department of Housing and Community Development (HCD).
Moved by Richard J. Loa, seconded by Dianne Betts.

Vote: Motion carried (7-0)
Yes: Eric Ohlsen, Austin Bishop, Richard J. Loa, Laura Bettencourt, Andrea Alarcón, Christina Fraga-Saenz, Dianne Betts.

5.3) Approve the minutes from the previous meeting.

Motion: Approve the minutes from the previous meeting.
Moved by Richard J. Loa, seconded by Laura Bettencourt.

Vote: Motion carried (7-0)
Yes: Eric Ohlsen, Austin Bishop, Richard J. Loa, Laura Bettencourt, Andrea Alarcón, Christina Fraga-Saenz, Dianne Betts.

Mayor Ohlsen adjourned the Housing Authority at 5:50 pm.

6) CONSENT CALENDAR

Public Comments: None.

Mayor Eric Ohlsen closed the public comments.

The following items were pulled for discussion: 6.2 and 6.9.

The remaining calendar was approved before consideration of the pulled items; its collective action is recorded below after the individual item records.

6.1) Receive and file the Monthly Investment Activity Reports for August 2026.

6.2) Adopt Resolution No. CC 2026-060, a Resolution of the City Council of the City of Palmdale to transfer unclaimed checks from their respective funds to the general fund pursuant to California Government Code Section 50050-50057.

Deputy City Manager Samson presented the staff report.

Mayor Ohlsen inquired whether checks payable to the late Mr. David Gomez could be transferred to his widow. Deputy City Manager Samson explained that the estate representative could submit the required forms to the Finance Division to claim the funds. Councilmember Alarcón asked about the notification process, which Deputy City Manager Samson outlined. Councilmember Bettencourt questioned why the funds would be transferred to the General Fund rather than listed on the Secretary of State's website for claims. Deputy City Manager Samson explained the applicable Government Code

provisions and pointed out that some funds had been claimed.

Councilmember Alarcón suggested posting it on the City website and bringing back a policy that mandates that we create on our website outstanding unclaimed checks. Deputy City Manager Samson stated staff would look into it. Mayor Pro Tem Bishop asked if it was due to State law that the City can't simply mail the check. Deputy City Manager pointed out that some checks have been mailed but were not cashed.

Motion: Table the item thirty to sixty days, post the information on the City website, and do outreach. Moved by Andrea Alarcón, seconded by Laura Bettencourt.

Vote: Motion carried (5-0)
Yes: Eric Ohlsen, Austin Bishop, Richard J. Loa, Laura Bettencourt, Andrea Alarcón.

6.3) Approve first amendment to agreement with Vander Weele Group, LLC, for financial forensic review services, for a total not to exceed amount of $190,520, and exercising the first option to extend the term for one year, through October 2027.

6.4) Adopt Resolution No. CC 2026-057, a Resolution of the City Council of the City of Palmdale authorizing the execution of a Section 108 Loan Guarantee agreement with the United States Department of Housing and Urban Development (HUD) for a $6,432,000 loan to finance the construction of a new facility located at 38820 3rd Street East to relocate the SAVES Program.

6.5) Energy for Palmdale's Independent Choice (EPIC) 2025 Power Source Disclosure Attestation.

6.6) Approve First Amendment to Agreement with Majestic Fire, Inc., dba Kord Fire Protection for fire system inspections and repairs, for a total not to exceed amount of $165,000, and exercising the first one-year option to extend the contract term through December 2027.

6.7) Approve Agreement with Telecom Partners Group Corp., dba ATS Communications, for wireless communications facilities consulting services, for a total not to exceed amount of $350,000, for a term of three years, with two optional one-year extensions.

6.8) Approve Agreement with Parsons Transportation Group, Inc., for Environmental Services for Rancho Vista Boulevard Grade Separation Project, PN 914, for a total not to exceed amount of $219,894, for a term of one year from the date of the Notice to Proceed.

6.9) Approve Requisition with US Air Conditioning Distributors, LLC, for procurement of Owner-Furnished Contractor Installed (OFCI-4) Rooftop Mechanical Equipment and (OFCI-5) Variable Air Volume Equipment for Chimbole Center Renovation Phase I Project, for a total not to exceed amount of $576,528.

Director Torres presented the staff report, discussed the proposal and provided the funding source. Councilmember Loa discussed the importance of the bidding process, providing opportunities for local businesses to participate in the bidding process, and ensuring that bidding materials and contract information are made available to the Council

for review.

Motion: Approve Requisition with US Air Conditioning Distributors, LLC, for procurement of Owner-Furnished Contractor Installed (OFCI-4) Rooftop Mechanical Equipment and (OFCI-5) Variable Air Volume Equipment for Chimbole Center Renovation Phase I Project, for a total not to exceed amount of $576,528.
Moved by Austin Bishop, seconded by Laura Bettencourt.

Vote: Motion carried (5-0)
Yes: Eric Ohlsen, Austin Bishop, Richard J. Loa, Laura Bettencourt, Andrea Alarcón.

6.10) Approve Requisition with Chef's Depot, Inc., dba Culinary Depot, for procurement of owner-furnished contractor-installed (OFCI-6) food service equipment for Chimbole Center Renovation Project Phase I, PN 878, for a total not to exceed amount of $460,207.

6.11) Approve the minutes from the previous meeting.

Motion: Approve all items on the Consent Calendar except 6.2 and 6.9.
Moved by Richard J. Loa, seconded by Laura Bettencourt.

Vote: Motion carried (5-0)
Yes: Eric Ohlsen, Austin Bishop, Richard J. Loa, Laura Bettencourt, Andrea Alarcón.

7) NEW BUSINESS - Now is the time for public participation.

7.1) Approve Agreement No. A-10093, with Colantuono, Highsmith & Whatley, PC, for legal services, including the appointment of Aleks R. Giragosian as City Attorney.

Director Barrios presented the staff report and provided the background on the nationwide recruitment process launched by Bob Murray in June 2026.

Councilmember Alarcón raised concerns about the contract, including billing practices, a fee cap, and the review process. Director Barrios detailed the process, described subsequent revisions, and presented the updated ten-page agreement provided at the dais, including changes to Section 14 addressing general liability, cyber, and crime insurance.

Councilmember Alarcón questioned the time available for review, the initial distribution process, and whether the agreement followed Council direction on a fee cap. Staff referred to Section 4, subsection F, regarding annual estimated costs. Council discussed the distinction between an estimate requiring further approval and an express cap. Councilmember Loa stated that his edits concerned format and insurance and that he continued to prefer the other firm.

Councilmember Bettencourt proposed tabling the item to allow review of the revisions, and Mayor Pro Tem Bishop seconded the proposal and suggested consideration after the election. No vote was taken.

Mayor Ohlsen asked whether a Closed Session item could be added to the agenda. City Attorney stated it could be discussed during the case transfer Closed Session item on the agenda. Councilmember Alarcón stated it could also be added to the agenda.

Councilmember Loa requested a vote to approve or reject rather than to table.

Attorney Aleks Giragosian discussed the cap language and was willing to amend it. He responded to earlier negative public comments about the firm, disputed those characterizations, and discussed the firm's client and staff diversity. He invited members of the public to discuss their concerns with him.

Public Comments: Kevin Shenkman spoke against approving this item.

Mayor Ohlsen closed the public comments.

Mayor Ohlsen made a motion to add an item to the Closed Session, Councilmember Bettencourt seconded the motion.

Mayor Ohlsen called for the motion Councilmember Bettencourt made to table the item. The motion failed.

Mayor Ohlsen moved to add an item to the Closed Session. Councilmember Bettencourt seconded the motion. The motion passed 4-1 with Councilmember Loa voting "No."

Councilmember Alarcón made a motion that Council not approve the agreement, seconded by Councilmember Loa. Motion passed 4-0, with Mayor Pro Tem Bishop abstaining.

Motion: Motion not to approve the agreement.
Moved by Andrea Alarcón, seconded by Richard J. Loa.

Vote: Motion carried (4-0)
Yes: Eric Ohlsen, Richard J. Loa, Laura Bettencourt, Andrea Alarcón.
Abstain: Austin Bishop.

7.2) Approve Requisition with AV Heritage Builders, Inc., for the purchase of a 13,000 square foot metal building system, for a total not to exceed amount of $621,345.

Deputy Director Livingston presented the staff report. Council discussed the need to complete the SAVES facility. Public Comments: None.

Motion: Approve Requisition with AV Heritage Builders, Inc., for the purchase of a 13,000 square foot metal building system, for a total not to exceed amount of $621,345.
Moved by Laura Bettencourt, seconded by Austin Bishop.

Vote: Motion carried (5-0)
Yes: Eric Ohlsen, Austin Bishop, Richard J. Loa, Laura Bettencourt, Andrea Alarcón.

7.3) Approve Agreement with Musco Sports Lighting, LLC, for design-build services for the Sam Yellen Park Phase II Futsal Court Lighting Project, for a total not to exceed amount of $526,916, for a term of 110 working days from the date of the Notice to Proceed.

Director Torres presented the staff report and spoke about the project, estimated completion date, and funding.

Public Comments: Mr. Maldonado spoke in support of the Sam Yellen Park project and discussed the permanent lighting and turf conditions at Domenic Massari Park.

Mayor Ohlsen communicated that, for Domenic Massari Park, the money is allocated and underway, spoke about the structures and turf conditions, and asked about delays in permanent lighting and turf conditions at another park used by the Palmdale Youth Soccer League.

Mayor Ohlsen stated that funds for the other lighting project were allocated and studies were underway. He explained that the futsal courts had an existing structure for mounting lights, while the other project required ground installation and additional environmental and engineering studies. He discussed outreach to leagues and residents, and the effect of heavy park use on turf.

Councilmember Andrea Alarcón described the earlier temporary emergency lighting arranged by Mayor Ohlsen and subsequent work on permanent lighting funding and contracts.

Motion: Approve Agreement with Musco Sports Lighting, LLC, for design-build services for the Sam Yellen Park Phase II Futsal Court Lighting Project, for a total not to exceed amount of $526,916, for a term of 110 working days from the date of the Notice to Proceed.
Moved by Richard J. Loa, seconded by Laura Bettencourt.

Vote: Motion carried (5-0)
Yes: Eric Ohlsen, Austin Bishop, Richard J. Loa, Laura Bettencourt, Andrea Alarcón.

8) CITY MANAGER'S REPORT

City Manager Mendez announced upcoming community events, including Fluffy entertainment at the Palmdale Amphitheater on October 9, the Chimbole Cultural Center groundbreaking ceremony at the Civic Center on October 9, the fifth annual You Are Enough Mental Health Walk at Poncitlán Square on October 10, and Kaleidoscope at the Palmdale Am phitheater on October16–17.

9) COUNCIL REPORTS, ANNOUNCEMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

Councilmember Alarcón reiterated her request, made at previous meetings, for an update on the Multi-Agency Regional Resilience Center (MARRC). City Manager Mendez reported that he had met with the Fairgrounds Director and that an update would be available in January.

Mayor Ohlsen requested clarification regarding terms and commitments discussed from the dais that he indicated were not included in the Memorandum of Understanding (MOU), as well as information on how those matters could be addressed.

Councilmember Loa stated that Director Jacobs of the Antelope Valley Fairgrounds was willing to provide a report on the fairgrounds and its emergency response capabilities. He noted that the fairgrounds had provided temporary shelter for animals during the Bouquet Fire and more than 100 beds during the COVID-19 pandemic.

Councilmember Bettencourt discussed the City's $10 million contribution to MARRC and requested that emergency shelter spaces be reserved for Palmdale residents. She stated she had been informed that spaces would not be reserved specifically for Palmdale residents.

Council discussed access to emergency shelter resources during fires, floods, and earthquakes, as well as the importance of ensuring residents understand the procedures for accessing available shelter services.

Councilmember Alarcón requested that the City's fee structure be reconsidered, particularly the fees associated with mobile home park rent-increase appeals. Mayor Ohlsen appointed Councilmembers Alarcón and Bettencourt to an ad hoc committee to review the fee issue and bring recommendations back to Council.

Councilmember Alarcón requested that the defibrillator item be brought back for further consideration. City Manager Mendez reported that a vendor was already engaged, the program was being evaluated, and new laws governing the program would take effect in 2028. He discussed the importance of ensuring public access to the devices and indicated that a detailed memorandum would be distributed the following day.

Councilmember Alarcón requested that the following items be brought back for consideration at the next City Council meeting. Councilmember Bettencourt seconded the motion. The motion was approved unanimously.

- An update on MARRC, including written correspondence, if available.
- Defibrillators for City properties.
- City Attorney oversight policy.
- City Manager oversight policy.

10) CLOSED SESSION

PRESENTATION BY CITY ATTORNEY

The City Attorney introduced items 10.1, 10.2 and 10.3 and announced added item 10.4, public employment, City Attorney recruitment, under Government Code Section 54957, pursuant to the earlier Council motion.

Public Comments: Kevin Shenkman addressed item 10.2.

Aleks R. Giragosian responded to the earlier Barstow billing statement made by Mr.

Shenkman Mayor Ohlsen closed the public comments.

10.1) Conference with Legal Counsel - Review of pending litigation and case transition Government Code Section 54956.9(d)(1)

10.2) CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Ricky Thorstensen v. City of Palmdale, et al.
Los Angeles Superior Court 22STCV29463
This closed session is being held pursuant to the authority of California Government Code Section 54956.9(d)(1).

10.3) CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Chasandra Smith v. City of Palmdale, et al.
Los Angeles Superior Court 24AVCV00764
This closed session is being held pursuant to the authority of California Government Code Section 54956.9(d)(1).

11) ANNOUNCEMENT BY CITY ATTORNEY

Closed Session was held from 7:00 pm – 8:45 pm.

Director Barrios announced the following:

10.1) The Council voted 4-1 for Harper and Burns to retain the five cases approved during closed session.

10.2) No action was taken.

10.3) No action was taken.

10.4) Council voted 3-2 to move forward with the Colantuono, Highsmith & Whatley contract with three amendments: strike the 30- day notice period, change the term from four years to one year, and replace Section 4’s billing provision with a fixed cap of $1,638,000, with any amount above the cap requiring return to the Council.

12) ADJOURN

Councilmember Alarcón requested adjournment in memory of Domitilia Menendez, mother of Felix Menendez, leader of SALVA, and extended condolences to the Menendez family on behalf of the City.

Mayor Ohlsen adjourned the meeting at 8:46 pm to November 3, 2026, at 5:00 pm in the City Hall Council Chamber located at 38300 Sierra Highway, Suite B, Palmdale, California.

PASSED, APPROVED, and ADOPTED this 1st day of December 2026.

_____
Eric Ohlsen, Mayor

ATTEST:

_____
Rochelle Scott, City Clerk

City Council Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **OPERATIONS DEPARTMENT**
FINANCE DIVISION

DISTRICT: **ALL**

SUBJECT: **RECEIVE AND FILE THE MONTHLY AND QUARTERLY INVESTMENT ACTIVITY REPORTS FOR SEPTEMBER AND OCTOBER 2026**

RECOMMENDATION

Staff recommend that the City Council:

1. Receive and file the monthly and quarterly investment activity reports for the City of Palmdale and Successor Agency for September and October 2026.

BACKGROUND

In accordance with Section 16 of the City and Successor Agency Investment Policy, the City Treasurer is required to prepare and present monthly and quarterly investment reports to the City Manager/Executive Director and the City Council/Board of Directors. These reports include detailed information on each investment, including the investment type, issuer name, purchase date, maturity date, amount invested, and interest rate. Reporting covers all pooled investments of the City and Successor Agency, as well as Certificates of Participation, Revenue Bonds, Tax Allocation Bonds, Assessment Districts, and Community Facilities District accounts managed by external fiscal agents.

The monthly and quarterly investment reports provide an overview of the City and Successor Agency's investment activity and portfolio performance. They summarize total assets, portfolio allocations, average maturities, yields, and book values. The interest rates presented reflect the most current rates available as of the report date.

Market values for pooled City and Successor Agency investments are based on closing prices as of the report date. Pricing information is obtained from reputable sources, including the Wall Street Journal, Bloomberg Financial Markets, Capital Market Finance publications, and other reliable market data providers.

DISCUSSION

Compliance with Investment Policy

At the end of September 2026, the City's total investment portfolio was valued at $370,915,533, an increase of $21,325,568 from the prior month, and an increase of $64,663,211 from the prior year. September's increase is primarily due to $8,000,000 in new investment purchases, interest earned, and transfers from the General Operating Account to the Local Agency Investment Fund (LAIF). At the end of October 2026, the portfolio was valued at $363,455,275, a decrease of $7,460,258 from September and an increase of $61,901,668 from October 2025. The October decrease primarily reflected transfers from LAIF to the General Operating Account.

The Successor Agency's portfolio had a par value of $3,516,726 at the end of September, a decrease of $5,823,727 from August, primarily attributable to a debt service payment from a trustee account. At the end of October, its portfolio had a par value of $3,553,279, an increase of $36,553 from September, which the October report attributed to interest earned in LAIF.

All investments are in full compliance with Section 8 of the City's Investment Policy. The portfolios consist of a diversified mix of authorized investment instruments, including Certificates of Deposit, Corporate Notes, U.S. Treasury Securities, and Government Agency Securities, each maintained within established portfolio percentage limits.

The Finance Division serves as custodian of the City and Successor Agency investment portfolios and adheres to the three primary objectives outlined in the Investment Policy:

- Safeguard principal by investing in financial instruments that mitigate the risk of market-related losses;
- Maintain sufficient liquidity to meet anticipated cash flow needs; and
- Achieve a competitive market rate of return consistent with policy constraints.

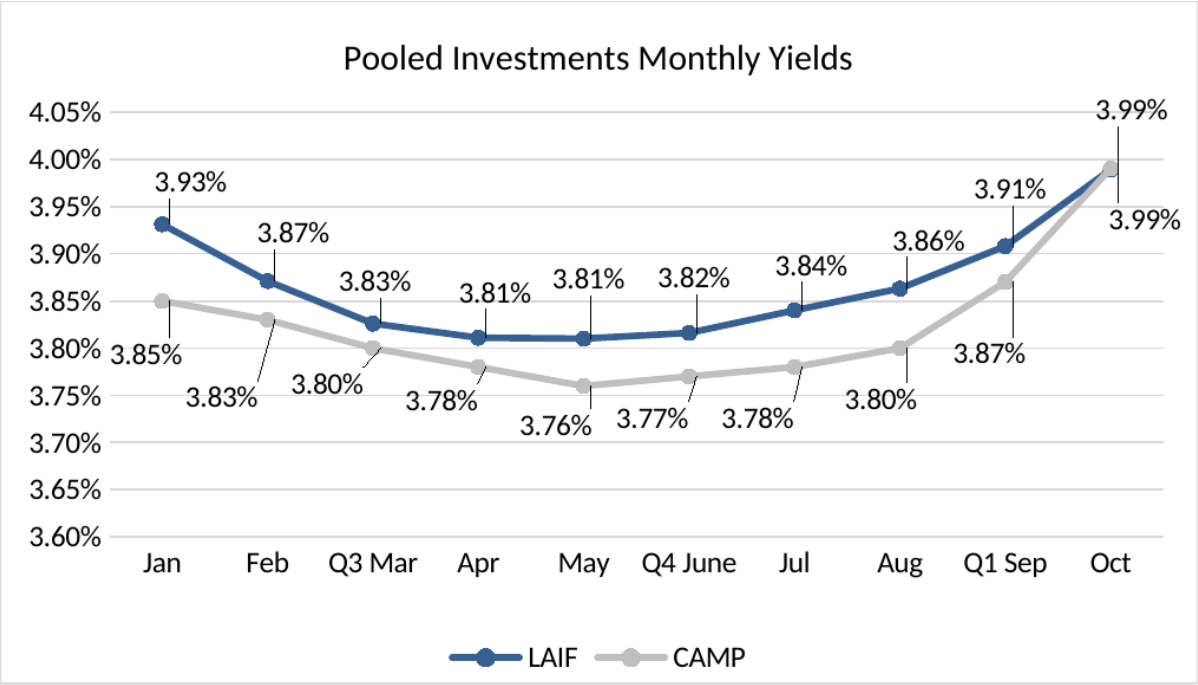
Liquidity

Maintaining adequate liquidity to support operational requirements remains a key priority of the Finance Division. To support this objective, the City and Successor Agency invest in two pooled funds: the Local Agency Investment Fund (LAIF) and the California Asset Management Program (CAMP). These funds are designed to support daily operational needs and provide flexibility during periods of economic uncertainty. Their high liquidity ensures that both entities can meet ongoing cash flow demands.

At the end of September, the City's LAIF balance totaled $141,273,112, an increase of $17,756,000 from August, primarily due to transfers from the General bank. At the end of October, the balance totaled $136,058,446, a decrease of $5,214,666 from September, primarily due to transfers back to the General bank. The Successor Agency's LAIF balance was $2,606,929 in September and $2,641,899 in October.

The City's CAMP balance was $55,648,755 as of September 30, 2026, compared with $55,472,426 in August. At October 31, 2026, the CAMP balance increased to $55,837,478. The monthly increases were attributed to interest earned.

At September 30, 2026, LAIF and CAMP were earning 3.908 percent and 3.87 percent, respectively, compared with 3.863 percent and 3.80 percent at the end of August. At October 31, 2026, the rates increased to 3.989 percent for LAIF and 3.99 percent for CAMP. One year earlier, the September 2025 rates were 4.212 percent for LAIF and 4.36 percent for CAMP; the October 2025 rates were 4.150 percent and 4.26 percent, respectively.



LAIF and CAMP yields increased between September and October 2026. After declining into the spring, both pooled-fund yields stabilized and increased during the later months of 2026. LAIF rose from 3.908 percent in September to 3.989 percent in October; CAMP rose from 3.87 percent to 3.99 percent over the same period.

Diversity

The Finance Division seeks to maintain a well-diversified investment portfolio in order to minimize exposure to risks associated with any single security type or financial institution.

The City and Successor Agency portfolios remained diversified and, as reported for both September and October, in compliance with the Investment Policy. The accompanying monthly investment reports detail investments held by both entities, including book values as of September 30 and October 31, 2026.

Based on projections reported for both months, the City and the Successor Agency had sufficient funds to meet anticipated expenditure requirements over the next six months. The Finance Division will continue to monitor economic conditions and assess their potential impact on interest rates and overall portfolio performance.

Attached are summaries of investments in the City and Successor Agency's books as of September 30 and October 31, 2026.

FISCAL IMPACT

$0; There is no fiscal impact associated with the recommended action for this report.

STRATEGIC PLAN

Goal II: Ensure long-term fiscal health of the City and maintain funding for services.

B. Manage resources, costs, and liabilities to ensure the City's long-term fiscal health.

C. Involve and expand engagement to enhance public oversight and transparency.

Prepared by:	Janelle Samson, Deputy City Manager
Certified as to availability of Funds:	Janelle Samson, Deputy City Manager
Approved by:	Salvador Mendez, City Manager

ATTACHMENTS

Rpt. Monthly and Quarterly Investment Report September 2026
Rpt. Monthly and Quarterly Investment Report October 2026

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
SEPTEMBER 30, 2026

CITY OF PALMDALE INVESTMENTS

PURCHASE DATE	MATURITY DATE	FUND	ACCOUNT/ INSTITUTION	INTEREST RATE	PAR AMOUNT	PURCHASE AMOUNT	INVESTED AMOUNT
U.S. TREASURY SECURITIES				Yield			
01-03-24	12-31-26	CITY	912828YX2 U.S. Treasury Note	0.04	$ 5,000,000.00	$ 4,696,880.23	$ 4,945,900.00
01-03-24	06-30-27	CITY	91282CEW7 U.S. Treasury Note	0.04	5,000,000.00	4,897,630.28	4,958,500.00
01-03-24	09-30-27	CITY	91282CFM8 U.S. Treasury Note	0.04	2,500,000.00	2,523,771.66	2,499,600.00
12-18-24	09-30-29	CITY	91282CFL0 U.S. Treasury Note	0.39	5,000,000.00	4,977,094.45	4,957,250.00
12-18-24	10-31-29	CITY	91282CFT3 U.S. Treasury Note	0.40	5,000,000.00	4,988,321.47	4,974,800.00
12-18-24	11-30-29	CITY	91282CFY2 U.S. Treasury Note	0.39	5,000,000.00	4,942,086.29	4,954,100.00
01-02-25	12-31-29	CITY	91282CGB1 U.S. Treasury Note	0.39	3,000,000.00	2,949,835.02	2,971,980.00
11-17-25	09-30-30	CITY	91282CPA3 U.S. Treasury Note	3.63	3,000,000.00	3,015,470.91	2,935,770.00
01-23-26	06-30-29	CITY	91282CEV9 US Treasury Note	3.25	1,000,000.00	985,312.50	974,726.56
01-23-26	02-28-30	CITY	91282CGQ8 US Treasury Note	4.00	1,000,000.00	1,008,750.00	994,492.19
01-23-26	12-31-30	CITY	91282CJQ5 US Treasury Note	3.75	1,000,000.00	995,937.50	982,070.31
03-05-26	11-15-28	CITY	91282CPK1 US Treasury Note	3.50	2,000,000.00	1,997,812.50	1,970,468.76
03-16-26	04-15-28	CITY	91282CMW8 US Treasury Note	3.75	2,000,000.00	2,001,875.00	1,986,171.88
05-05-26	05-15-28	CITY	91282CND9 U.S. Treasury Note	3.75	2,000,000.00	1,993,750.00	1,985,625.00
05-05-26	10-15-28	CITY	91282CPC9 U.S. Treasury Note	3.50	2,000,000.00	1,980,312.50	1,971,406.26
06-17-26	01-31-28	CITY	91282CGH8 U.S. Treasury Note	3.50	2,000,000.00	1,984,375.00	1,979,921.88
06-23-26	11-30-27	CITY	91282CFZ9 U.S. Treasury Note	3.88	3,000,000.00	2,988,750.00	2,988,632.82
07-23-26	08-31-27	CITY	91282CNV9 U.S. Treasury Note	3.63	1,000,000.00	994,062.50	994,062.50
07-24-26	02-15-28	CITY	91282CMN8 U.S. Treasury Note	4.25	1,000,000.00	999,062.50	999,062.50
09-15-26	09-30-28	CITY	91282CJA0 U.S. Treasury Note	4.58	1,000,000.00	1,000,937.50	1,000,937.50
09-15-26	02-15-28	CITY	91282CMN8 U.S. Treasury Note	4.48	1,000,000.00	996,875.00	996,875.00
09-15-26	07-31-28	CITY	91282CRB9 U.S. Treasury Note	4.56	1,000,000.00	994,375.00	994,375.00
09-30-26	01-15-28	CITY	91282CMF5 U.S. Treasury Note	4.72	3,000,000.00	2,982,187.50	2,982,187.50
			TOTAL U.S. TREASURY SECURITIES		$ 57,500,000.00	$ 56,895,465.31	$ 56,998,915.66
GOVERNMENT AGENCY PAPER							
12-21-21	12-22-26	CITY	3133ENJC5 Federal Farm Credit	1.29	5,000,000.00	5,000,000.00	4,931,455.55
06-24-22	02-26-27	CITY	3130AL5A8 Federal Home Loan Note	3.33	5,000,000.00	4,479,000.00	4,899,467.95
08-17-22	10-27-26	CITY	3134GW4C7 Freddie Mac	0.80	5,000,000.00	4,539,500.00	4,950,573.55
01-06-23	02-25-27	CITY	3130AQRH8 Federal Home Loan Note	4.38	5,000,000.00	4,590,638.89	4,935,865.65
01-06-23	04-19-27	CITY	3130ARHJ3 Federal Home Loan Note	4.38	5,000,000.00	4,801,354.86	4,963,616.95
08-08-24	08-14-29	CITY	3134HADY6 Freddie Mac Domestic	4.00	4,000,000.00	3,946,000.00	3,972,921.76
12-03-24	12-04-29	CITY	3130B3XP3 Federal Home Loan	4.50	1,000,000.00	1,000,000.00	998,139.76
12-04-24	12-02-27	CITY	3133ERE23 Federal Farm Credit	4.32	1,000,000.00	1,000,000.00	997,746.37
01-27-25	07-27-27	CITY	3130B4RC7 Federal Home Loan Bank	4.50	3,000,000.00	3,000,000.00	3,009,604.20
06-27-25	04-30-29	CITY	3136GAGW3 Fannie Mae	4.75	5,000,000.00	5,000,000.00	4,994,054.65
09-08-25	10-08-27	CITY	3135G05Y5 Fannie Mae NTS	3.31	2,000,000.00	1,897,625.25	1,917,540.00
09-17-25	09-15-28	CITY	3133ETXV4 Federal Farm Credit Bond	3.83	1,400,000.00	1,402,403.14	1,388,086.00
11-17-25	11-06-30	CITY	3130B8BF8 Federal Home Loan	3.95	830,000.00	833,082.01	820,969.60
01-06-26	06-26-30	CITY	3133ET5K9 Federal Farm Credit Bank	4.07	3,000,000.00	2,998,500.00	2,971,004.52
01-06-26	01-06-31	CITY	3136GCCY9 Fannie Mae	4.00	4,000,000.00	4,000,000.00	3,940,567.36
03-05-26	03-05-29	CITY	3133EWFX3 Federal Farm Credit	3.70	2,000,000.00	1,997,000.00	1,972,536.22
03-10-26	09-10-29	CITY	3130B9RD4 Federal Home Loan	4.00	2,000,000.00	2,000,000.00	1,986,232.74
03-10-26	03-10-31	CITY	3134HCXZ7 Freddie Mac	3.70	2,000,000.00	1,988,000.00	1,959,273.60
03-17-26	03-14-28	CITY	3130B9WM8 Federal Home Loan	4.00	2,500,000.00	2,500,000.00	2,492,521.20
03-31-26	02-26-29	CITY	3134HCE96 Freddie Mac	4.21	1,500,000.00	1,500,000.00	1,494,781.64
04-14-26	04-14-31	CITY	3130BA4X2 Federal Home Loan	4.75	1,520,000.00	1,520,000.00	1,510,471.94
04-22-26	04-30-29	CITY	3133EWMX5 Federal Farm Credit	4.03	2,000,000.00	2,000,000.00	1,986,897.86
04-30-26	04-23-31	CITY	3130BAGD3 Federal Home Loan	4.20	2,000,000.00	2,000,000.00	1,981,046.92
05-12-26	11-12-30	CITY	3133EWPC8 Federal Farm Credit	4.30	2,000,000.00	2,000,000.00	1,981,030.80
05-28-26	05-25-29	CITY	3134HCV48 Freddie Mac	4.25	2,000,000.00	2,000,000.00	1,998,173.92
06-16-26	12-15-28	CITY	3130BAW52 Federal Home Loan	4.32	1,890,000.00	1,890,000.00	1,885,971.52
06-24-26	06-15-29	CITY	3130BBAN5 Federal Home Loan	4.50	2,000,000.00	2,000,000.00	1,997,573.66
06-30-26	12-21-28	CITY	3130BB6W0 Federal Home Loan	4.35	2,000,000.00	2,000,000.00	1,997,389.64
07-24-26	06-22-28	CITY	3133EWTU4 Federal Farm Credit	4.16	1,000,000.00	995,000.00	995,000.00
07-29-26	01-29-30	CITY	3130BBN76 Federal Home Loan	4.75	1,000,000.00	1,000,000.00	1,000,000.00

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
SEPTEMBER 30, 2026

PURCHASE DATE	MATURITY DATE	FUND	ACCOUNT/ INSTITUTION	INTEREST RATE	PAR AMOUNT	PURCHASE AMOUNT	INVESTED AMOUNT
08-11-26	08-11-31	CITY	3130BBP41 Federal Home Loan	5.08	1,000,000.00	1,000,000.00	1,000,000.00
09-28-26	09-28-29	CITY	3130BCAL7 Federal Home Loan	5.00	2,000,000.00	2,000,000.00	2,000,000.00
			TOTAL GOVERNMENT AGENCY PAPER		$ 80,640,000.00	$ 78,878,104.15	$ 79,930,515.53
CERTIFICATES OF DEPOSIT							
01-04-24	12-28-28	CITY	09582YAV4 Blue Ridge Bank	4.09	240,000.00	240,948.00	239,988.00
06-13-24	06-13-29	CITY	89235MPP0 Toyota Financial SGS	4.65	245,000.00	245,000.00	247,411.78
01-14-26	01-14-31	CITY	46659CSR2 JP Morgan Chase Bank NA	4.00	250,000.00	250,000.00	244,602.18
02-13-26	02-14-28	CITY	178180HL2 City National Bank Beverly Hills	3.85	250,000.00	250,000.00	248,731.48
02-20-26	02-20-29	CITY	33622PAP8 First Security Bank	3.90	250,000.00	250,000.00	246,676.75
03-05-26	02-25-30	CITY	61778EQC8 Morgan Stanley	3.95	250,000.00	250,000.00	246,812.40
03-11-26	03-12-29	CITY	61776N2D4 Morgan Stanley	3.80	250,000.00	250,000.00	246,964.75
06-10-26	06-12-28	CITY	65504UAM9 Noble Federal Credit	4.10	250,000.00	250,000.00	249,440.25
06-18-26	06-20-28	CITY	949764XV1 Wells Fargo Bank	4.20	250,000.00	250,000.00	249,896.35
06-18-26	12-18-28	CITY	05612LLE0 BMW Bank of North America	4.25	250,000.00	250,000.00	249,888.10
06-18-26	06-18-29	CITY	53229WAE3 Lighthouse Credit Union	4.40	250,000.00	250,000.00	249,535.78
06-30-26	12-30-27	CITY	77357DAN8 Rockland Federal Credion Union	4.25	250,000.00	250,000.00	250,253.50
06-30-26	06-30-29	CITY	17290G5W3 Citi Bank NA	4.50	250,000.00	250,000.00	250,000.00
			TOTAL CERTIFICATES OF DEPOSIT		$ 3,235,000.00	$ 3,235,948.00	$ 3,220,201.32
CORPORATE BONDS							
01-04-24	03-02-28	CITY	718172CE7 Philip Morris Intl Inc	4.49	500,000.00	474,395.25	489,410.00
01-04-24	04-01-27	CITY	808513BW4 Charles Schaw Corp	4.68	500,000.00	479,390.25	496,595.00
01-09-24	07-09-27	CITY	22550L2K6 Crdit Suisse New York	4.92	500,000.00	500,910.25	503,835.00
01-09-24	08-15-28	CITY	797440CE2 San Diego G & E	4.49	500,000.00	509,340.25	504,120.00
01-09-24	07-01-27	CITY	75973QAA5 Reneissance Financial	5.01	500,000.00	475,470.25	495,455.00
08-27-24	02-01-29	CITY	06406RBN6 Bank of NY Mellon Corp	4.20	656,000.00	663,116.29	656,728.16
08-27-25	07-26-29	CITY	06406RBK2 Bank of Melon Corp	4.09	1,000,000.00	1,021,952.92	1,000,290.00
08-27-25	08-09-29	CITY	89236TMK8 Toyota Motor Crdt Corp	4.03	500,000.00	510,587.75	500,050.00
08-27-25	05-13-30	CITY	91324PDX7 United Health Group Inc	4.15	1,000,000.00	914,211.92	909,440.00
01-06-26	11-15-30	CITY	30303MAB8 Meta Platforms Inc Global	4.20	1,500,000.00	1,510,500.00	1,476,962.22
01-06-26	05-06-30	CITY	46647PBD7 JPMorgan Chase & Co	3.70	1,500,000.00	1,482,990.00	1,459,130.52
01-23-26	04-13-29	CITY	023135CG9 Amazon.com Inc	3.45	1,000,000.00	988,500.00	976,206.37
01-23-26	01-23-30	CITY	6174468G7 Morgan Stanley MTN	4.43	1,000,000.00	1,007,000.00	991,177.91
01-23-26	01-10-31	CITY	89236TPH2 Toyota Motor Credit Corp	4.20	1,000,000.00	998,300.00	982,770.35
02-12-26	02-12-31	CITY	95004HBB3 Wells Fargo Bank	4.15	2,000,000.00	2,000,000.00	1,958,254.26
02-23-26	02-23-29	CITY	06055JQF9 Bank of America Corp	4.05	2,000,000.00	2,000,000.00	1,937,547.64
03-05-26	11-20-30	CITY	023135CT1 Amazon.com Inc Global	4.10	1,500,000.00	1,510,500.00	1,475,218.92
03-05-26	02-15-31	CITY	02079KBK2 Alphabet Inc Global	4.10	1,000,000.00	1,006,000.00	983,570.40
03-05-26	03-21-29	CITY	59217GEZ8 Met Life Glob Funding	3.30	1,500,000.00	1,468,500.00	1,451,015.96
03-12-26	03-12-31	CITY	38151GAJ0 Goldman Sachs Bank	4.10	2,000,000.00	2,000,000.00	1,951,643.40
03-16-26	03-13-31	CITY	023135DD5 Amazon.com Inc Global	4.25	1,500,000.00	1,495,155.00	1,477,589.33
03-16-26	03-13-29	CITY	89236TPQ2 Toyota Motor Credit	4.05	1,000,000.00	997,600.00	988,984.12
04-23-26	05-07-30	CITY	57629TBX4 Massmutual Global	4.55	1,500,000.00	1,507,200.00	1,489,829.46
04-23-26	07-25-28	CITY	64952WFP3 New York Life Global	4.15	1,500,000.00	1,501,050.00	1,490,176.86
05-12-26	05-12-31	CITY	46660NBS1 JP Morgan Chase	4.88	2,000,000.00	2,000,000.00	1,987,112.80
06-23-26	06-15-29	CITY	67066GAQ7 Nvidia Corp	4.35	3,000,000.00	2,990,700.00	2,995,018.68
08-13-26	08-13-29	CITY	38151GBA8 Goldman Sachs Bank	5.00	2,000,000.00	2,000,000.00	2,000,000.00
			TOTAL CORPORATE BONDS		$ 34,156,000.00	$ 34,013,370.13	$ 33,628,132.36
STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND							
09-01-84	n/a	CITY	98-19-620	3.83	$ 74,999,872.58	$ 74,999,872.58	$ 74,999,872.58
9-19-2024	n/a	PFA	40-19-078	3.83	36,500,000.00	36,500,000.00	51,429,215.06
9-28-2021	n/a	ARPA	19-19-004	3.83	14,844,024.23	14,844,024.23	14,844,024.23
			TOTAL LAIF ACCOUNTS		$ 126,343,896.81	$ 126,343,896.81	$ 141,273,111.87

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
SEPTEMBER 30, 2026

PURCHASE DATE	MATURITY DATE	FUND	ACCOUNT/ INSTITUTION	INTEREST RATE	PAR AMOUNT	PURCHASE AMOUNT	INVESTED AMOUNT
CAMP- CALIFORNIA ASSET MANAGEMENT PROGRAM							
6080-01	n/a	CITY	6080-01	3.87%	$ 55,648,755.01	$ 55,648,755.01	$ 55,648,755.01
		TOTAL CAMP ACCOUNTS			$ 55,648,755.01	$ 55,648,755.01	$ 55,648,755.01
UBS FINANCIAL SERVICES							
n/a	n/a	CITY		0.00	$ 215,901.34	$ 215,901.34	$ 215,901.34
		TOTAL UBS FINANCIAL SERVICES ACCOUNTS			$ 215,901.34	$ 215,901.34	$ 215,901.34
		TOTAL CITY INVESTMENTS			$ 357,739,553.16	$ 355,231,440.75	$ 370,915,533.09
			LIBRARY INVESTMENTS				
STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND							
11-20-84	n/a	LIBRARY	16-19-012	3.83			$ 14,508.32
		TOTAL LIBRARY INVESTMENTS					$ 14,508.32
			FISCAL AGENT CASH				
SIERRA GATEWAY COMMUNITY FACILITIES DISTRICT 91-1							
Fiscal Agent: U.S. Bank National Association (fka First Trust)							
05-10-95	n/a	BOND	95421220	0.35			$ 125.97
05-10-95	n/a	IMPROVEMENT	95421222	0.10			183,080.87
		TOTAL SIERRA GATEWAY COMMUNITY FACILITIES DISTRICT 91-1					$ 183,206.84
BOND PROCEEDS							
RITTER RANCH COMMUNITY FACILITIES DISTRICT 93-1							
Fiscal Agent: U.S. Bank National Association (fka First Trust)							
04-06-95	n/a	RESERVE-SEN	95420880	n/a			$ -
04-06-95	n/a	IMPV-ACQUI	95420884	0.01			-
04-06-95	n/a	BOND	95420887	0.15			-
06-30-26	n/a	Custody	299200000	n/a			2,921,120.31
		TOTAL RITTER RANCH COMMUNITY FACILITIES DISTRICT 93-1					$ 2,921,120.31
BOND PROCEEDS							
ANAVERDE COMMUNITY FACILITIES DISTRICT 2003-1							
Fiscal Agent: U.S. Bank National Association (fka First Trust)							
08-01-19	n/a	SP TAX - B BOND	242969000	0.00			$ 19.04
08-01-19	n/a	RESERVE	242969003	0.00			722,950.98
08-01-19	n/a	SP TAX - REFNDING BOND	242969004	0.01			15,152.51
		TOTAL ANAVERDE COMMUNITY FACILITIES DISTRICT 2003-1					$ 738,122.53
BOND PROCEEDS							
2005 $7.2M COMMUNITY FACILITIES DISTRICT 05-1 (TRADE AND COMMERCE CENTER) REFUNDED 2021							
Fiscal Agent: U.S. Bank National Association (fka First Trust)							
	n/a	SPEC TRB SER A/B	251009000	0.01			$ 10,470.29
	n/a	RESERVE FUND	251009001	0.01			640,780.67
		TOTAL 2005 $7.2M COMMUNITY FACILITIES DISTRICT 05-1 (TRADE AND COMMERCE CENTER) REFUNDED 2021					$ 651,250.96

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
SEPTEMBER 30, 2026

PURCHASE DATE	MATURITY DATE	FUND	ACCOUNT/ INSTITUTION	INTEREST RATE	PAR AMOUNT	PURCHASE AMOUNT	INVESTED AMOUNT
BOND PROCEEDS							
2006-1 GODDE HILL ESTATE SEWER IMPROVEMENTS LOIB							
Fiscal Agent: U.S. Bank National Association (fka First Trust)							
11-08-06	n/a	REDEMPTION FUND	106844000	0.01			$ 1,420.94
11-08-06	n/a	ADM EXP	106844002	0.01			1,883.94
11-08-06	n/a	RESERVE FUND	106844003	0.01			80,732.48
		TOTAL 2006-1 GODDE HILL ESTATE SEWER IMPROVEMENTS LOIB					$ 84,037.36
2015 HA DEBT SERVICE RESERVE							
Fiscal Agent: Bank of America							
11-19-15	n/a	DEBT SVC RESERVE	1257964992	0.08			$ 41,462.80
		TOTAL 2015 HA DEBT SERVICE RESERVE					$ 41,462.80
PARS RESTRICTED CASH FOR PENSION STABILIZATION TRUST FUND							
05-23-18	n/a	CITY	104790895775 Pub. Agency Retirement Svcs.	2.60			$ 13,922,107.63
		TOTAL PARS PENSION TRUST FUND					$ 13,922,107.63
BOND PROCEEDS							
2015 HA $4.3M MULTIFAMILY HOUSING REVENUE BONDS							
Fiscal Agent: U.S. Bank National Association (fka First Trust)							
09-03-15	n/a	BOND FUND	277067000	0.00			$ 98,858.52
09-03-15	n/a	INTEREST ACCT	277067001	0.01			20.97
09-03-15	n/a	BOND RESERVE	277067003	0.00			281,019.72
09-03-15	n/a	REPAIR & REPLACE FUND	277067004	0.00			1,500,603.29
		TOTAL 2015 HA $4.3M MULTIFAMILY HOUSING REVENUE BONDS					$ 1,880,502.50
BOND PROCEEDS							
2017 PFA $17.4M LEASE REVENUE BONDS							
Fiscal Agent: U.S. Bank National Association (fka First Trust)							
04-05-17	n/a	REVENUE FUND	271128000	0.00			$ 0.56
04-05-17	n/a	REVENUE REFUNDING BOND	271128001	n/a			0.09
04-05-17	n/a	REVENUE REFUNDING BOND	271128002				0.31
		TOTAL 2017 PFA $17.4M LEASE REVENUE BONDS					$ 0.96
BOND PROCEEDS							
2023 A&B SERIES ACQUISITION & CONSTRUCTION REVENUE BOND PFA							
Fiscal Agent: U.S. Bank National Association (fka First Trust)							
11-30-23	n/a	REVENUE FUND	248041000				$ 11.25
11-30-23	n/a	INTEREST	248041001				387,461.01
11-30-23	n/a	PRINCIPAL	248041002				0.80
11-30-23	n/a	REVENUE FUND	248041004				13.54
11-30-23	n/a	INTEREST	248041007				0.18
11-30-23	n/a	REVENUE FUND	248041008				4,800,601.30
		TOTAL 2023 A&B SERIES B ACQUISITION & CONSTRUCTION REV BOND					$ 5,188,088.08
		GRAND TOTAL - FISCAL AGENT CASH					$ 25,609,899.97

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
SEPTEMBER 30, 2026

PURCHASE DATE	MATURITY DATE	FUND	ACCOUNT/ INSTITUTION	INTEREST RATE	PAR AMOUNT	PURCHASE AMOUNT	INVESTED AMOUNT

SUMMARY OF CASH AND INVESTMENTS

Cash on Hand			$ 13,564,576
Pooled Cash Investments			
City:	367,545,108		
Insur Fund:	3,370,425		$ 370,915,533
Library Investments			14,508
Subtotal			$ 384,494,617
City/AD/CFD/PFA/HA Fiscal Agent Cash			$ 25,609,900
Grand total			$ 410,104,517

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
SEPTEMBER 30, 2026

POOLED CASH - LOCAL AGENCY INVESTMENT FUND (LAIF), CALIFORNIA ASSET MANAGEMENT PROGRAM (CAMP), & UBS FINANCIAL SERVICES

TRANSACTION DATE	DEPOSIT	WITHDRAWAL	INTEREST RECEIVED	BALANCE
LAIF - CITY ACCOUNT 98-19-620				
Beginning Balance				$ 57,243,872.58
09-28-26	$ 17,756,000.00			
Subtotal	$ 17,756,000.00	$ -	$ -	74,999,872.58
LAIF - PFA ACCOUNT 40-19-078				
Beginning Balance				$ 51,429,215.06
Subtotal	$ -	$ -	$ -	$ 51,429,215.06
LAIF - LIBRARY ACCOUNT 16-19-012				
Beginning Balance				$ 14,508.32
Subtotal	$ -	$ -	$ -	$ 14,508.32
LAIF - ARPA ACCOUNT 19-19-004				
Beginning Balance				$ 14,844,024.23
Subtotal	$ -	$ -	$ -	$ 14,844,024.23
CAMP				
Beginning Balance				$ 55,472,425.57
09-30-26			$ 176,329.44	
Subtotal	$ -	$ -	$ 176,329.44	$ 55,648,755.01
UBS Financial Services				
Beginning Cash Balance				$ 0.00
09-30-26			$ 250,523.84	
09-30-26	$ 4,797,037.67			
09-30-26		$ (34,622.50)		
09-30-26		$ (4,797,037.67)		
Subtotal	$ 4,797,037.67	$ (4,831,660.17)	$ 250,523.84	$ 215,901.34
Beginning Cash Reserve Balance				$ 4,797,037.67
09-28-26				
09-28-26		$ (4,797,037.67)		
Subtotal	$ -	$ (4,797,037.67)	$ -	$ 0.00
Total	$ 22,553,037.67	$ (9,628,697.84)	$ 426,853.28	$ 197,152,276.54

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
SEPTEMBER 30, 2026

POOLED CASH - INVESTMENTS MATURED OR CALLED

TN = US Treasury
FP = Federal Paper
CD = Certificate of Deposit
C = Call
M = Maturity
CB = Corporate Bonds

ISSUER	PURCHASE DATE	MATURITY DATE	FACE VALUE REDEEMED	INTEREST RECEIVED	NET FUNDS	INVESTED AMOUNT	GAIN/ (LOSS)
					$ -		$ -
					$ -		$ -
			$ -	$ -	$ -	$ -	$ -

Total Number of Transactions:

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
SEPTEMBER 30, 2026

CITY OF PALMDALE

POOLED CASH - INVESTMENTS PURCHASED

TN = US Treasury
FP = Federal Paper
CD = Certificate of Deposit
CB = Corporate Bonds

ISSUER	PURCHASE DATE	MATURITY DATE		FACE VALUE	PREMIUM / (DISCOUNT)	PURCHASE PRICE	ACCRUED INTEREST PURCHASED	NET PURCHASE	Yield Coupon
91282CJA0 U.S. Treasury Note	09-15-26	09-30-28	TN	$ 1,000,000.00	(937.50)	$ 1,000,937.50	21,229.51	$ 1,022,167.01	4.58
91282CMN8 U.S. Treasury Note	09-15-26	02-15-28	TN	1,000,000.00	3,125.00	996,875.00	3,580.16	1,000,455.16	4.48
91282CRB9 U.S. Treasury Note	09-15-26	07-31-28	TN	1,000,000.00	5,625.00	994,375.00	5,312.50	$ 999,687.50	4.56
3130BCAL7 Federal Home Loan	09-28-26	09-28-29	FP	2,000,000.00	-	2,000,000.00	-	2,000,000.00	5.00
91282CMF5 U.S. Treasury Note	09-30-26	01-15-28	TN	3,000,000.00	17,812.50	2,982,187.50	26,677.99	$ 3,008,865.49	4.72
				$ 8,000,000.00	$ 25,625.00	$ 7,974,375.00	$ 56,800.16	$ 8,031,175.16	

SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
September 30, 2026

PURCHASE DATE	MATURITY DATE	FUND	ACCOUNT/ INSTITUTION	INTEREST RATE	INVESTED AMOUNT	TOTAL
LAIF - SA ACCOUNT 65-19-035						
09-01-84	n/a	SA Account	65-19-035	3.83	$ 2,606,929.25	
						$ 2,606,929.25
		FISCAL AGENT CASH				
BOND PROCEEDS						
CRA - 2002 Sub Lien Tax Allocation Bonds $5.3M ($5,329,748.25)						
Fiscal Agent: U.S. Bank National Association						
08-20-02	n/a	Reserve Fund	94460700	2.54	$ 533,589.60	
08-20-02	n/a	Interest Acct	94460701	0.04	31,135.94	
08-20-02	n/a	Principal Acct	94460702	0.04	84.01	
TOTAL CRA - 2002 Sub Lien Tax Allocation Bonds $5.3M ($5,329,748.25)						$ 564,809.55
BOND PROCEEDS						
2016 SA $31.5M Tax Allocation Refunding Bonds Series A						
Fiscal Agent: U.S. Bank National Association (fka First Trust)						
04-26-16	n/a	Debt Service	245113000	0.00	$ 5.62	
TOTAL 2016 SA $31.5M Tax Allocation Refunding Bonds Series A						$ 5.62
BOND PROCEEDS						
2016 SA $31.5M Tax Allocation Refunding Bonds Series B						
Fiscal Agent: U.S. Bank National Association (fka First Trust)						
4/26/2016	n/a	Debt Service	269424000	0.00	$ 0.52	
TOTAL 2016 SA $31.5M Tax Allocation Refunding Bonds Series B						$ 0.52
BOND PROCEEDS						
2026 SA $31.1M Tax Allocation Refunding Bonds Series A						
Fiscal Agent: U.S. Bank National Association (fka First Trust)						
9/3/2026	n/a	Debt Service	287790004	0.00	$ 32,616.99	
TOTAL 2026 SA $31.1M Tax Allocation Refunding Bonds Series A						$ 32,616.99
GRAND TOTAL - FISCAL AGENT CASH						$597,432.68

SUMMARY OF CASH AND INVESTMENTS

Cash on Hand	$	312,364
Pooled Cash Investments		2,606,929
Successor Agency Fiscal Agent Cash		597,433
Grand total	$	3,516,726

SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
September 30, 2026

POOLED CASH - STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND (LAIF)

TRANSACTION DATE	DEPOSIT	WITHDRAWAL	INTEREST RECEIVED	BALANCE
LAIF - SA ACCOUNT 65-19-035				
Beginning Balance				2,606,929.25
Subtotal	$ -	$ -	$ -	$ 2,606,929.25

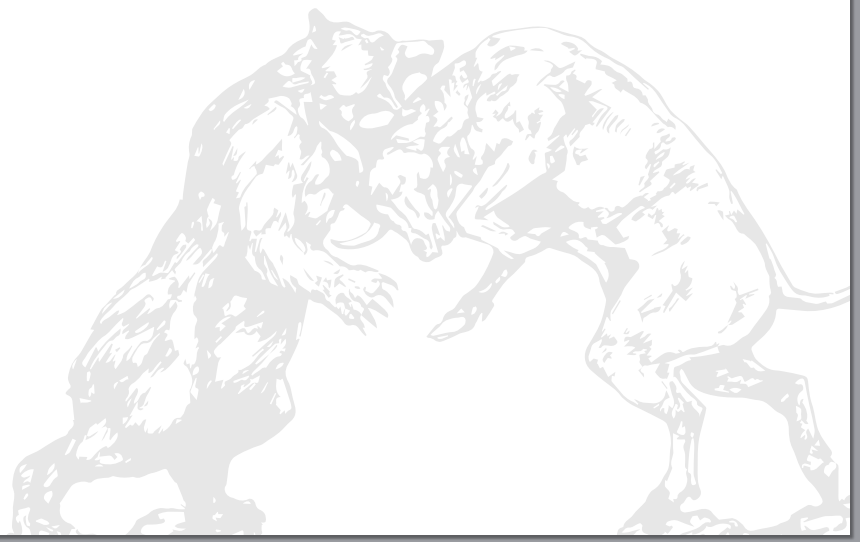
STIFEL

Performance Profile

City of Palmdale

Palmdale, CA

September 2026



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Performance Profile

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Chad Smith, Managing Director

csmith@stifel.com

Executive Summary

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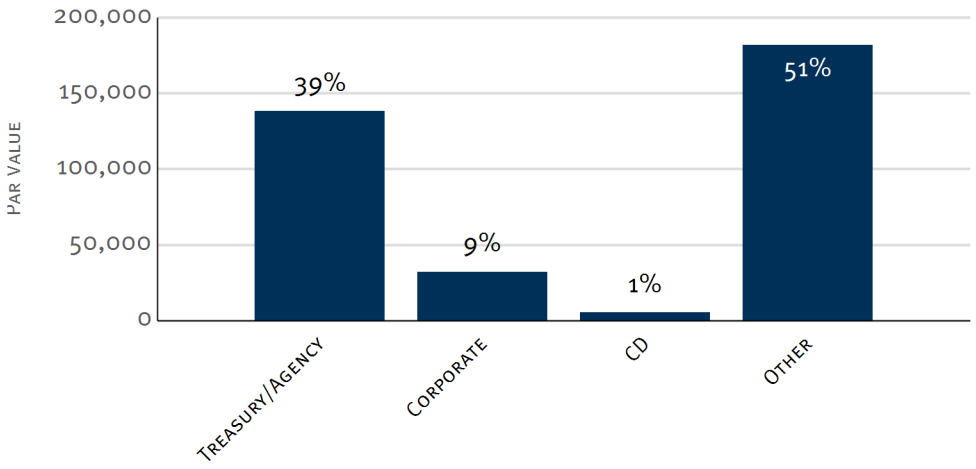
Executive Summary

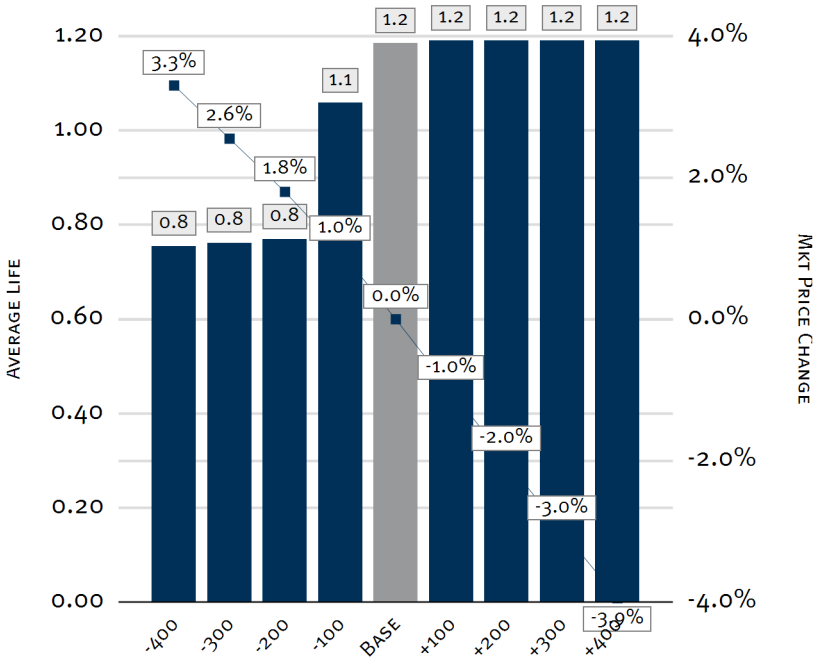
Portfolio Snapshot

Book Value	**355,015,546**
# Securities	97
Average Size (Book)	3,659,954
Yield @ Book Price	4.37
Internal Rate of Return	4.71
Yield @ Book Price +100bps	4.37
Yield @ Book Price -100bps	4.37
Market Yield	4.38
$ Gain Loss	-1,574,309
% Gain Loss	-0.4%
Average Life	1.2
Average Life +300bps	1.2
% Price Change +100bps	-1.0
% Price Change +300bps	-3.0
Effective Duration	1.0
Effective Convexity	0.0
AFS / HTM %	100% / 0%
Fixed / Floating	100% / 0%
ESG / Green Par (000's)	$500 / $500

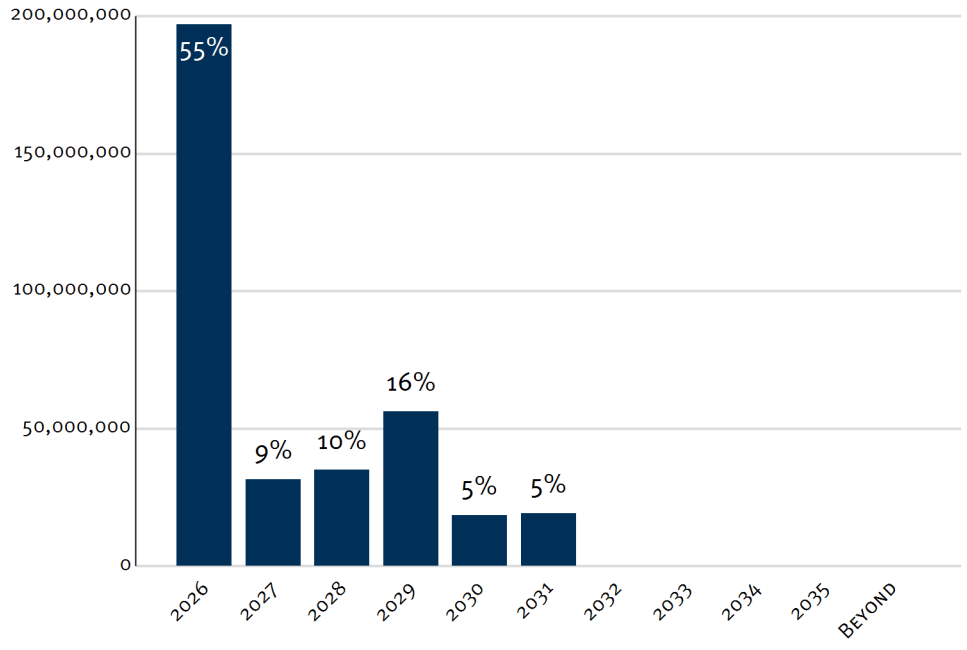
Sector Allocation



Average Life vs Price Sensitivity



Projected Principal Cash Flows



Executive Summary

Historical Portfolio Overview

	09/30/2026	07/31/2026	06/30/2026	05/31/2026
Book Value	355,015,546	278,636,414	299,616,895	331,909,095
Yield @ Book Price	4.37	4.74	4.60	4.41
Yield @ Book Price (+100)	4.37	4.74	4.60	4.41
Yield @ Book Price (+300)	4.37	4.74	4.60	4.41
Yield @ Book Price (-100)	4.37	4.74	4.79	4.52
WAL	1.2	1.4	1.3	1.1
WAL (+100)	1.2	1.5	1.4	1.3
WAL (+300)	1.2	1.5	1.4	1.3
WAL (-100)	1.1	1.1	0.9	0.8
% Price Change (+100)	-1.0%	-1.2%	-1.2%	-1.0%
% Price Change (+300)	-3.0%	-3.7%	-3.6%	-3.0%
% Price Change (-100)	1.0%	1.1%	1.0%	0.9%
Effective Duration	1.0	1.2	1.1	0.9
Effective Convexity	0.0	-0.1	-0.1	-0.1
$ Gain/Loss	-1,574,309	-80,816	491,533	700,934
% Gain/Loss	-0.4%	0.0%	0.2%	0.2%
$ Gain/Loss (+300)	-12,131,079	-10,457,560	-10,131,430	-9,429,432
Principal Cash Flow 2 yrs out	71%	70%	73%	74%
Principal Cash Flow 2 yrs out (+100)	71%	69%	70%	70%
Principal Cash Flow 2 yrs out (+300)	71%	69%	70%	70%
Principal Cash Flow 2 yrs out (-100)	75%	81%	84%	83%

Executive Summary

Portfolio Sector Summary

Sector	Portfolio Curr Par %	Par Value	Cpn	Maturity	Book Value	Yld @ Book	Market Value	Market Yield	% Price Change -100	% Price Change +100	% Price Change +300	Gain/(Loss) $	Gain/(Loss) %	WAL	Effective Dur	Effective Cvx	AFS %
Treasury (23)	16.1%	57,500,000	3.63	2.1	56,895,468	4.24	56,293,613	4.80	1.9	-1.9	-5.5	(601,854)	-1.1%	2.1	1.9	0.1	100%
Agency Bullet (2)	2.0%	7,000,000	3.14	1.6	6,897,626	4.62	6,850,914	4.84	1.6	-1.5	-4.5	(46,712)	-0.7%	1.6	1.6	0.0	100%
Callable Agency (30)	20.6%	73,640,000	3.34	2.2	71,980,481	6.00	72,189,592	4.96	1.5	-1.7	-5.3	209,111	0.3%	2.1	1.6	-0.3	100%
Treasury/Agency (55)	38.6%	138,140,000	3.45	2.1	135,773,574	5.17	135,334,119	4.89	1.7	-1.8	-5.4	(439,455)	-0.3%	2.1	1.7	-0.1	100%
Other/Unknown (1)	0.6%	2,000,000	4.10	4.5	2,000,000	4.10	1,887,103	5.55	4.1	-3.9	-11.2	(112,897)	-5.6%	4.5	4.0	0.2	100%
Finance (16)	5.2%	18,656,000	4.19	3.1	18,614,069	4.58	18,055,530	5.42	2.5	-2.5	-7.4	(558,539)	-3.0%	2.9	2.5	0.0	100%
Industrial (2)	1.0%	3,500,000	4.18	2.5	3,465,096	4.81	3,417,936	5.24	2.4	-2.3	-6.7	(47,160)	-1.4%	2.5	2.3	0.1	100%
Services (6)	2.1%	7,500,000	3.78	4.0	7,424,867	4.11	7,078,683	5.43	3.6	-3.5	-10.1	(346,184)	-4.7%	4.0	3.6	0.1	100%
Utility (1)	0.1%	500,000	4.95	1.9	509,341	3.90	498,590	5.11	1.8	-1.7	-5.1	(10,751)	-2.1%	1.9	1.7	0.0	100%
Corporate (26)	9.0%	32,156,000	4.10	3.3	32,013,372	4.45	30,937,841	5.41	2.8	-2.8	-8.1	(1,075,531)	-3.4%	3.2	2.8	0.0	100%
NCD (14)	1.5%	5,235,000	4.48	2.6	5,235,948	4.47	5,176,625	4.92	2.0	-2.1	-6.5	(59,323)	-1.1%	2.6	2.1	-0.1	100%
CD (14)	1.5%	5,235,000	4.48	2.6	5,235,948	4.47	5,176,625	4.92	2.0	-2.1	-6.5	(59,323)	-1.1%	2.6	2.1	-0.1	100%
Cash & Other (2)	50.9%	181,992,652	3.84	0.1	181,992,652	3.81	181,992,652	3.81	0.1	-0.1	-0.3	0	0.0%	0.1	0.1	0.0	100%
Other (2)	50.9%	181,992,652	3.84	0.1	181,992,652	3.81	181,992,652	3.81	0.1	-0.1	-0.3	0	0.0%	0.1	0.1	0.0	100%
Total (97)	100.0%	357,523,652	3.72	1.2	355,015,546	4.37	353,441,237	4.38	1.0	-1.0	-3.0	(1,574,309)	-0.4%	1.2	1.0	0.0	100%

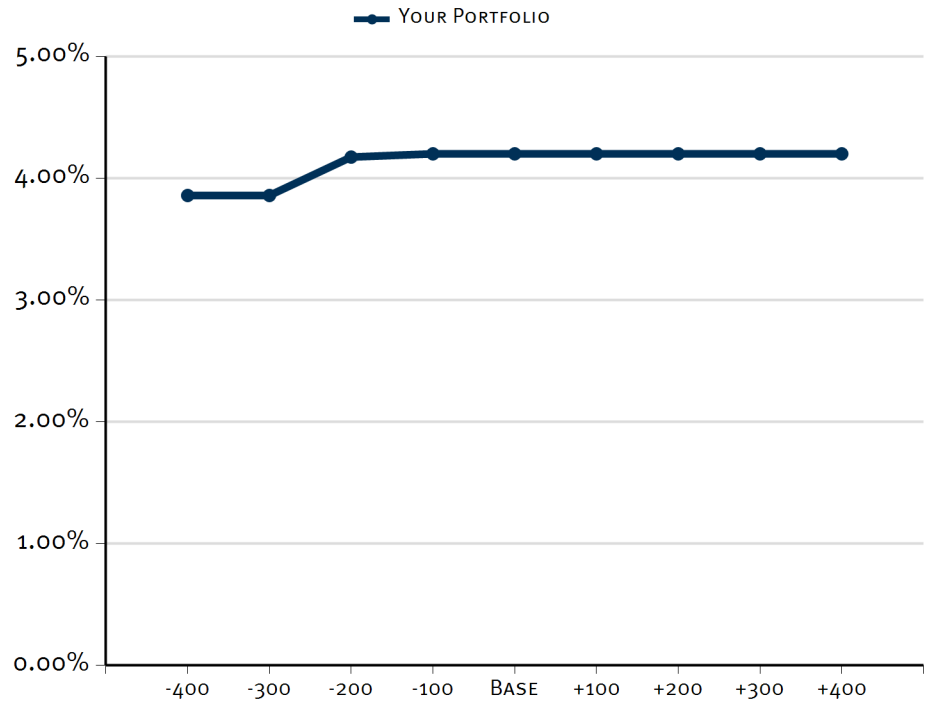
Executive Summary

Portfolio Analysis - Interest Rate Shock

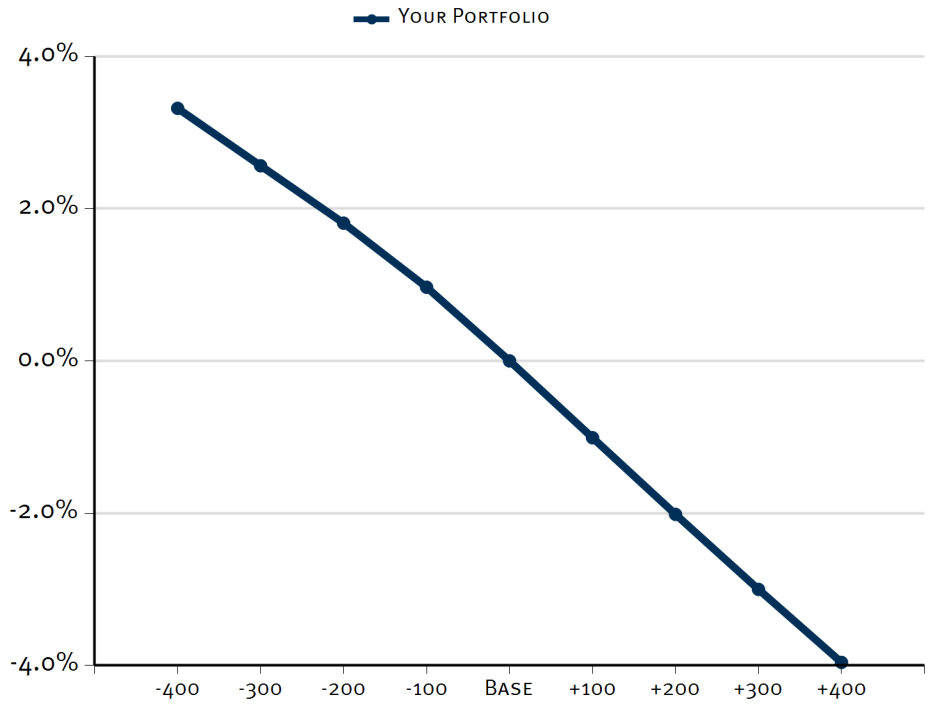
Total Portfolio

	-400	-300	-200	-100	Base	+100	+200	+300	+400
Number Bonds	97	97	97	97	**97**	97	97	97	97
Current Face	357,523,652	357,523,652	357,523,652	357,523,652	**357,523,652**	357,523,652	357,523,652	357,523,652	357,523,652
Book Value	355,015,546	355,015,546	355,015,546	355,015,546	**355,015,546**	355,015,546	355,015,546	355,015,546	355,015,546
Book Price	99.30	99.30	99.30	99.30	**99.30**	99.30	99.30	99.30	99.30
Projected Yield At Book Price	4.13%	4.13%	4.40%	4.37%	**4.37%**	4.37%	4.37%	4.37%	4.37%
Market Value	365,118,668	362,461,567	359,808,648	356,845,430	**353,441,237**	349,889,944	346,350,917	342,884,466	339,511,644
Market Price	102.12	101.38	100.64	99.81	**98.86**	97.86	96.88	95.91	94.96
Market Yield	0.19%	1.22%	2.27%	3.40%	**4.38%**	5.38%	6.39%	7.40%	8.42%
% Price Change	3.3%	2.6%	1.8%	1.0%	**0.0%**	-1.0%	-2.0%	-3.0%	-4.0%
Book Gain/Loss	10,103,122	7,446,021	4,793,103	1,829,884	**-1,574,309**	-5,125,602	-8,664,628	-12,131,079	-15,503,902
Gain/Loss %	2.8%	2.1%	1.4%	0.5%	**-0.4%**	-1.4%	-2.4%	-3.4%	-4.4%
Average Life	0.8	0.8	0.8	1.1	**1.2**	1.2	1.2	1.2	1.2
Effective Duration	0.7	0.7	0.8	0.9	**1.0**	1.0	1.0	1.0	1.0
Effective Convexity	0.0	0.0	-0.1	-0.1	**0.0**	0.0	0.0	0.0	0.0

Projected Portfolio Yield at Book



Total Portfolio Price Volatility

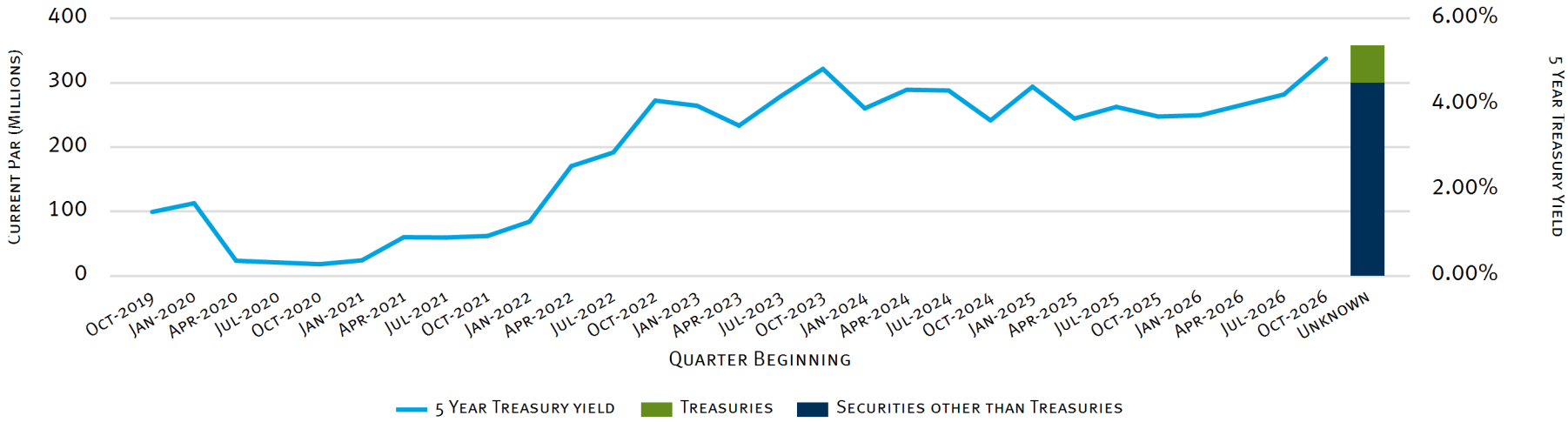


[1]Stifel Portfolio Median refers to the median portfolio value for other institutions analyzed by Stifel within the past three months.

Executive Summary

Market Timing Analysis

Historical Purchases vs 5 Year Treasury Yield



5 Year Treasury Average: 2.80% / Median 3.65%

Securities Purchased by Rate Environment



The highest quartile is composed of the seven quarters over the past seven years in which rates were the highest, the second quartile is the next seven highest quarters, and so on.

Executive Summary

Key Market Rates

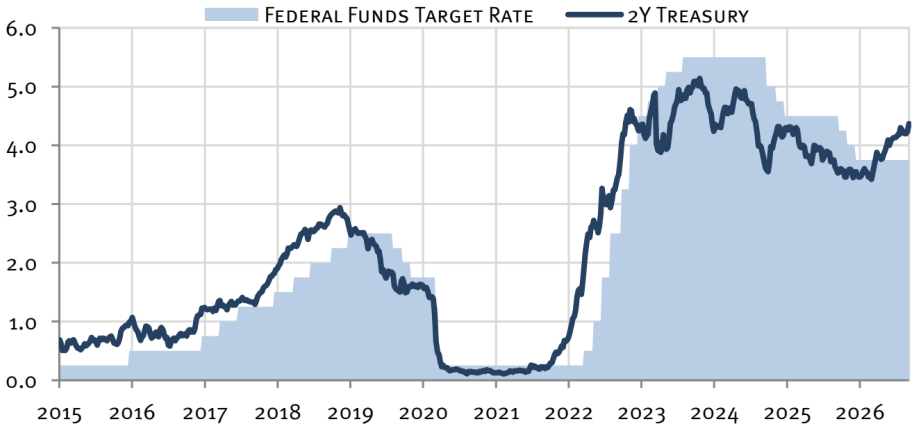
KEY MARKET RATES

Treasury Yields	8/31/2026	8/31/2025	YOY Δ
3M Treasury Bill	3.83	4.15	(0.31)
6M Treasury Bill	3.99	3.97	0.02
2Y Treasury Note	4.34	3.62	0.72
3Y Treasury Note	4.40	3.58	0.83
5Y Treasury Note	4.50	3.70	0.80
10Y Treasury Note	4.75	4.23	0.52
30Y Treasury Bond	5.24	4.93	0.31
10Y TIPS	2.43	1.82	0.61

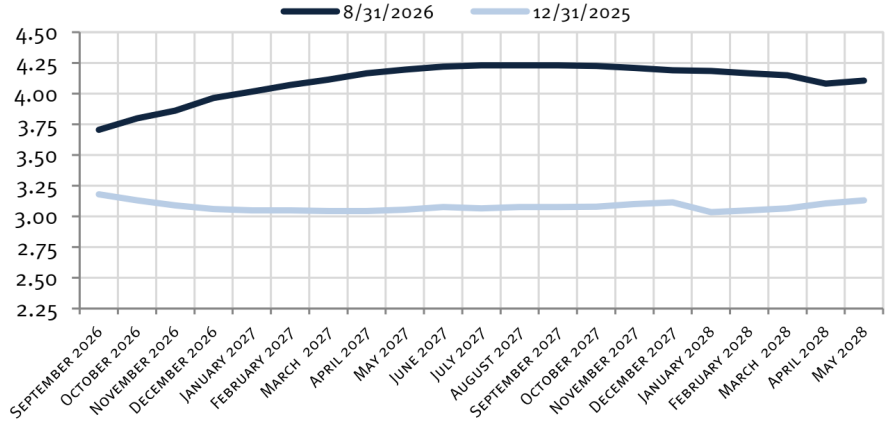
Other Key Interest Rates	8/31/2026	8/31/2025	YOY Δ
Fed Funds Target Rate	3.75	4.50	(0.75)
Fed Funds Effective Rate	3.63	4.33	(0.70)
Interest on Reserves	3.65	4.40	(0.75)
SOFR	3.68	4.34	(0.66)
SOFR 30-Day Average	3.65	4.35	(0.71)
Discount Rate	3.75	4.50	(0.75)
Prime	6.75	7.50	(0.75)
FHLMC 30Y Mortgage Rate	6.66	6.56	0.10

Stocks and Commodities	8/31/2026	8/31/2025	YOY Δ
Dollar Index	99.43	97.77	1.7%
CRB Commodity Index	565.32	554.89	1.9%
Brent Crude Oil	90.49	68.12	32.8%
Gold	4,437	3,448	28.7%
DJIA	53,186	45,545	16.8%
S&P 500	7,686	6,460	19.0%
Russell 2000	2,956	2,366	24.9%
NASDAQ	26,371	21,456	22.9%

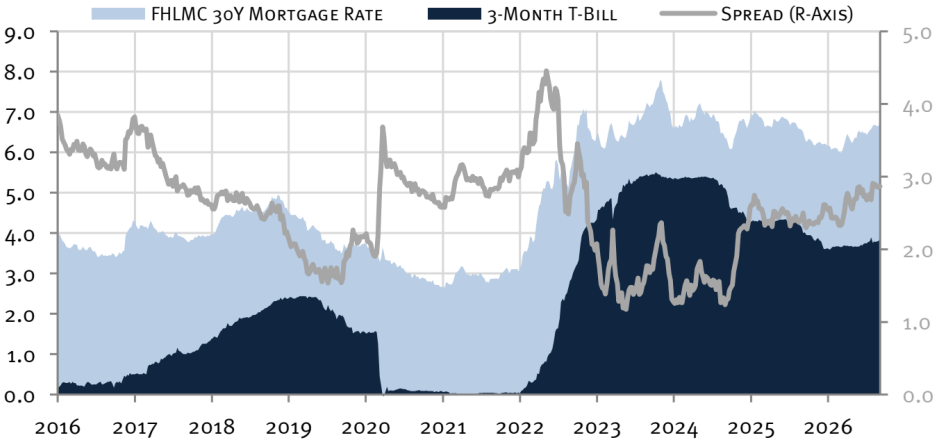
FEDERAL FUNDS TARGET RATE AND 2-YEAR TREASURY YIELD



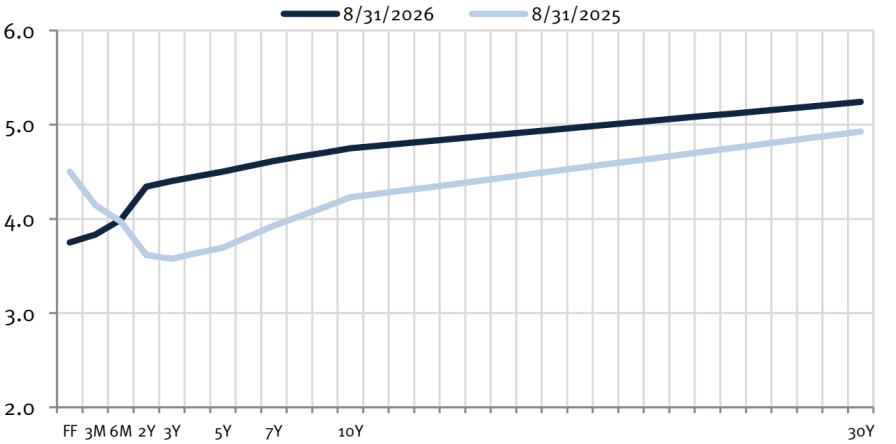
FED FUNDS FUTURES



FUNDING COSTS vs. FNMA 30Y MORTGAGE RATES



CURRENT TREASURY YIELD CURVE vs. ONE YEAR AGO



KEY ECONOMIC DATA

Gross Domestic Product (Chain-Weighted)	Jun-26	Mar-26	Dec-25	Sep-25	Jun-25	Mar-25	Dec-24	Sep-24	Jun-24	Mar-24	Dec-23	Sep-23	Jun-23
GDP *(S Billions)*	**24,270**	24,180	24,056	24,027	23,771	23,548	23,587	23,479	23,287	23,082	23,034	22,841	22,581
GDP *(QoQ, SAAR)*	**1.5%**	2.1%	0.5%	4.4%	3.8%	-0.6%	1.9%	3.3%	3.6%	0.8%	3.4%	4.7%	2.5%
Personal Consumption ($ Billions)	**16,830**	16,688	16,665	16,586	16,446	16,346	16,321	16,166	16,010	15,858	15,790	15,672	15,554
Personal Consumption (QoQ, SAAR)	**3.4%**	0.5%	1.9%	3.5%	2.5%	0.6%	3.9%	4.0%	3.9%	1.7%	3.0%	3.1%	1.5%
Real Disposable Personal Income ($ Billions)	**18,004**	18,072	18,030	18,071	18,025	17,943	17,843	17,755	17,701	17,596	17,417	17,269	17,183
Real Disposable personal Income (QoQ, SAAR)	**-1.5%**	0.9%	-0.9%	1.0%	1.8%	2.3%	2.0%	1.2%	2.4%	4.2%	3.5%	2.0%	4.3%
Private Investment ($ Billions)	**4,523**	4,493	4,408	4,383	4,383	4,548	4,316	4,392	4,382	4,296	4,313	4,276	4,181
Private Investment (QoQ, SAAR)	**2.7%**	7.9%	2.3%	0.0%	-13.7%	23.3%	-6.8%	0.9%	8.2%	-1.6%	3.6%	9.4%	7.2%
Business Fixed Investment ($ Billions)	**4,551**	4,475	4,406	4,389	4,381	4,334	4,260	4,281	4,265	4,250	4,219	4,171	4,132
Business Fixed Investment (QoQ, SAAR)	**7.0%**	6.5%	1.5%	0.8%	4.4%	7.1%	-1.9%	1.5%	1.4%	3.0%	4.6%	3.8%	9.5%
Residential Fixed Investment ($ Billions)	**748**	746	761	764	779	789	791	783	792	796	781	778	757
Residential Fixed Investment (QoQ, SAAR)	**1.2%**	-7.8%	-1.7%	-7.1%	-5.1%	-1.0%	4.3%	-4.8%	-2.0%	8.2%	1.5%	11.5%	4.2%
Change in Business Inventories ($ Billions)	**(36)**	(1)	8	(6)	(190)	155	(52)	(6)	63	(49)	(6)	50	(26)
Government Spending ($ Billions)	**3,991**	4,000	3,957	4,015	3,993	3,994	4,004	3,971	3,919	3,887	3,865	3,821	3,774
Government Spending (QoQ, SAAR)	**-1.0%**	4.4%	-5.6%	2.2%	-0.1%	-1.0%	3.3%	5.4%	3.3%	2.3%	4.7%	5.2%	3.3%
Federal Government Spending ($ Billions)	**1,476**	1,492	1,459	1,527	1,517	1,537	1,560	1,543	1,512	1,496	1,493	1,480	1,456
Federal Government Spending ($ Billions)	**-4.2%**	9.4%	-16.7%	2.7%	-5.3%	-5.6%	4.4%	8.6%	4.3%	0.8%	3.4%	6.8%	-0.1%
State and Local Government Spending ($ Billions)	**2,513**	2,507	2,497	2,487	2,475	2,456	2,445	2,429	2,407	2,391	2,372	2,341	2,317
State and Local Government Spending (QoQ, SAAR)	**0.9%**	1.6%	1.5%	2.0%	3.1%	1.9%	2.7%	3.6%	2.8%	3.2%	5.4%	4.2%	5.4%
Net External Trade ($ Billions)	**(1,084)**	(1,002)	(969)	(956)	(1,058)	(1,381)	(1,069)	(1,065)	(1,032)	(964)	(934)	(926)	(928)
Net External Trade (QoQ, SAAR)	**-36.9%**	-14.4%	-5.6%	33.5%	65.5%	-178.3%	-1.5%	-13.3%	-31.4%	-13.5%	-3.5%	0.8%	-7.2%
Exports ($ Billions)	**2,788**	2,757	2,687	2,709	2,647	2,660	2,659	2,664	2,608	2,604	2,575	2,537	2,509
Exports (QoQ, SAAR)	**4.5%**	10.9%	-3.2%	9.6%	-1.8%	0.2%	-0.9%	8.9%	0.7%	4.6%	6.1%	4.4%	-5.3%
Imports ($ Billions)	**3,871**	3,759	3,655	3,664	3,705	4,040	3,727	3,729	3,640	3,568	3,509	3,463	3,437
Imports (QoQ, SAAR)	**12.5%**	11.8%	-1.0%	-4.4%	-29.3%	38.0%	-0.2%	10.1%	8.4%	6.9%	5.4%	3.0%	-2.1%

Labor	Aug-26	Jul-26	Jun-26	May-26	Apr-26	Mar-26	Feb-26	Jan-26	Dec-25	Nov-25	Oct-25	Sep-25	Aug-25
Unemployment Rate	4.1%	4.1%	4.2%	4.3%	4.3%	4.3%	4.4%	4.3%	4.4%	4.5%		4.4%	4.3%
Monthly Change in Nonfarm Payrolls (000s)	162	21	31	63	148	214	-156	160	-17	41	-140	76	-70
Average Weekly Hours Worked Nonfarm	34.4	34.3	34.3	34.3	34.3	34.2	34.3	34.3	34.2	34.3	34.2	34.2	34.2
Average Hourly Earnings Nonfarm (YoY)	3.1%	3.2%	3.4%	3.3%	3.6%	3.4%	3.7%	3.7%	3.7%	3.9%	3.9%	3.8%	4.0%

Inflation	Aug-26	Jul-26	Jun-26	May-26	Apr-26	Mar-26	Feb-26	Jan-26	Dec-25	Nov-25	Oct-25	Sep-25	Aug-25
Consumer Price Index (YoY)		3.4%	3.5%	4.2%	3.8%	3.3%	2.4%	2.4%	2.7%	2.7%		3.0%	2.9%
Core Consumer Price Index (YoY)		2.5%	2.6%	2.9%	2.8%	2.6%	2.5%	2.5%	2.6%	2.6%		3.0%	3.1%
Core Personal Consumption Expenditure (YoY)		3.3%	3.3%	3.5%	3.3%	3.3%	3.0%	3.1%	3.0%	2.8%	2.8%	2.8%	2.9%

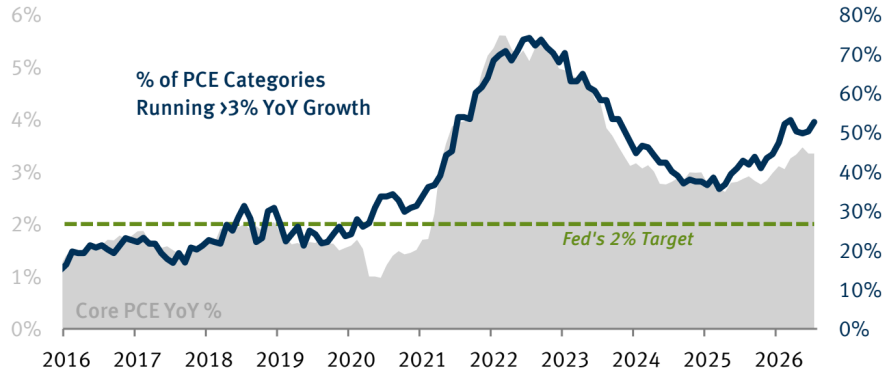
Housing	Aug-26	Jul-26	Jun-26	May-26	Apr-26	Mar-26	Feb-26	Jan-26	Dec-25	Nov-25	Oct-25	Sep-25	Aug-25
New Home Sales (000s, Annualized)		607	678	630	641	659	630	576	723	757	652	714	698
Existing Home Sales (Millions, Annualized)		4.06	4.13	4.19	4.04	4.01	4.13	4.02	4.27	4.09	4.11	4.08	4.03
Homebuilder Confidence Index	35	34	36	37	34	38	37	37	39	38	37	32	32
Housing Starts (000s, Annualized)		1239	1415	1182	1414	1522	1346	1385	1378	1319	1273	1319	1291
Building Permits (000s, Annualized)		1433	1374	1410	1423	1363	1540	1393	1482	1414	1418	1444	1347

Other	Aug-26	Jul-26	Jun-26	May-26	Apr-26	Mar-26	Feb-26	Jan-26	Dec-25	Nov-25	Oct-25	Sep-25	Aug-25
Industrial Production (YoY Change in Output)		1.1%	1.3%	1.5%	1.4%	0.7%	0.8%	1.0%	1.2%	1.8%	1.8%	1.9%	1.2%
ISM Manufacturing Index	54.6	55.6	53.3	54.0	52.7	52.7	52.4	52.6	47.9	48.0	48.8	48.9	48.9
ISM Non-Manufacturing Index	55.4	54.1	54.0	54.5	53.6	54.0	56.1	53.8	53.8	52.4	52.0	50.3	51.9
ISM Economy-Weighted Composite index	55.3	54.2	53.9	54.5	53.5	53.9	55.7	53.7	53.2	52.0	51.7	50.2	51.6
Auto Sales (Millions, Annualized)	16.76	16.33	16.52	16.08	15.92	16.34	15.75	14.85	16.02	15.60	15.32	16.39	16.07
Consumer Confidence (U of M)	51.7	55.2	49.5	44.8	49.8	53.3	56.6	56.4	52.9	51.0	53.6	55.1	58.2

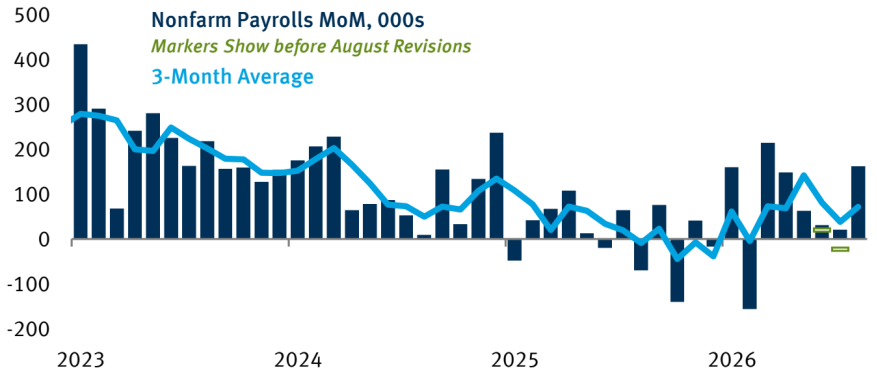
Executive Summary

Key Market Rates

Chair Warsh's Focus on Inflation in Jackson Hole Boosted September Hike Odds



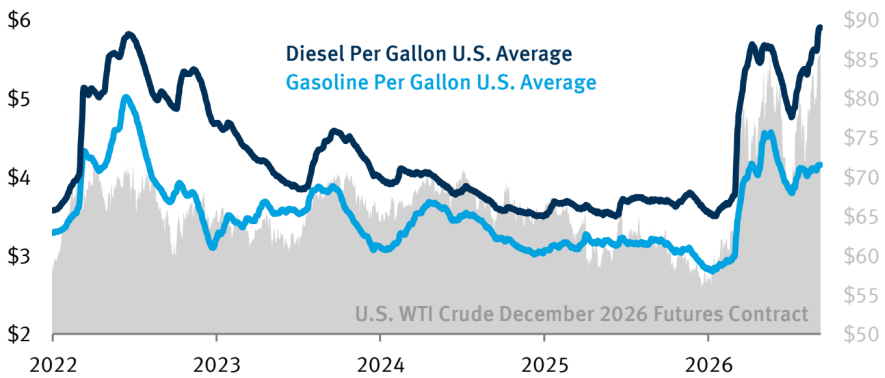
And a Surprisingly Strong Labor Update for August Offered Hawks Cover



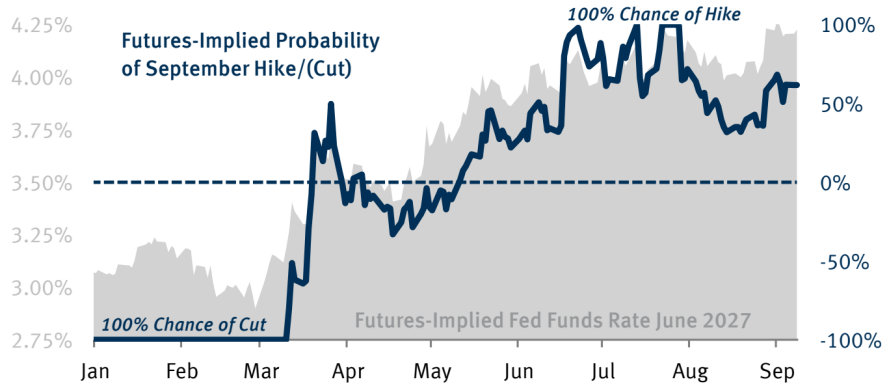
Particularly Considering Economic Activity Appears to Be Holding Up



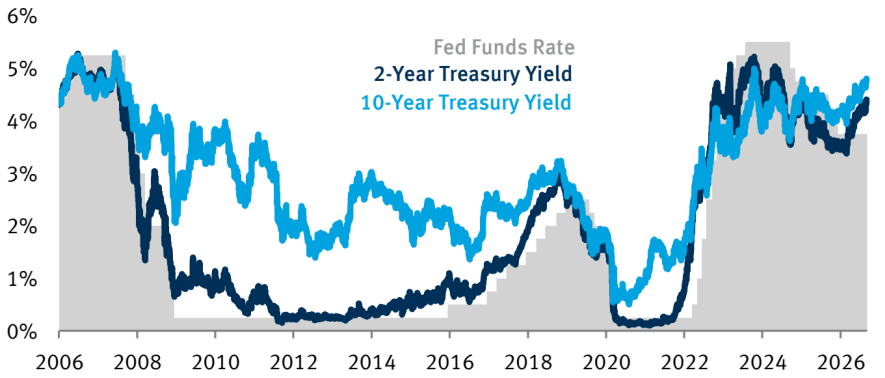
And Persistently High Energy Prices Pose Upside Inflation Risks



New Inflation Data, However, Will Likely Settle a Still-Open Debate



And Set the Pace for Interest Rates into the Final Months of the Year



Sources: Bureau of Economic Analysis, Bureau of Labor Statistics, Institue for Supply Management, American Automobile Association, Bloomberg Finance L.P., Stifel

Data as of September 8, 2026

Sector Analysis

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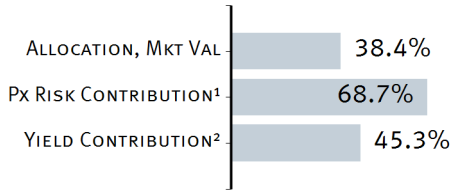
Sector Analysis

Treasury/Agency Sector Portfolio

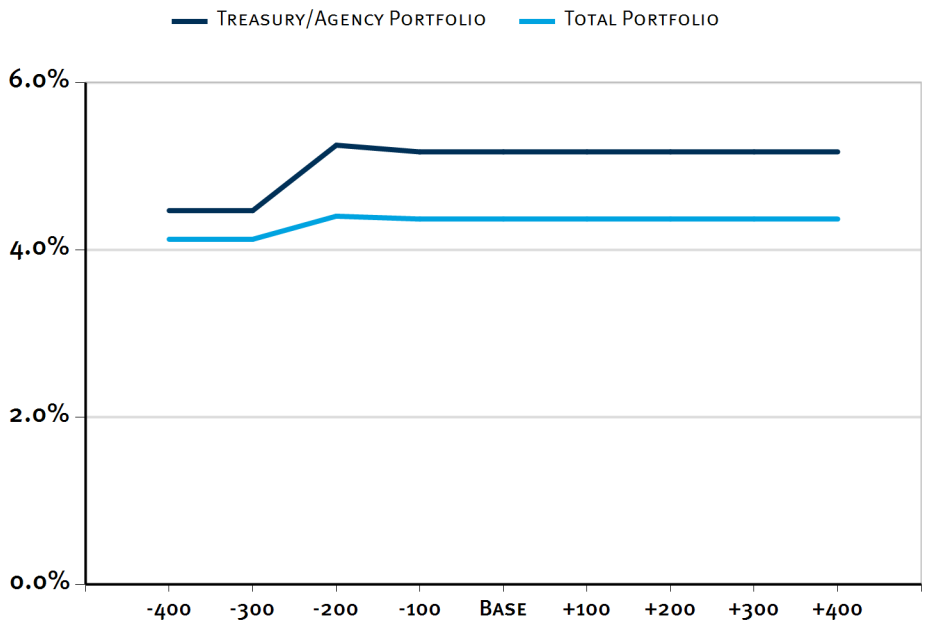
	-400	-300	-200	-100	Base	+100	+200	+300	+400
Number Bonds	55	55	55	55	55	55	55	55	55
Current Face	138,140,000	138,140,000	138,140,000	138,140,000	138,140,000	138,140,000	138,140,000	138,140,000	138,140,000
Book Value	135,773,574	135,773,574	135,773,574	135,773,574	135,773,574	135,773,574	135,773,574	135,773,574	135,773,574
Book Price	98.29	98.29	98.29	98.29	98.29	98.29	98.29	98.29	98.29
Proj. Yld. At Book Px.	4.47%	4.47%	5.25%	5.17%	5.17%	5.17%	5.17%	5.17%	5.17%
Market Value	142,600,337	141,040,490	139,469,102	137,610,136	135,334,119	132,906,894	130,471,215	128,079,203	125,749,810
Market Price	103.23	102.10	100.96	99.62	97.97	96.21	94.45	92.72	91.03
Market Yield	0.49%	1.55%	2.65%	3.95%	4.89%	5.85%	6.84%	7.84%	8.85%
% Price Change	5.4%	4.2%	3.1%	1.7%	0.0%	-1.8%	-3.6%	-5.4%	-7.1%
Book Gain/Loss	6,826,763	5,266,916	3,695,528	1,836,562	-439,455	-2,866,680	-5,302,359	-7,694,371	-10,023,764
Gain/Loss %	5.03%	3.88%	2.72%	1.35%	-0.32%	-2.11%	-3.91%	-5.67%	-7.38%
Average Life	1.1	1.1	1.2	1.8	2.1	2.1	2.1	2.1	2.1
Effective Duration	1.1	1.1	1.2	1.5	1.7	1.8	1.9	1.9	1.9
Effective Convexity	0.0	0.0	-0.2	-0.3	-0.1	0.0	0.0	0.1	0.0

Treasury/Agency Contribution to Total Portfolio Measures

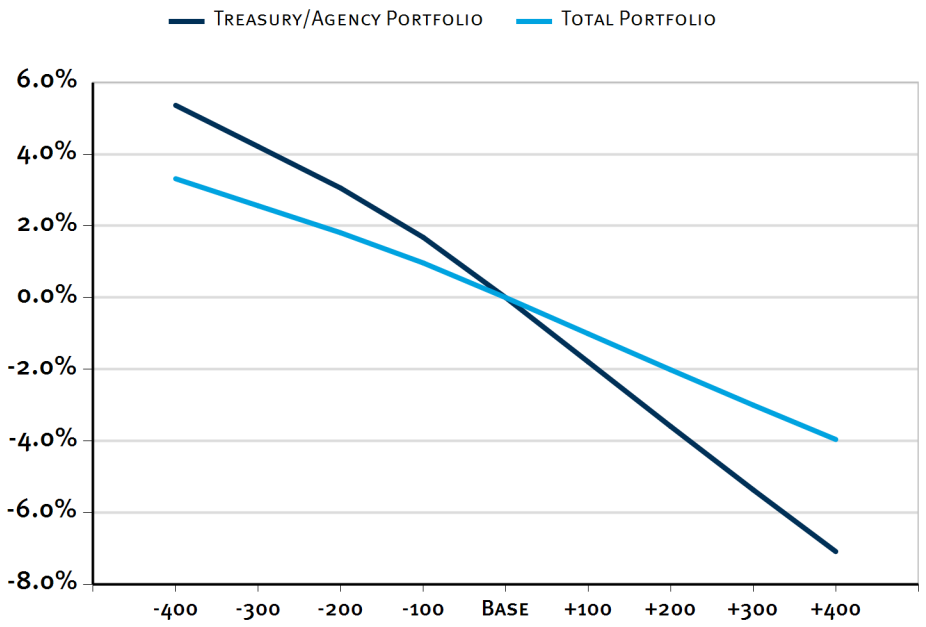


¹ Risk - Sector px. vol. +300 as % of total port. px. vol
² Yield - Sector yield as a % of total port. yield.

Treasury/Agency Sector Yield @ Book vs Total Portfolio



Treasury/Agency Sector Price Volatility vs Total Portfolio

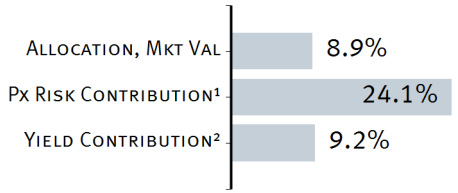


Sector Analysis

Corporate Sector Portfolio

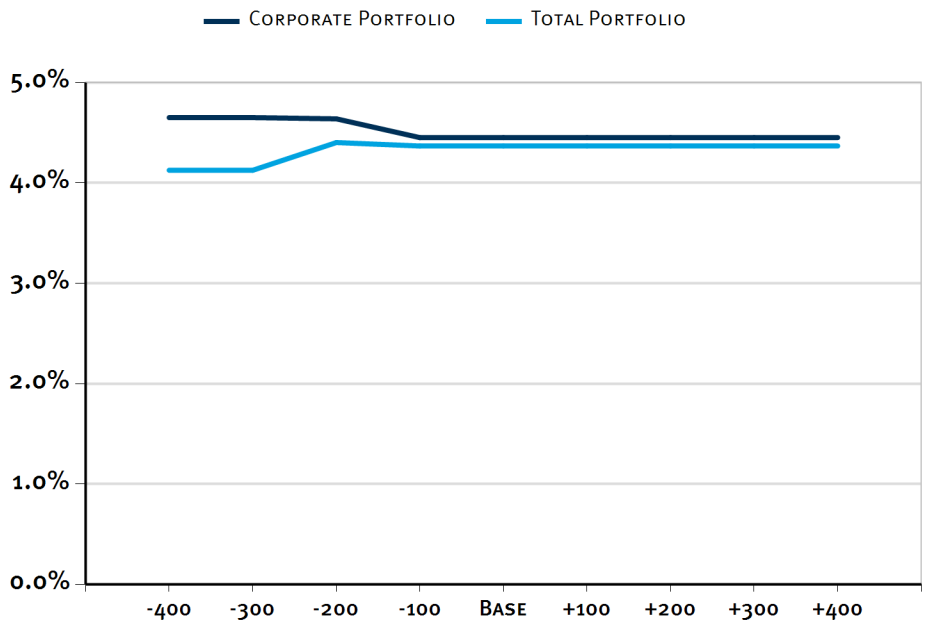
	-400	-300	-200	-100	Base	+100	+200	+300	+400
Number Bonds	26	26	26	26	26	26	26	26	26
Current Face	32,156,000	32,156,000	32,156,000	32,156,000	32,156,000	32,156,000	32,156,000	32,156,000	32,156,000
Book Value	32,013,372	32,013,372	32,013,372	32,013,372	32,013,372	32,013,372	32,013,372	32,013,372	32,013,372
Book Price	99.56	99.56	99.56	99.56	99.56	99.56	99.56	99.56	99.56
Proj. Yld. At Book Px.	4.65%	4.65%	4.64%	4.45%	4.45%	4.45%	4.45%	4.45%	4.45%
Market Value	34,351,150	33,498,328	32,660,319	31,806,003	30,937,842	30,079,076	29,242,363	28,432,621	27,651,010
Market Price	106.83	104.17	101.57	98.91	96.21	93.54	90.94	88.42	85.99
Market Yield	1.31%	2.32%	3.39%	4.45%	5.41%	6.39%	7.38%	8.38%	9.38%
% Price Change	11.0%	8.3%	5.6%	2.8%	0.0%	-2.8%	-5.5%	-8.1%	-10.6%
Book Gain/Loss	2,337,778	1,484,957	646,947	-207,369	-1,075,531	-1,934,296	-2,771,008	-3,580,751	-4,362,362
Gain/Loss %	7.30%	4.64%	2.02%	-0.65%	-3.36%	-6.04%	-8.66%	-11.19%	-13.63%
Average Life	2.7	2.7	2.7	3.1	3.2	3.2	3.2	3.2	3.2
Effective Duration	2.5	2.5	2.6	2.7	2.8	2.8	2.8	2.8	2.8
Effective Convexity	0.1	0.0	-0.1	0.0	0.0	0.1	0.1	0.1	0.1

Corporate Contribution to Total Portfolio Measures

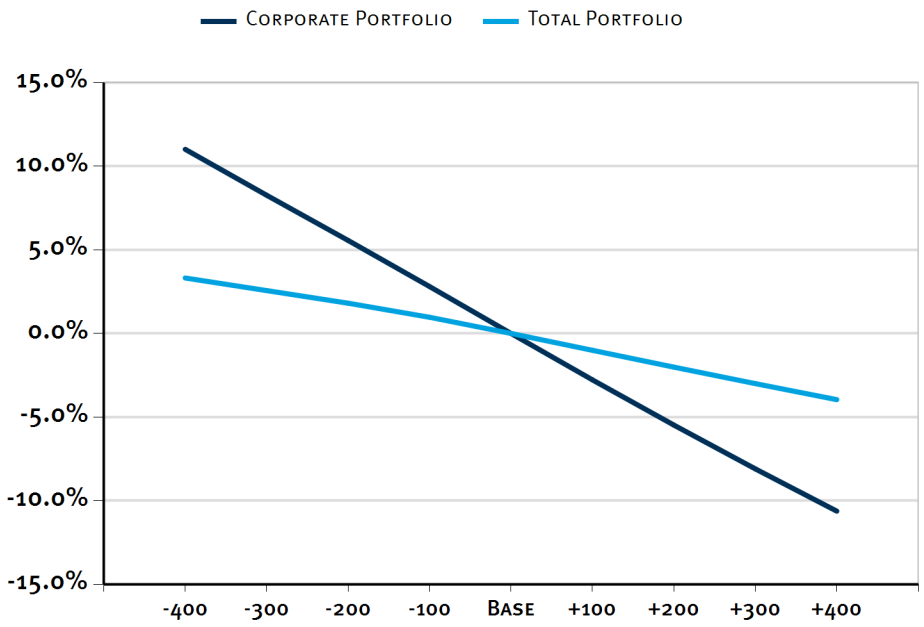


¹ Risk - Sector px. vol. +300 as % of total port. px. vol
² Yield - Sector yield as a % of total port. yield.

Corporate Sector Yield @ Book vs Total Portfolio



Corporate Sector Price Volatility vs Total Portfolio

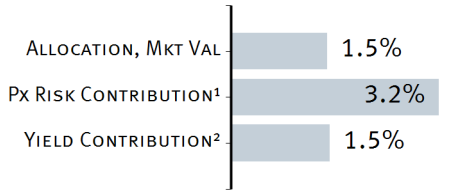


Sector Analysis

CD Sector Portfolio

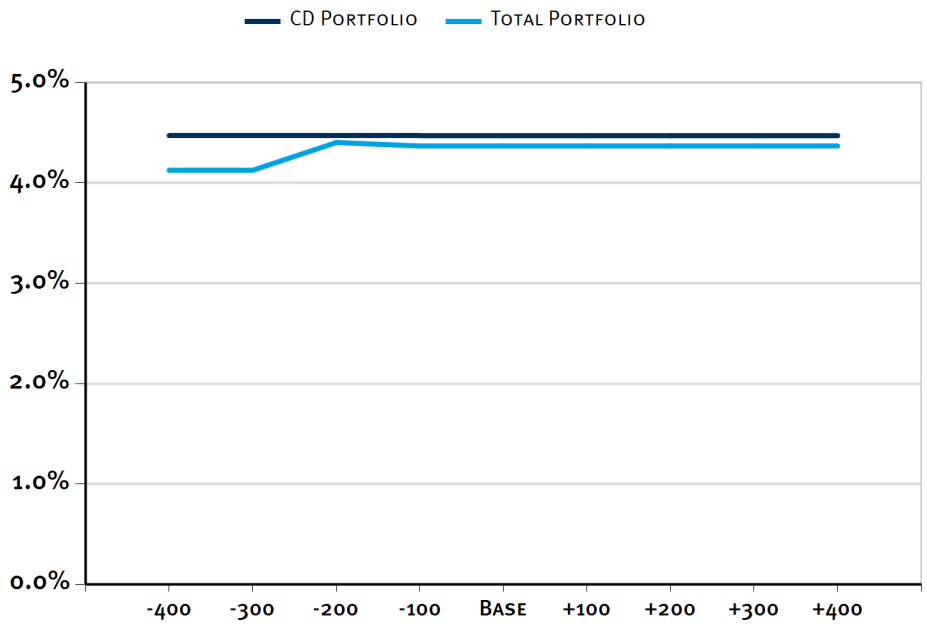
	-400	-300	-200	-100	Base	+100	+200	+300	+400
Number Bonds	14	14	14	14	14	14	14	14	14
Current Face	5,235,000	5,235,000	5,235,000	5,235,000	5,235,000	5,235,000	5,235,000	5,235,000	5,235,000
Book Value	5,235,948	5,235,948	5,235,948	5,235,948	5,235,948	5,235,948	5,235,948	5,235,948	5,235,948
Book Price	100.02	100.02	100.02	100.02	100.02	100.02	100.02	100.02	100.02
Proj. Yld. At Book Px.	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%	4.47%
Market Value	5,552,114	5,464,069	5,376,460	5,281,946	5,176,625	5,065,469	4,952,801	4,841,342	4,732,216
Market Price	106.06	104.38	102.70	100.90	98.88	96.76	94.61	92.48	90.40
Market Yield	1.21%	2.09%	2.98%	3.95%	4.92%	5.86%	6.83%	7.82%	8.82%
% Price Change	7.3%	5.6%	3.9%	2.0%	0.0%	-2.1%	-4.3%	-6.5%	-8.6%
Book Gain/Loss	316,166	228,121	140,512	45,998	-59,323	-170,479	-283,147	-394,606	-503,732
Gain/Loss %	6.04%	4.36%	2.68%	0.88%	-1.13%	-3.26%	-5.41%	-7.54%	-9.62%
Average Life	2.1	2.1	2.1	2.1	2.6	2.6	2.6	2.6	2.6
Effective Duration	1.6	1.6	1.7	1.9	2.1	2.2	2.3	2.3	2.3
Effective Convexity	0.0	0.0	-0.1	-0.2	-0.1	0.0	0.0	0.0	0.1

CD Contribution to Total Portfolio Measures

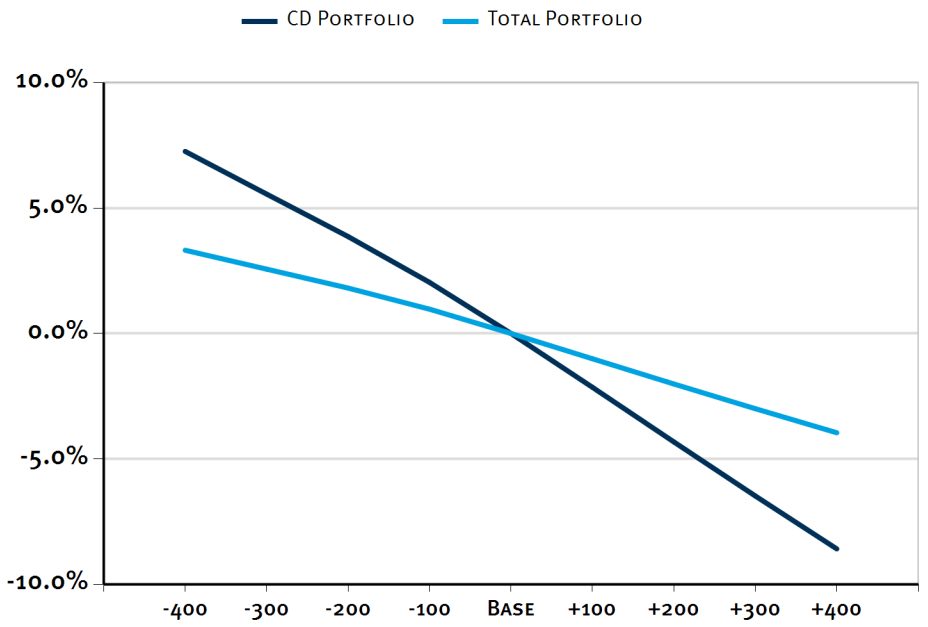


¹ Risk - Sector px. vol. +300 as % of total port. px. vol
² Yield - Sector yield as a % of total port. yield.

CD Sector Yield @ Book vs Total Portfolio



CD Sector Price Volatility vs Total Portfolio

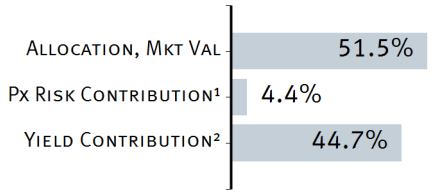


Sector Analysis

Other Sector Portfolio

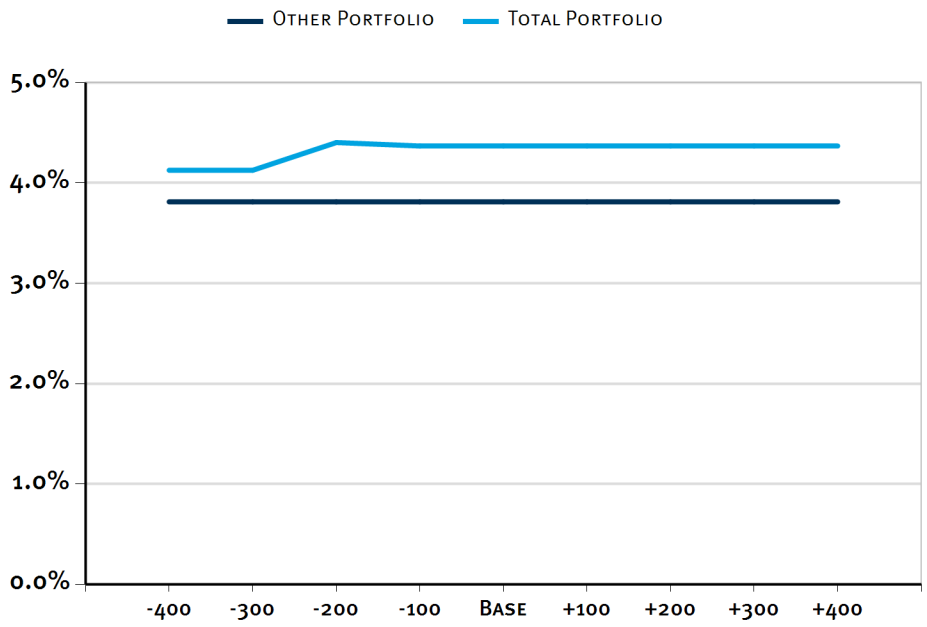
	-400	-300	-200	-100	Base	+100	+200	+300	+400
Number Bonds	2	2	2	2	2	2	2	2	2
Current Face	181,992,652	181,992,652	181,992,652	181,992,652	181,992,652	181,992,652	181,992,652	181,992,652	181,992,652
Book Value	181,992,652	181,992,652	181,992,652	181,992,652	181,992,652	181,992,652	181,992,652	181,992,652	181,992,652
Book Price	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Proj. Yld. At Book Px.	3.81%	3.81%	3.81%	3.81%	3.81%	3.81%	3.81%	3.81%	3.81%
Market Value	182,615,067	182,458,680	182,302,767	182,147,346	181,992,652	181,838,504	181,684,538	181,531,301	181,378,609
Market Price	100.34	100.26	100.17	100.09	100.00	99.92	99.83	99.75	99.66
Market Yield	-0.26%	0.76%	1.77%	2.79%	3.81%	4.83%	5.86%	6.89%	7.92%
% Price Change	0.3%	0.3%	0.2%	0.1%	0.0%	-0.1%	-0.2%	-0.3%	-0.3%
Book Gain/Loss	622,415	466,028	310,115	154,694	0	-154,148	-308,114	-461,351	-614,043
Gain/Loss %	0.34%	0.26%	0.17%	0.09%	0.00%	-0.08%	-0.17%	-0.25%	-0.34%
Average Life	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Effective Duration	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Effective Convexity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Other Contribution to Total Portfolio Measures

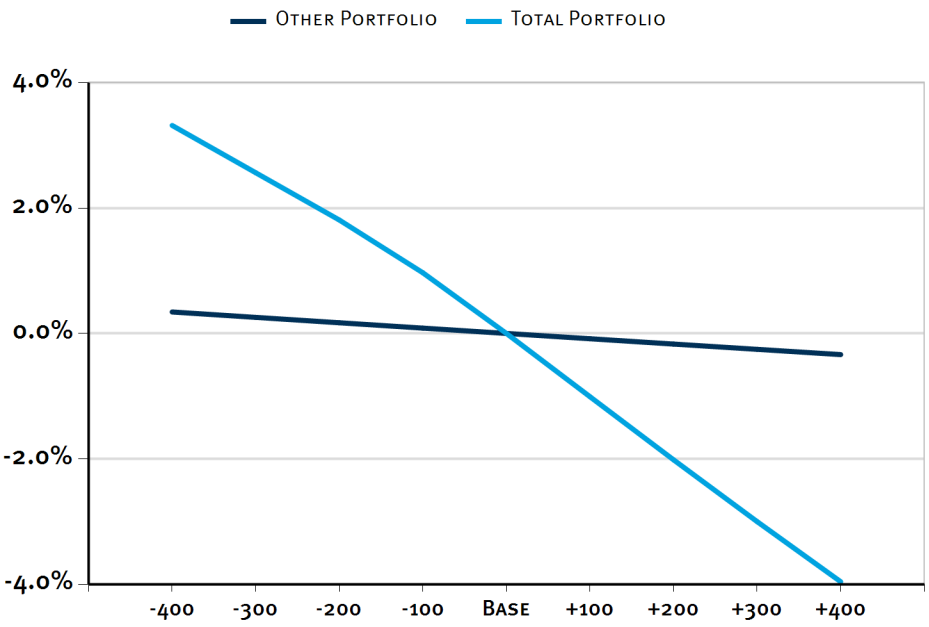


¹ Risk - Sector px. vol. +300 as % of total port. px. vol
² Yield - Sector yield as a % of total port. yield.

Other Sector Yield @ Book vs Total Portfolio



Other Sector Price Volatility vs Total Portfolio



Cashflow Analysis

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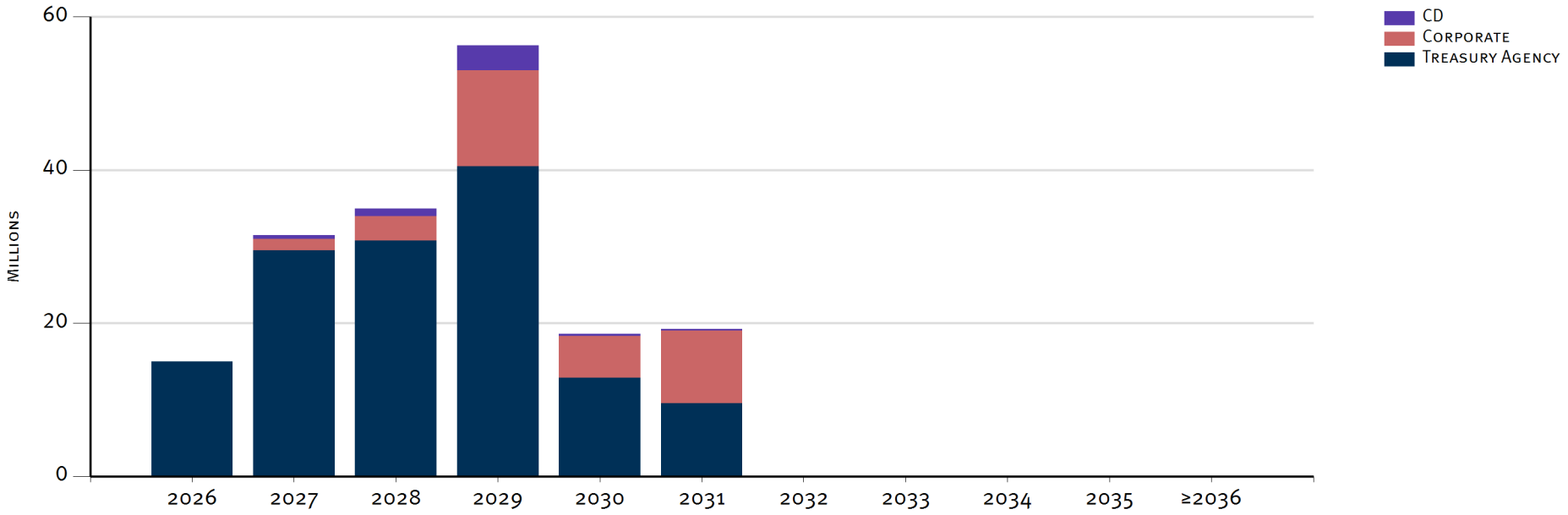
Cash Flow Analysis

Annual Base

Annual Cash Flows by Sector (Base)

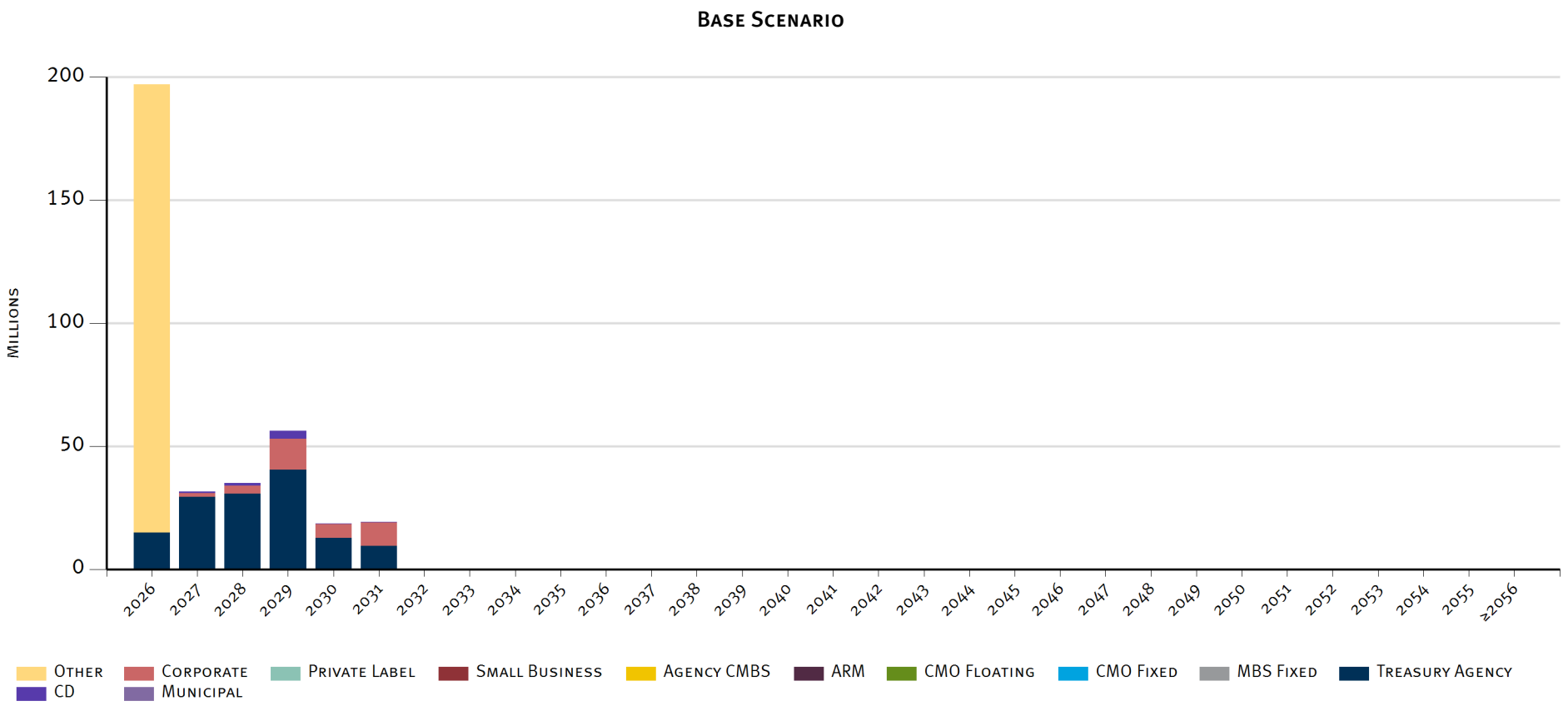
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	≥2036
Treasury/Agency	15,000,000	29,500,000	30,790,000	40,500,000	12,830,000	9,520,000	0	0	0	0	0
MBS Fixed	0	0	0	0	0	0	0	0	0	0	0
ARM	0	0	0	0	0	0	0	0	0	0	0
CMO Fixed	0	0	0	0	0	0	0	0	0	0	0
CMO Floating	0	0	0	0	0	0	0	0	0	0	0
Agency CMBS	0	0	0	0	0	0	0	0	0	0	0
Small Business	0	0	0	0	0	0	0	0	0	0	0
Private Label	0	0	0	0	0	0	0	0	0	0	0
Municipal	0	0	0	0	0	0	0	0	0	0	0
Corporate	0	1,500,000	3,156,000	12,500,000	5,500,000	9,500,000	0	0	0	0	0
CD	0	490,000	1,000,000	3,245,000	250,000	250,000	0	0	0	0	0
Other	181,992,652	0	0	0	0	0	0	0	0	0	0
Total	**196,992,652**	**31,490,000**	**34,946,000**	**56,245,000**	**18,580,000**	**19,270,000**	**0**	**0**	**0**	**0**	**0**
% of Total Portfolio	55.1%	8.8%	9.8%	15.7%	5.2%	5.4%	0.0%	0.0%	0.0%	0.0%	0.0%

Annual Cash Flows by Sector (Base)



Cash Flow Analysis

Cash Flows By Sector - Next 30 Years



Cash Flow Analysis

Annual Shocked

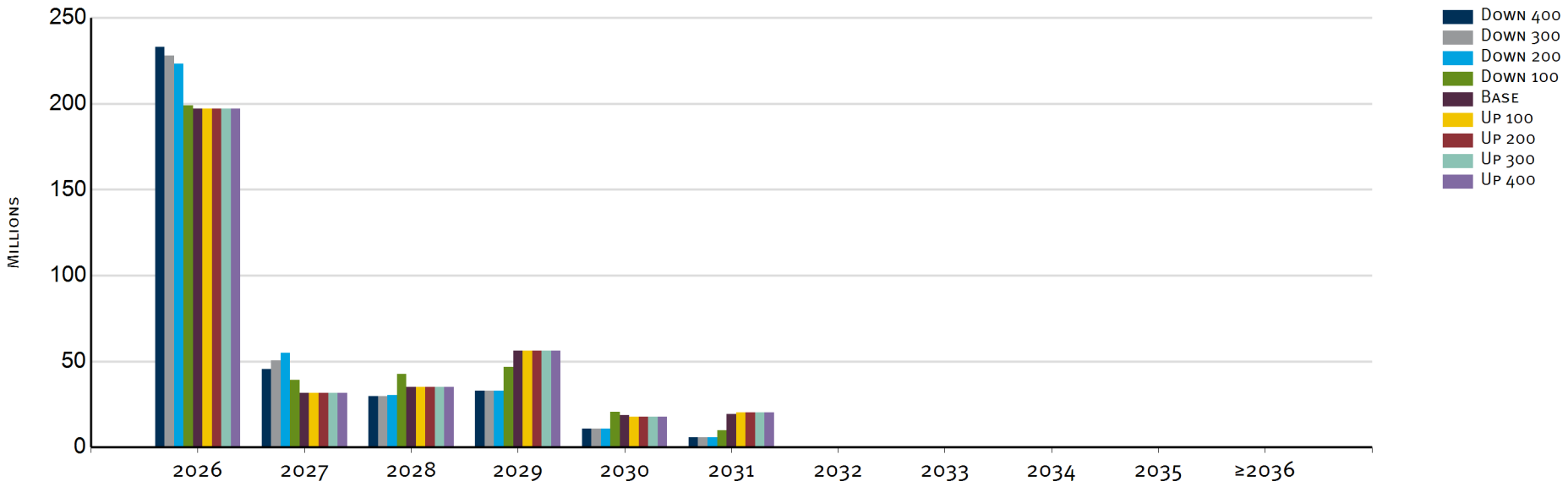
Shocked Annual Portfolio Cash Flows

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	≥ 2036
Down 400	233,132,652	45,490,000	29,656,000	32,745,000	10,750,000	5,750,000	0	0	0	0	0
Down 300	228,132,652	50,490,000	29,656,000	32,745,000	10,750,000	5,750,000	0	0	0	0	0
Down 200	223,132,652	54,990,000	30,156,000	32,745,000	10,750,000	5,750,000	0	0	0	0	0
Down 100	198,992,652	38,990,000	42,466,000	46,745,000	20,580,000	9,750,000	0	0	0	0	0
Base	**196,992,652**	**31,490,000**	**34,946,000**	**56,245,000**	**18,580,000**	**19,270,000**	**0**	**0**	**0**	**0**	**0**
Up 100	196,992,652	31,490,000	34,946,000	56,245,000	17,580,000	20,270,000	0	0	0	0	0
Up 200	196,992,652	31,490,000	34,946,000	56,245,000	17,580,000	20,270,000	0	0	0	0	0
Up 300	196,992,652	31,490,000	34,946,000	56,245,000	17,580,000	20,270,000	0	0	0	0	0
Up 400	196,992,652	31,490,000	34,946,000	56,245,000	17,580,000	20,270,000	0	0	0	0	0

Change in Shocked Annual Portfolio Cash Flows from Base

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	≥ 2036
Down 400	36,140,000	14,000,000	(5,290,000)	(23,500,000)	(7,830,000)	(13,520,000)	0	0	0	0	0
Down 300	31,140,000	19,000,000	(5,290,000)	(23,500,000)	(7,830,000)	(13,520,000)	0	0	0	0	0
Down 200	26,140,000	23,500,000	(4,790,000)	(23,500,000)	(7,830,000)	(13,520,000)	0	0	0	0	0
Down 100	2,000,000	7,500,000	7,520,000	(9,500,000)	2,000,000	(9,520,000)	0	0	0	0	0
Up 100	0	0	0	0	(1,000,000)	1,000,000	0	0	0	0	0
Up 200	0	0	0	0	(1,000,000)	1,000,000	0	0	0	0	0
Up 300	0	0	0	0	(1,000,000)	1,000,000	0	0	0	0	0
Up 400	0	0	0	0	(1,000,000)	1,000,000	0	0	0	0	0

Shocked Annual Portfolio Cash Flows

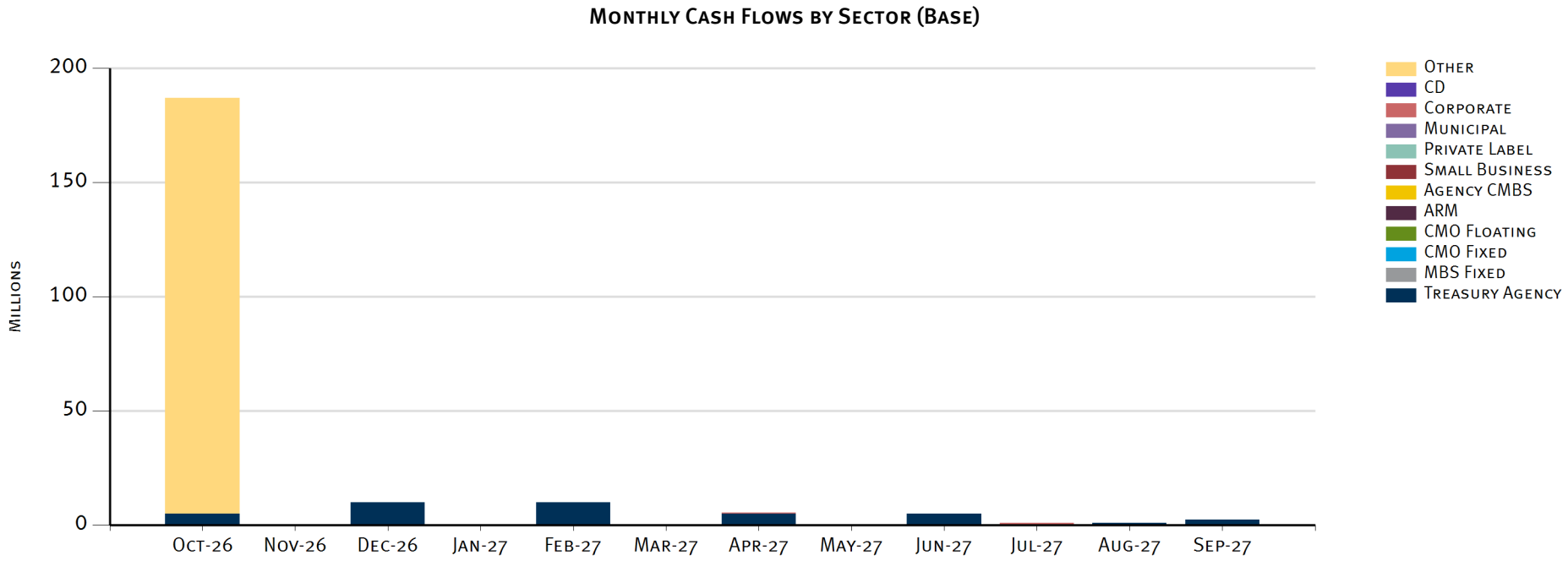


Cash Flow Analysis

Monthly Base

Monthly Cash Flows by Sector (Base)

	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	Total	% of Total Portfolio
Treasury/Agency	5,000,000	0	10,000,000	0	10,000,000	0	5,000,000	0	5,000,000	0	1,000,000	2,500,000	38,500,000	10.8%
MBS Fixed	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
ARM	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
CMO Fixed	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
CMO Floating	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Agency CMBS	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Small Business	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Private Label	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Municipal	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Corporate	0	0	0	0	0	0	500,000	0	0	1,000,000	0	0	1,500,000	0.4%
CD	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Other	181,992,652	0	0	0	0	0	0	0	0	0	0	0	181,992,652	50.9%
Total	**186,992,652**	**0**	**10,000,000**	**0**	**10,000,000**	**0**	**5,500,000**	**0**	**5,000,000**	**1,000,000**	**1,000,000**	**2,500,000**	**221,992,652**	**62.1%**
% of Total Portfolio	52.3%	0.0%	2.8%	0.0%	2.8%	0.0%	1.5%	0.0%	1.4%	0.3%	0.3%	0.7%	62.1%	



Cash Flow Analysis

Monthly Shocked

Shocked Monthly Portfolio Cash Flows (Year 1)

	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	Total
Down 400	202,912,652	14,830,000	15,390,000	5,500,000	3,000,000	5,500,000	4,500,000	4,000,000	8,000,000	3,500,000	1,000,000	4,500,000	272,632,652
Down 300	197,912,652	9,830,000	20,390,000	5,500,000	8,000,000	5,500,000	4,500,000	4,000,000	8,000,000	3,500,000	1,000,000	4,500,000	272,632,652
Down 200	197,912,652	4,830,000	20,390,000	5,500,000	13,000,000	3,500,000	4,500,000	4,000,000	8,000,000	3,500,000	1,000,000	4,500,000	270,632,652
Down 100	186,992,652	0	12,000,000	0	11,000,000	0	5,500,000	0	5,000,000	4,000,000	1,000,000	4,500,000	229,992,652
Base	**186,992,652**	**0**	**10,000,000**	**0**	**10,000,000**	**0**	**5,500,000**	**0**	**5,000,000**	**1,000,000**	**1,000,000**	**2,500,000**	**221,992,652**
Up 100	186,992,652	0	10,000,000	0	10,000,000	0	5,500,000	0	5,000,000	1,000,000	1,000,000	2,500,000	221,992,652
Up 200	186,992,652	0	10,000,000	0	10,000,000	0	5,500,000	0	5,000,000	1,000,000	1,000,000	2,500,000	221,992,652
Up 300	186,992,652	0	10,000,000	0	10,000,000	0	5,500,000	0	5,000,000	1,000,000	1,000,000	2,500,000	221,992,652
Up 400	186,992,652	0	10,000,000	0	10,000,000	0	5,500,000	0	5,000,000	1,000,000	1,000,000	2,500,000	221,992,652

Change in Monthly Cash Flows from Base (Year 1)

	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	Total
Down 400	15,920,000	14,830,000	5,390,000	5,500,000	(7,000,000)	5,500,000	(1,000,000)	4,000,000	3,000,000	2,500,000	0	2,000,000	50,640,000
Down 300	10,920,000	9,830,000	10,390,000	5,500,000	(2,000,000)	5,500,000	(1,000,000)	4,000,000	3,000,000	2,500,000	0	2,000,000	50,640,000
Down 200	10,920,000	4,830,000	10,390,000	5,500,000	3,000,000	3,500,000	(1,000,000)	4,000,000	3,000,000	2,500,000	0	2,000,000	48,640,000
Down 100	0	0	2,000,000	0	1,000,000	0	0	0	0	3,000,000	0	2,000,000	8,000,000
Up 100	0	0	0	0	0	0	0	0	0	0	0	0	0
Up 200	0	0	0	0	0	0	0	0	0	0	0	0	0
Up 300	0	0	0	0	0	0	0	0	0	0	0	0	0
Up 400	0	0	0	0	0	0	0	0	0	0	0	0	0

Shocked Monthly Portfolio Cash Flows (Year 2)

	Oct-27	Nov-27	Dec-27	Jan-28	Feb-28	Mar-28	Apr-28	May-28	Jun-28	Jul-28	Aug-28	Sep-28	Total
Down 400	2,000,000	3,000,000	990,000	5,000,000	2,906,000	0	2,000,000	6,000,000	500,000	3,000,000	5,000,000	1,000,000	31,396,000
Down 300	2,000,000	3,000,000	990,000	5,000,000	2,906,000	0	2,000,000	6,000,000	500,000	3,000,000	5,000,000	1,000,000	31,396,000
Down 200	2,000,000	3,000,000	2,490,000	5,000,000	2,906,000	500,000	2,000,000	6,000,000	500,000	3,000,000	5,000,000	1,000,000	33,396,000
Down 100	2,000,000	3,000,000	2,990,000	6,000,000	2,906,000	500,000	2,000,000	4,000,000	7,390,000	3,000,000	5,000,000	5,420,000	44,206,000
Base	**2,000,000**	**3,000,000**	**1,490,000**	**5,000,000**	**2,906,000**	**3,000,000**	**2,000,000**	**2,000,000**	**1,500,000**	**2,500,000**	**5,500,000**	**2,400,000**	**33,296,000**
Up 100	2,000,000	3,000,000	1,490,000	5,000,000	2,906,000	3,000,000	2,000,000	2,000,000	1,500,000	2,500,000	5,500,000	2,400,000	33,296,000
Up 200	2,000,000	3,000,000	1,490,000	5,000,000	2,906,000	3,000,000	2,000,000	2,000,000	1,500,000	2,500,000	5,500,000	2,400,000	33,296,000
Up 300	2,000,000	3,000,000	1,490,000	5,000,000	2,906,000	3,000,000	2,000,000	2,000,000	1,500,000	2,500,000	5,500,000	2,400,000	33,296,000
Up 400	2,000,000	3,000,000	1,490,000	5,000,000	2,906,000	3,000,000	2,000,000	2,000,000	1,500,000	2,500,000	5,500,000	2,400,000	33,296,000

Change in Monthly Cash Flows from Base (Year 2)

	Oct-27	Nov-27	Dec-27	Jan-28	Feb-28	Mar-28	Apr-28	May-28	Jun-28	Jul-28	Aug-28	Sep-28	Total
Down 400	0	0	(500,000)	0	0	(3,000,000)	0	4,000,000	(1,000,000)	500,000	(500,000)	(1,400,000)	(1,900,000)
Down 300	0	0	(500,000)	0	0	(3,000,000)	0	4,000,000	(1,000,000)	500,000	(500,000)	(1,400,000)	(1,900,000)
Down 200	0	0	1,000,000	0	0	(2,500,000)	0	4,000,000	(1,000,000)	500,000	(500,000)	(1,400,000)	100,000
Down 100	0	0	1,500,000	1,000,000	0	(2,500,000)	0	2,000,000	5,890,000	500,000	(500,000)	3,020,000	10,910,000
Up 100	0	0	0	0	0	0	0	0	0	0	0	0	0
Up 200	0	0	0	0	0	0	0	0	0	0	0	0	0
Up 300	0	0	0	0	0	0	0	0	0	0	0	0	0
Up 400	0	0	0	0	0	0	0	0	0	0	0	0	0

Cash Flow Analysis

Yield Forecaster

	Down 100 (4.33% Assumed Reinvestment Rate)[1]					Base Case (5.33% Assumed Reinvestment Rate)[1]					Up 100 (6.33% Assumed Reinvestment Rate)[1]				
	Principal Cash Flow	Cuml. Pay Down	Rolloff Yield	Rem. Port. Yield	Reinvest Port. Yield	Principal Cash Flow	Cuml. Pay Down	Rolloff Yield	Rem. Port. Yield	Reinvest Port. Yield	Principal Cash Flow	Cuml. Pay Down	Rolloff Yield	Rem. Port. Yield	Reinvest Port. Yield
Oct-26	186,992,652	52.3%	3.72	4.77	4.54	186,992,652	52.3%	3.72	4.77	5.06	186,992,652	52.3%	3.72	4.77	5.58
Nov-26	0	52.3%	0.00	4.77	4.54	0	52.3%	0.00	4.77	5.06	0	52.3%	0.00	4.77	5.58
Dec-26	12,000,000	55.7%	1.30	5.03	4.64	10,000,000	55.1%	0.66	5.02	5.19	10,000,000	55.1%	0.66	5.02	5.74
Jan-27	0	55.7%	0.00	5.03	4.64	0	55.1%	0.00	5.02	5.19	0	55.1%	0.00	5.02	5.74
Feb-27	11,000,000	58.7%	11.69	4.54	4.41	10,000,000	57.9%	12.42	4.54	5.00	10,000,000	57.9%	12.42	4.54	5.57
Mar-27	0	58.7%	0.00	4.54	4.41	0	57.9%	0.00	4.54	5.00	0	57.9%	0.00	4.54	5.57
Apr-27	5,500,000	60.3%	10.87	4.29	4.31	5,500,000	59.4%	10.87	4.30	4.91	5,500,000	59.4%	10.87	4.30	5.51
May-27	0	60.3%	0.00	4.29	4.31	0	59.4%	0.00	4.30	4.91	0	59.4%	0.00	4.30	5.51
Jun-27	5,000,000	61.7%	6.08	4.23	4.29	5,000,000	60.8%	6.08	4.24	4.90	5,000,000	60.8%	6.08	4.24	5.51
Jul-27	4,000,000	62.8%	5.23	4.20	4.28	1,000,000	61.1%	7.49	4.21	4.89	1,000,000	61.1%	7.49	4.21	5.51
Aug-27	1,000,000	63.1%	4.29	4.20	4.28	1,000,000	61.4%	4.29	4.21	4.90	1,000,000	61.4%	4.29	4.21	5.51
Sep-27	4,500,000	64.3%	3.97	4.21	4.28	2,500,000	62.1%	3.15	4.23	4.91	2,500,000	62.1%	3.15	4.23	5.53
Oct-27	2,000,000	64.9%	5.99	4.18	4.27	2,000,000	62.7%	5.99	4.21	4.91	2,000,000	62.7%	5.99	4.21	5.53
Nov-27	3,000,000	65.7%	4.20	4.18	4.28	3,000,000	63.5%	4.20	4.21	4.92	3,000,000	63.5%	4.20	4.21	5.55
Dec-27	2,990,000	66.6%	4.02	4.18	4.28	1,490,000	63.9%	4.24	4.21	4.92	1,490,000	63.9%	4.24	4.21	5.56
Jan-28	6,000,000	68.2%	4.52	4.16	4.27	5,000,000	65.3%	4.48	4.20	4.93	5,000,000	65.3%	4.48	4.20	5.59
Feb-28	2,906,000	69.1%	4.19	4.16	4.28	2,906,000	66.1%	4.19	4.20	4.94	2,906,000	66.1%	4.19	4.20	5.60
Mar-28	500,000	69.2%	6.97	4.15	4.27	3,000,000	67.0%	4.47	4.19	4.95	3,000,000	67.0%	4.47	4.19	5.62
Apr-28	2,000,000	69.8%	3.68	4.16	4.28	2,000,000	67.5%	3.68	4.20	4.96	2,000,000	67.5%	3.68	4.20	5.63
May-28	4,000,000	70.9%	4.48	4.15	4.27	2,000,000	68.1%	3.95	4.20	4.97	2,000,000	68.1%	3.95	4.20	5.65
Jun-28	7,390,000	72.9%	4.38	4.13	4.27	1,500,000	68.5%	4.37	4.20	4.97	1,500,000	68.5%	4.37	4.20	5.66
Jul-28	3,000,000	73.8%	4.22	4.12	4.27	2,500,000	69.2%	4.29	4.20	4.98	2,500,000	69.2%	4.29	4.20	5.67
Aug-28	5,000,000	75.2%	4.10	4.13	4.28	5,500,000	70.7%	4.08	4.20	5.00	5,500,000	70.7%	4.08	4.20	5.71
Sep-28	5,420,000	76.7%	4.31	4.11	4.28	2,400,000	71.4%	4.09	4.21	5.01	2,400,000	71.4%	4.09	4.21	5.72
Oct-28	2,000,000	77.3%	4.01	4.12	4.28	2,000,000	72.0%	4.01	4.21	5.01	2,000,000	72.0%	4.01	4.21	5.73
Nov-28	4,000,000	78.4%	3.90	4.13	4.28	2,000,000	72.5%	3.55	4.22	5.02	2,000,000	72.5%	3.55	4.22	5.75
Dec-28	250,000	78.4%	4.25	4.13	4.28	4,140,000	73.7%	4.33	4.22	5.03	4,140,000	73.7%	4.33	4.22	5.77
Jan-29	1,000,000	78.7%	4.11	4.13	4.28	1,000,000	74.0%	4.11	4.22	5.04	1,000,000	74.0%	4.11	4.22	5.78
Feb-29	2,250,000	79.4%	4.07	4.13	4.29	3,750,000	75.0%	4.13	4.22	5.05	3,750,000	75.0%	4.13	4.22	5.80
Mar-29	4,750,000	80.7%	3.98	4.14	4.29	6,750,000	76.9%	4.29	4.22	5.07	4,750,000	76.3%	3.98	4.24	5.83
Apr-29	5,000,000	82.1%	4.08	4.14	4.29	3,000,000	77.7%	4.00	4.23	5.08	3,000,000	77.2%	4.00	4.25	5.85
May-29	1,500,000	82.5%	4.17	4.14	4.29	3,500,000	78.7%	4.21	4.23	5.09	3,500,000	78.2%	4.21	4.25	5.87
Jun-29	6,745,000	84.4%	4.24	4.13	4.30	6,745,000	80.6%	4.39	4.21	5.11	6,745,000	80.0%	4.39	4.23	5.91
Jul-29	1,000,000	84.7%	3.77	4.14	4.30	4,000,000	81.7%	4.31	4.21	5.12	4,000,000	81.2%	4.31	4.23	5.93
Aug-29	4,500,000	85.9%	4.42	4.11	4.30	6,500,000	83.5%	4.60	4.16	5.13	6,500,000	83.0%	4.60	4.19	5.96
Sep-29	5,000,000	87.3%	4.04	4.12	4.30	7,000,000	85.5%	4.03	4.18	5.16	9,000,000	85.5%	4.24	4.18	6.02

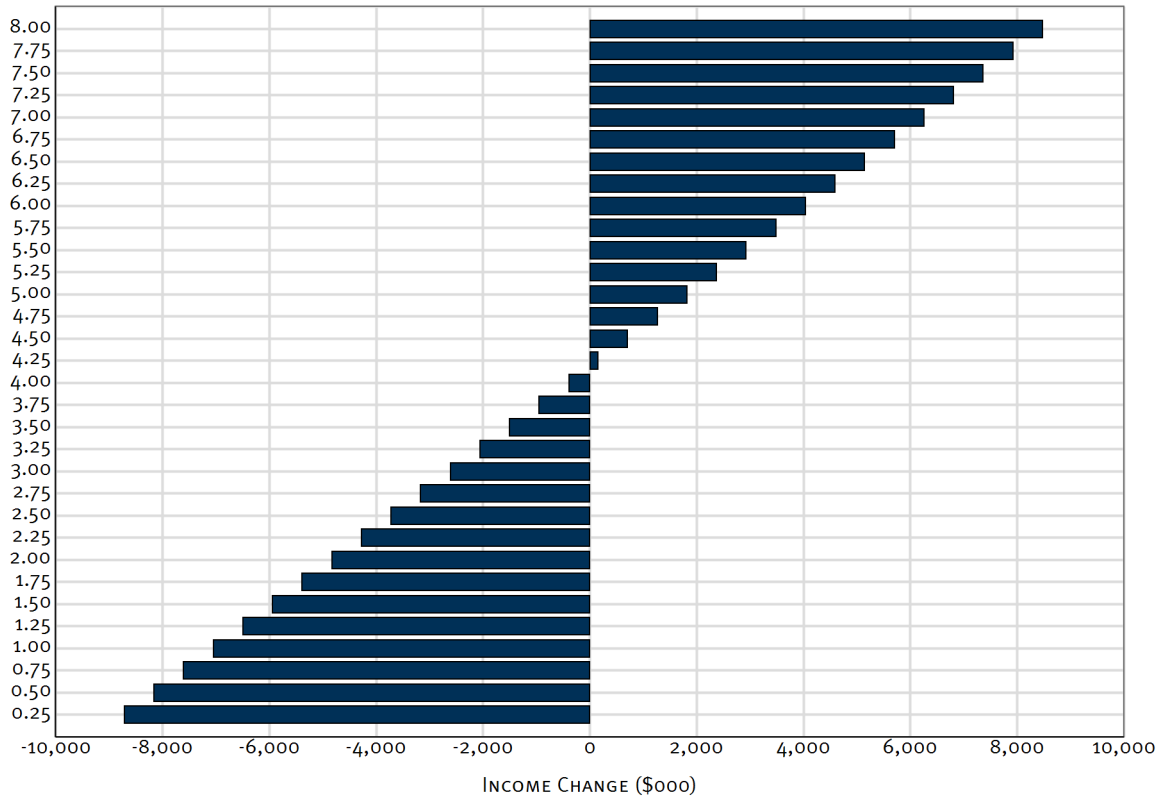
[1] Base reinvestment set at 5 Year Treasury rate +50 basis points

Cash Flow Analysis

Gap Analysis - Potential Income Impact of Principal Reinvestment

Principal Maturing (12 Mo Horizon)	221,993
Current Book Yield of Principal Maturing	4.18%
Estimated Annual Income at Current Book Yield	$9,280

Estimated Impact on Income at Various Reinvestment Yields



Assumed Reinvestment Yield	Estimated Annualized Income	Income Difference From Current Book	Resulting Book Yield
0.25	555	-8,725	1.93
0.50	1,110	-8,170	2.08
0.75	1,665	-7,615	2.24
1.00	2,220	-7,060	2.39
1.25	2,775	-6,505	2.55
1.50	3,330	-5,950	2.70
1.75	3,885	-5,395	2.86
2.00	4,440	-4,840	3.01
2.25	4,995	-4,285	3.17
2.50	5,550	-3,730	3.32
2.75	6,105	-3,175	3.48
3.00	6,660	-2,620	3.64
3.25	7,215	-2,065	3.79
3.50	7,770	-1,510	3.95
3.75	8,325	-955	4.10
4.00	8,880	-400	4.26
4.25	9,435	155	4.41
4.50	9,990	710	4.57
4.75	10,545	1,265	4.72
5.00	11,100	1,820	4.88
5.25	11,655	2,375	5.03
5.50	12,210	2,930	5.19
5.75	12,765	3,485	5.34
6.00	13,320	4,040	5.50
6.25	13,875	4,595	5.65
6.50	14,430	5,150	5.81
6.75	14,985	5,705	5.96
7.00	15,539	6,260	6.12
7.25	16,094	6,815	6.27
7.50	16,649	7,370	6.43
7.75	17,204	7,925	6.58
8.00	17,759	8,480	6.74

Cash Flow Analysis

Projected Call and Maturity Report

Projected Call and Maturity Dates by Rate Scenario (Next 12 Months)

Description	CUSIP	Maturity	Next Call Date	Coupon	Current Face	Book Gain/Loss	Yld @ Book	Projected Call / Maturity Date								
								-400	-300	-200	-100	Base	+100	+200	+300	+400
FHLMC 0.8 10/27/26	3134GW4C7	10/27/26		0.80%	5,000,000	445,080		10/27/26	10/27/26	10/27/26	10/27/26	10/27/26	10/27/26	10/27/26	10/27/26	10/27/26
FFCB 1.29 12/22/26	3133ENJC5	12/22/26	10/16/26	1.29%	5,000,000	(36,345)	1.29%	10/4/26	12/22/26	12/22/26	12/22/26	12/22/26	12/22/26	12/22/26	12/22/26	12/22/26
USTN 1.75 12/31/26	912828YX2	12/31/26		1.75%	5,000,000	271,675		12/31/26	12/31/26	12/31/26	12/31/26	12/31/26	12/31/26	12/31/26	12/31/26	12/31/26
FHLB 2 02/25/27	3130AQRH8	2/25/27	11/25/26	2.00%	5,000,000	357,505	24.55%	11/25/26	11/25/26	2/25/27	2/25/27	2/25/27	2/25/27	2/25/27	2/25/27	2/25/27
FHLB 0.9 02/26/27	3130AL5A8	2/26/27	11/26/26	0.90%	5,000,000	445,870		11/26/26	2/26/27	2/26/27	2/26/27	2/26/27	2/26/27	2/26/27	2/26/27	2/26/27
SCHW 3.3 04/01/27	808513BW4	4/1/27	1/1/27	3.30%	500,000	17,383	11.99%	1/1/27	1/1/27	1/1/27	4/1/27	4/1/27	4/1/27	4/1/27	4/1/27	4/1/27
FHLB 3.175 04/19/27	3130ARHJ3	4/19/27	10/19/26	3.18%	5,000,000	160,865	10.76%	10/19/26	10/19/26	10/19/26	4/19/27	4/19/27	4/19/27	4/19/27	4/19/27	4/19/27
USTN 3.25 06/30/27	91282CEW7	6/30/27		3.25%	5,000,000	56,276	6.08%	6/30/27	6/30/27	6/30/27	6/30/27	6/30/27	6/30/27	6/30/27	6/30/27	6/30/27
RNR 3.45 07/01/27	75973QAA5	7/1/27	4/1/27	3.45%	500,000	19,441	10.38%	4/1/27	4/1/27	4/1/27	7/1/27	7/1/27	7/1/27	7/1/27	7/1/27	7/1/27
UBSG 5 07/09/27	22550L2K6	7/9/27		5.00%	500,000	(1,069)	4.75%	7/9/27	7/9/27	7/9/27	7/9/27	7/9/27	7/9/27	7/9/27	7/9/27	7/9/27
UST 3.625 08/31/27	91282CNV9	8/31/27		3.63%	1,000,000	(2,618)	4.29%	8/31/27	8/31/27	8/31/27	8/31/27	8/31/27	8/31/27	8/31/27	8/31/27	8/31/27

Supplemental Analysis

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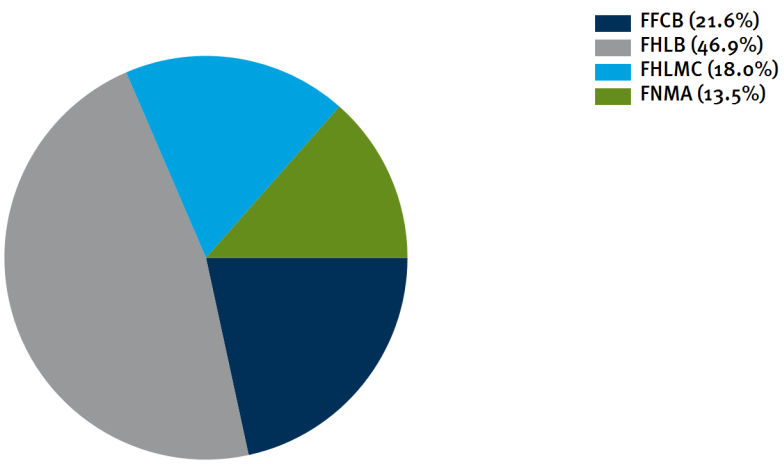
Sector Supplemental Analysis

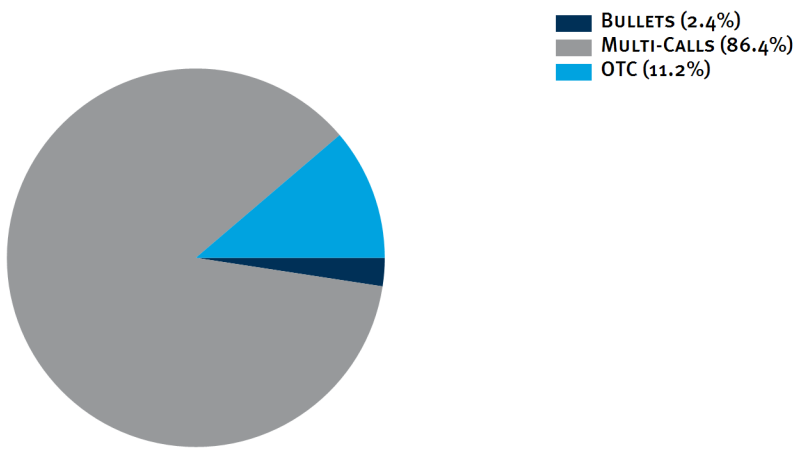
Agency Sector Call Analysis

Agency Structure	-400	-300	-200	-100	Base	+100	+200	+300	+400
Bullets									
Market Value	2,002,145	1,981,920	1,961,997	1,942,374	**1,923,044**	1,904,000	1,885,235	1,866,745	1,848,526
Projected Yield At Book Price	5.99%	5.99%	5.99%	5.99%	**5.99%**	5.99%	5.99%	5.99%	5.99%
Average Life	1.0	1.0	1.0	1.0	**1.0**	1.0	1.0	1.0	1.0
Price Volatility	4.1%	3.1%	2.0%	1.0%	**0.0%**	-1.0%	-2.0%	-2.9%	-3.9%
Multi-Calls									
Market Value	70,326,927	70,108,109	69,839,241	69,254,178	**68,249,967**	67,085,425	65,882,108	64,688,126	63,522,562
Projected Yield At Book Price	4.69%	4.69%	6.36%	6.10%	**6.10%**	6.10%	6.10%	6.10%	6.10%
Average Life	0.3	0.3	0.4	1.7	**2.1**	2.1	2.1	2.1	2.1
Price Volatility	3.0%	2.7%	2.3%	1.5%	**0.0%**	-1.7%	-3.5%	-5.2%	-6.9%
One-Time Callables									
Market Value	9,395,167	9,273,592	9,153,575	9,026,610	**8,867,495**	8,684,586	8,500,303	8,319,837	8,144,172
Projected Yield At Book Price	4.27%	4.27%	4.27%	4.27%	**4.28%**	4.28%	4.28%	4.28%	4.28%
Average Life	1.3	1.3	1.3	1.3	**2.3**	2.3	2.3	2.3	2.3
Price Volatility	6.0%	4.6%	3.2%	1.8%	**0.0%**	-2.1%	-4.1%	-6.2%	-8.1%

Agency Portfolio Allocation by Issuer



Agency Portfolio Allocation by Structure



Sector Supplemental Analysis

MBS and CMO Collateral Analysis

Fixed Rate MBS and CMO Allocation by Collateral Type

	MBS Portfolio								CMO Portfolio								CMO and MBS Combined							
	FNMA/FHLMC					GNMA			FNMA/FHLMC					GNMA			FNMA/FHLMC					GNMA		
	10YR	15YR	20YR	30YR	Other	15YR	30YR	Other	10YR	15YR	20YR	30YR	Other	15YR	30YR	Other	10YR	15YR	20YR	30YR	Other	15YR	30YR	Other
<2.0%																								
2.00%																								
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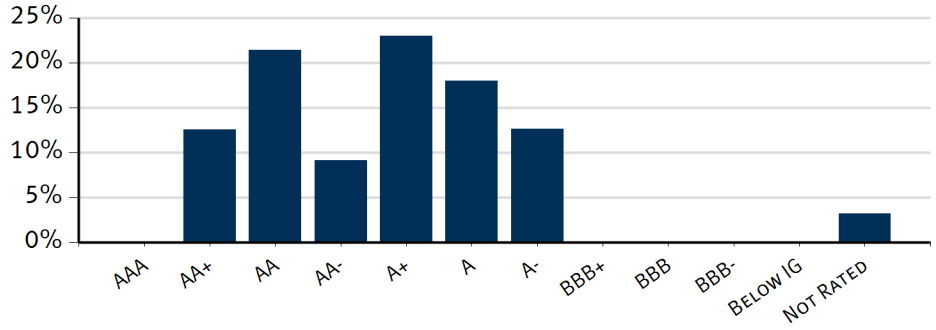
3.00%																								
3.50%																								
4.00%																								
4.50%																								
5.00%																								
5.50%																								
6.00%																								
6.50%																								
7.0%+																								

Sector Supplemental Analysis

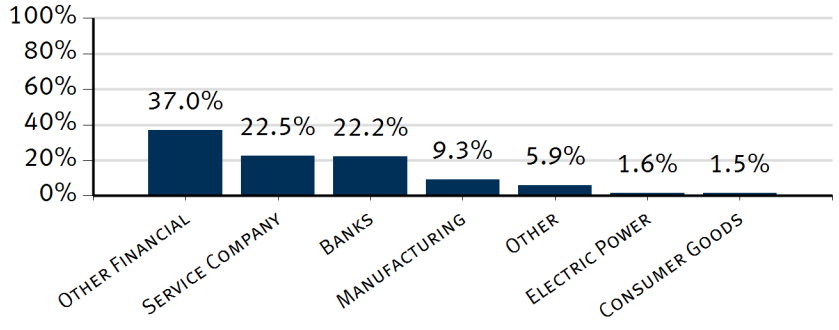
Corporate Portfolio - Analytics by S&P Rating

	Mkt %	Market Value	Projected Yield At Book									Average Life									% Change in Market Value							
			-400	-300	-200	-100	Base	+100	+200	+300	+400	-400	-300	-200	-100	Base	+100	+200	+300	+400	-400	-300	-200	-100	+100	+200	+300	+400
AA+	12.5%	3,872,788		4.18	4.18	4.18	4.18	4.18	4.18	4.18	4.18		3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1		9.0	5.9	2.9	-2.8	-5.5	-8.1	-10.6
AA	21.4%	6,744,477		4.25	4.25	4.24	4.24	4.24	4.24	4.24	4.24		3.3	3.3	3.4	3.4	3.4	3.4	3.4	3.4		9.6	6.3	3.1	-3.0	-5.9	-8.7	-11.4
AA-	9.2%	2,855,372		4.10	4.10	4.11	4.11	4.11	4.11	4.11	4.11		3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3		9.5	6.2	3.1	-3.0	-5.8	-8.5	-11.2
A+	23.0%	7,086,574		4.24	4.24	4.24	4.24	4.24	4.24	4.24	4.24		3.3	3.3	3.8	3.8	3.8	3.8	3.8	3.8		10.2	6.8	3.4	-3.3	-6.5	-9.6	-12.5
A	18.0%	5,493,429		4.26	4.26	4.26	4.27	4.27	4.27	4.27	4.27		1.7	1.7	2.6	3.2	3.2	3.2	3.2	3.2		6.3	4.5	2.4	-2.6	-5.2	-7.8	-10.3
A-	12.7%	3,900,488		6.58	6.48	5.39	5.39	5.39	5.39	5.39	5.39		1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0		4.4	3.3	1.8	-1.8	-3.6	-5.4	-7.1
Not Rated	3.2%	984,714		8.64	8.64	6.95	6.95	6.95	6.95	6.95	6.95		1.7	1.7	1.8	1.8	1.8	1.8	1.8	1.8		5.2	3.5	1.7	-1.7	-3.3	-4.9	-6.5
Total	**100.0%**	**30,937,841**		**4.65**	**4.64**	**4.45**	**4.45**	**4.45**	**4.45**	**4.45**	**4.45**		**2.7**	**2.7**	**3.1**	**3.2**	**3.2**	**3.2**	**3.2**	**3.2**		**8.3**	**5.6**	**2.8**	**-2.8**	**-5.5**	**-8.1**	**-10.6**

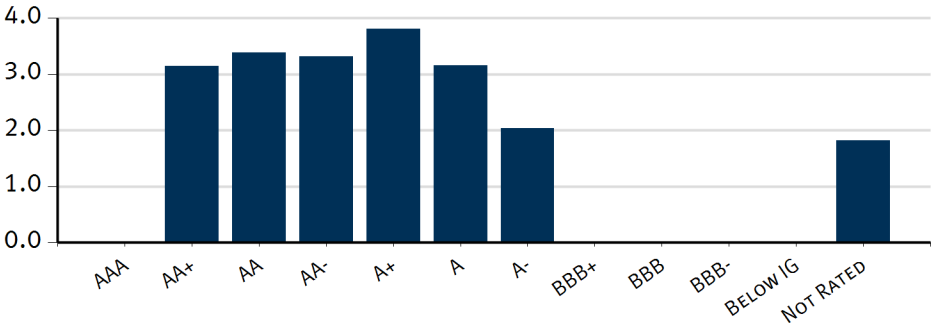
Corporate Sector - Allocation by S&P Rating



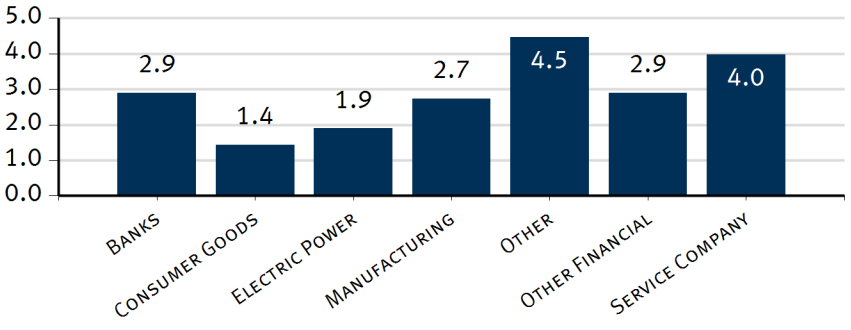
Corporate Sector - Allocation by Industry



Corporate Sector - Weighted Avg Life by S&P Rating



Corporate Sector - Weighted Avg Life by Industry

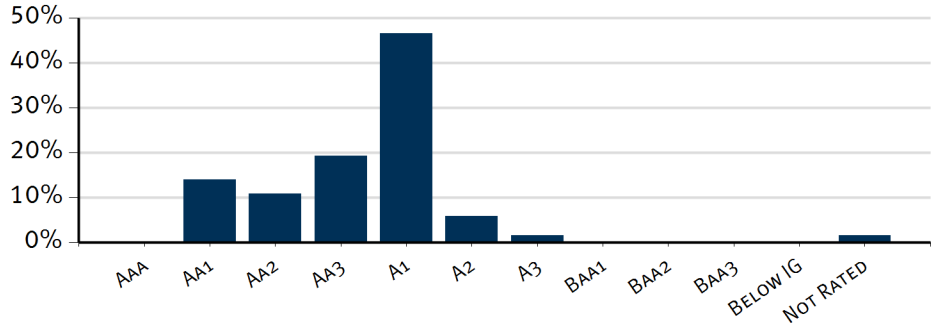


Sector Supplemental Analysis

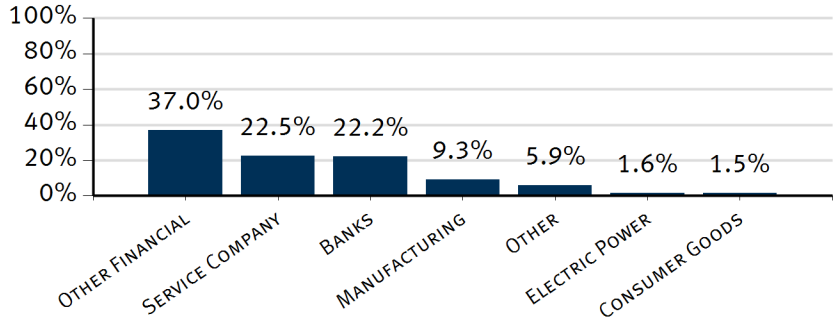
Corporate Portfolio - Analytics by Moody's Rating

	Mkt %	Market Value	Projected Yield At Book									Average Life									% Change in Market Value							
			-400	-300	-200	-100	Base	+100	+200	+300	+400	-400	-300	-200	-100	Base	+100	+200	+300	+400	-400	-300	-200	-100	+100	+200	+300	+400
Aa1	14.0%	4,403,138		4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35		2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4		7.0	4.6	2.3	-2.2	-4.4	-6.5	-8.5
Aa2	10.9%	3,332,298		4.18	4.18	4.18	4.18	4.18	4.18	4.18	4.18		2.7	2.7	3.9	3.9	3.9	3.9	3.9	3.9		9.4	6.5	3.3	-3.3	-6.5	-9.6	-12.5
Aa3	19.3%	5,936,875		4.08	4.08	4.08	4.08	4.08	4.08	4.08	4.08		3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1		8.9	5.8	2.9	-2.8	-5.4	-8.0	-10.5
A1	46.6%	14,408,930		4.21	4.21	4.21	4.21	4.21	4.21	4.21	4.21		2.7	2.7	3.3	3.5	3.5	3.5	3.5	3.5		8.5	5.8	3.0	-3.0	-5.9	-8.8	-11.5
A2	5.9%	1,871,887		9.61	9.40	7.10	7.10	7.10	7.10	7.10	7.10		2.2	2.2	2.3	2.3	2.3	2.3	2.3	2.3		6.5	4.3	2.1	-2.1	-4.1	-6.0	-7.9
A3	1.6%	494,911		13.88	13.88	10.38	10.38	10.38	10.38	10.38	10.38		0.5	0.5	0.8	0.8	0.8	0.8	0.8	0.8		1.9	1.4	0.7	-0.7	-1.4	-2.2	-2.9
Not Rated	1.6%	489,803		3.76	3.76	3.76	3.76	3.76	3.76	3.76	3.76		2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9		8.3	5.5	2.7	-2.6	-5.1	-7.6	-9.9
Total	**100.0%**	**30,937,841**		**4.65**	**4.64**	**4.45**	**4.45**	**4.45**	**4.45**	**4.45**	**4.45**		**2.7**	**2.7**	**3.1**	**3.2**	**3.2**	**3.2**	**3.2**	**3.2**		**8.3**	**5.6**	**2.8**	**-2.8**	**-5.5**	**-8.1**	**-10.6**

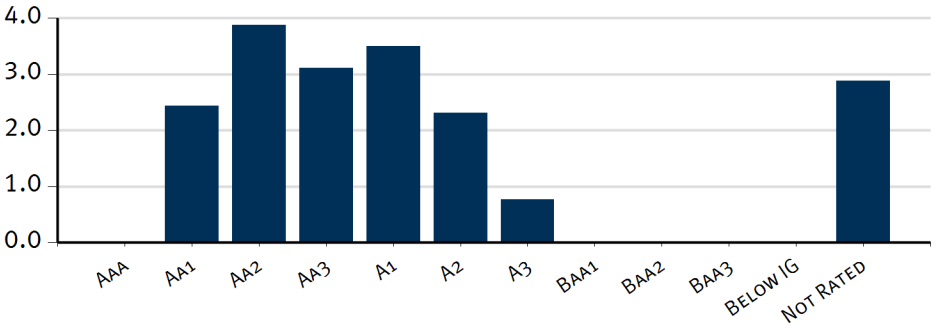
Corporate Sector - Allocation by Moody's Rating



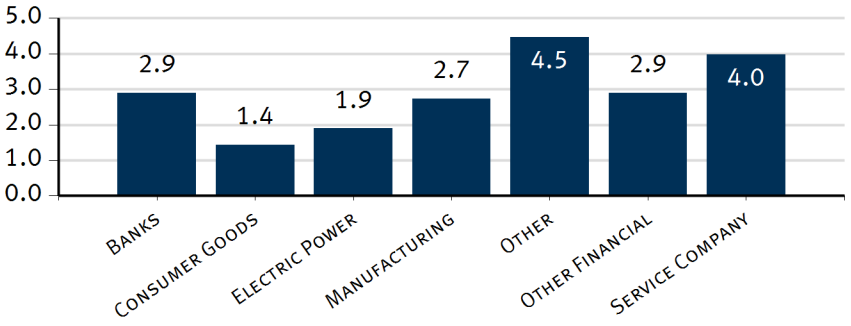
Corporate Sector - Allocation by Industry



Corporate Sector - Weighted Avg Life by Moody's Rating



Corporate Sector - Weighted Avg Life by Industry



Sector Supplemental Analysis

Key Portfolio Sorts

Top 10 Up 300 Market Value Changes (%)

CUSIP	Sector	Description	Cpn	Maturity	Par Value	Book Price	Mkt Price	G/L	Yld @ Book	WAL	% Px Δ +300	$ Amt Δ +300	G/L +300	Eff Dur	INT
38151GAJ0	Other	GOLDMAN SACHS BK CD	4.10	03/12/31	2,000,000	100.00	94.36	-112,897	4.10	4.5	-11.2	-210,838	-323,736	4.0	AFS
023135DD5	Services	AMZN 4.25 03/13/31	4.25	03/13/31	1,500,000	99.68	95.14	-68,097	4.33	4.5	-11.1	-158,856	-226,953	4.0	AFS
02079KBK2	Services	GOOGL 4.1 02/15/31	4.10	02/15/31	1,000,000	100.60	94.92	-56,772	3.95	4.4	-11.0	-104,544	-161,316	3.9	AFS
3134HCXZ7	Callable Agency	FHLMC 3.7 03/10/31	3.70	03/10/31	2,000,000	99.40	94.47	-98,510	3.85	4.5	-10.9	-206,487	-304,997	3.6	AFS
91282CJQ5	Treasury	USTN 3.75 12/31/30	3.75	12/31/30	1,000,000	99.59	95.23	-43,594	3.85	4.3	-10.8	-103,289	-146,884	3.9	AFS
89236TPH2	Finance	TOYOM 4.2 01/10/31	4.20	01/10/31	1,000,000	99.83	95.47	-43,584	4.24	4.3	-10.8	-103,120	-146,704	3.9	AFS
3130BAGD3	Callable Agency	FHLB 4.2 04/23/31	4.20	04/23/31	2,000,000	100.00	96.20	-76,062	4.20	4.6	-10.8	-206,910	-282,972	3.3	AFS
95004HBB3	Finance	WFC 4.15 02/12/31	4.15	02/12/31	2,000,000	100.00	94.16	-116,772	4.15	4.4	-10.7	-202,198	-318,970	3.6	AFS
46660NBS1	Finance	JPM 4.875 05/12/31	4.88	05/12/31	2,000,000	100.00	96.50	-69,964	4.87	4.6	-10.5	-203,372	-273,336	3.1	AFS
023135CT1	Services	AMZN 4.1 11/20/30	4.10	11/20/30	1,500,000	100.70	95.18	-82,820	3.91	4.2	-10.5	-149,881	-232,700	3.7	AFS
			4.16		16,000,000	99.96	95.16	-769,072	4.17	4.4	-10.8	-1,649,496	-2,418,568	3.6	

Top 10 Up 300 Market Value Changes ($)

CUSIP	Sector	Description	Cpn	Maturity	Par Value	Book Price	Mkt Price	G/L	Yld @ Book	WAL	% Px Δ +300	$ Amt Δ +300	G/L +300	Eff Dur	INT
91282CFY2	Treasury	USTN 3.875 11/30/29	3.88	11/30/29	5,000,000	98.84	96.76	-104,194	4.27	3.2	-8.4	-404,757	-508,952	2.9	AFS
3136GCCY9	Callable Agency	FNMA 4 01/06/31	4.00	01/06/31	4,000,000	100.00	95.71	-171,692	4.00	4.3	-10.4	-396,988	-568,680	3.3	AFS
91282CFT3	Treasury	USTN 4 10/31/29	4.00	10/31/29	5,000,000	99.77	97.21	-127,578	4.08	3.1	-8.2	-396,457	-524,035	2.9	AFS
91282CFL0	Treasury	USTN 3.875 09/30/29	3.88	09/30/29	5,000,000	99.54	96.95	-129,829	4.04	3.0	-8.0	-386,216	-516,045	2.8	AFS
PALM1LAIF	Cash & Other	STATE OF CALIFORNIA LOCAL	3.83	10/31/26	126,343,897	100.00	100.00		3.80	0.1	-0.3	-320,282	-320,282	0.1	AFS
91282CPA3	Treasury	USTN 3.625 09/30/30	3.63	09/30/30	3,000,000	100.52	95.06	-163,713	3.49	4.0	-10.3	-293,993	-457,707	3.7	AFS
3134HADY6	Callable Agency	FHLMC 4 08/14/29	4.00	08/14/29	4,000,000	98.65	97.06	-63,652	4.50	2.9	-7.4	-287,294	-350,946	2.3	AFS
3133ET5K9	Callable Agency	FFCB 4.07 06/26/30	4.07	06/26/30	3,000,000	99.95	96.42	-105,933	4.08	3.8	-9.2	-264,965	-370,898	2.8	AFS
3136GAGW3	Agency Bullet	FNMA 4.1 08/10/28	4.10	08/10/28	5,000,000	100.00	98.56	-72,130	4.10	1.9	-5.1	-252,977	-325,107	1.8	AFS
91282CGB1	Treasury	USTN 3.875 12/31/29	3.88	12/31/29	3,000,000	98.33	96.70	-48,857	4.43	3.3	-8.6	-248,416	-297,274	3.0	AFS
			3.86		163,343,897	99.89	99.28	-987,579	3.87	0.8	-2.0	-3,252,345	-4,239,924	0.7	

Sector Supplemental Analysis

Key Portfolio Sorts

Top 10 Marked To Market Up 300 Loss Positions

CUSIP	Sector	Description	Cpn	Maturity	Par Value	Book Price	Mkt Price	G/L	Yld @ Book	WAL	% Px Δ +300	$ Amt Δ +300	G/L +300	Eff Dur	INT
3136GCCY9	Callable Agency	FNMA 4 01/06/31	4.00	01/06/31	4,000,000	100.00	95.71	-171,692	4.00	4.3	-10.4	-396,988	-568,680	3.3	AFS
91282CFT3	Treasury	USTN 4 10/31/29	4.00	10/31/29	5,000,000	99.77	97.21	-127,578	4.08	3.1	-8.2	-396,457	-524,035	2.9	AFS
91282CFL0	Treasury	USTN 3.875 09/30/29	3.88	09/30/29	5,000,000	99.54	96.95	-129,829	4.04	3.0	-8.0	-386,216	-516,045	2.8	AFS
91282CFY2	Treasury	USTN 3.875 11/30/29	3.88	11/30/29	5,000,000	98.84	96.76	-104,194	4.27	3.2	-8.4	-404,757	-508,952	2.9	AFS
91282CPA3	Treasury	USTN 3.625 09/30/30	3.63	09/30/30	3,000,000	100.52	95.06	-163,713	3.49	4.0	-10.3	-293,993	-457,707	3.7	AFS
3133ET5K9	Callable Agency	FFCB 4.07 06/26/30	4.07	06/26/30	3,000,000	99.95	96.42	-105,933	4.08	3.8	-9.2	-264,965	-370,898	2.8	AFS
3134HADY6	Callable Agency	FHLMC 4 08/14/29	4.00	08/14/29	4,000,000	98.65	97.06	-63,652	4.50	2.9	-7.4	-287,294	-350,946	2.3	AFS
3136GAGW3	Agency Bullet	FNMA 4.1 08/10/28	4.10	08/10/28	5,000,000	100.00	98.56	-72,130	4.10	1.9	-5.1	-252,977	-325,107	1.8	AFS
38151GAJ0	Other	GOLDMAN SACHS BK CD	4.10	03/12/31	2,000,000	100.00	94.36	-112,897	4.10	4.5	-11.2	-210,838	-323,736	4.0	AFS
PALM1LAIF	Cash & Other	STATE OF CALIFORNIA LOCAL	3.83	10/31/26	126,343,897	100.00	100.00		3.80	0.1	-0.3	-320,282	-320,282	0.1	AFS
			3.86		162,343,897	99.92	99.27	-1,051,619	3.86	0.8	-2.0	-3,214,767	-4,266,386	0.7	

Top 10 Average Life Extension Up 300bps

CUSIP	Sector	Description	Cpn	Maturity	Par Value	Book Price	Mkt Price	G/L	Yld @ Book	% Px Δ +300	Eff Dur	WAL	WAL +300	Chg in WAL	INT
3130BBP41	Callable Agency	FHLB 5.08 08/11/31	5.08	08/11/31	1,000,000	100.00	98.57	-14,269	5.08	-9.9	2.4	4.3	4.9	0.6	AFS
3130BCAL7	Callable Agency	FHLB 5 09/28/29	5.00	09/28/29	2,000,000	100.00	99.51	-9,768	5.00	-6.9	1.9	2.5	3.0	0.5	AFS
3130BA4X2	Callable Agency	FHLB 4.75 04/14/31	4.75	04/14/31	1,520,000	100.00	97.92	-31,651	4.75	-9.9	2.6	4.3	4.6	0.2	AFS
3130BB6W0	Callable Agency	FHLB 4.35 12/21/28	4.35	12/21/28	2,000,000	100.00	98.52	-29,616	4.35	-5.8	1.7	2.2	2.2	0.0	AFS
3130BBAN5	Callable Agency	FHLB 4.5 06/15/29	4.50	06/15/29	2,000,000	100.00	98.34	-33,258	4.50	-6.8	2.0	2.7	2.7	0.0	AFS
3130BBN76	Callable Agency	FHLB 4.75 01/29/30	4.75	01/29/30	1,000,000	100.00	98.48	-15,244	4.75	-7.8	2.1	3.4	3.4	0.0	AFS
3136GCCY9	Callable Agency	FNMA 4 01/06/31	4.00	01/06/31	4,000,000	100.00	95.71	-171,692	4.00	-10.4	3.3	4.3	4.3	0.0	AFS
3133ET5K9	Callable Agency	FFCB 4.07 06/26/30	4.07	06/26/30	3,000,000	99.95	96.42	-105,933	4.08	-9.2	2.8	3.8	3.8	0.0	AFS
3130B9RD4	Callable Agency	FHLB 4 09/10/29	4.00	09/10/29	2,000,000	100.00	96.98	-60,306	4.00	-7.6	2.4	3.0	3.0	0.0	AFS
3130B8BF8	Callable Agency	FHLB 3.95 11/06/30	3.95	11/06/30	830,000	100.37	95.51	-40,357	3.85	-10.0	3.2	4.1	4.1	0.0	AFS
			4.35		19,350,000	100.01	97.36	-512,094	4.35	-8.4	2.5	3.5	3.6	0.1	

CUSIP Details

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CUSIP Details

Security Details - Treasury/Agency Sector

					Coupon										% Price Change			
CUSIP	FAS	Description	Structure	Current	Type	Rate	Next Step	Maturity	Book Price	Yld @ Book	Mkt Price	Gain/Loss	G/L %	Avg Life	-100	+100	+300	Eff Dur
3130AL5A8	AFS	FHLB 0.9 02/26/27	Callable	5,000,000	Fixed	0.900		2/26/27	89.58		98.50	445,870	10.0%	0.4	0.4	-0.4	-1.2	0.4
3130AQRH8	AFS	FHLB 2 02/25/27	Callable	5,000,000	Fixed	2.000		2/25/27	91.81	24.55	98.96	357,505	7.8%	0.4	0.4	-0.4	-1.2	0.4
3130ARHJ3	AFS	FHLB 3.175 04/19/27	Callable	5,000,000	Fixed	3.180		4/19/27	96.03	10.76	99.24	160,865	3.4%	0.6	0.5	-0.5	-1.6	0.5
3130B3XP3	AFS	FHLB 4.5 12/04/29	Callable	1,000,000	Fixed	4.500		12/4/29	100.00	4.50	98.44	(15,642)	-1.6%	3.2	1.7	-2.8	-8.3	2.3
3130B4RC7	AFS	FHLB 4.5 07/27/29	Callable	3,000,000	Fixed	4.500		7/27/29	100.00	4.50	98.51	(44,733)	-1.5%	2.8	1.8	-2.3	-7.2	2.1
3130B8BF8	AFS	FHLB 3.95 11/06/30	Callable	830,000	Fixed	3.950		11/6/30	100.37	3.85	95.51	(40,357)	-4.8%	4.1	3.0	-3.3	-10.0	3.2
3130B9RD4	AFS	FHLB 4 09/10/29	Callable	2,000,000	Fixed	4.000		9/10/29	100.00	4.00	96.98	(60,306)	-3.0%	3.0	2.2	-2.5	-7.6	2.4
3130B9WM8	AFS	FHLB 4 03/14/28	Callable	2,500,000	Fixed	4.000		3/14/28	100.00	4.00	98.89	(27,855)	-1.1%	1.5	1.1	-1.3	-4.0	1.2
3130BA4X2	AFS	FHLB 4.75 04/14/31	Callable	1,520,000	Fixed	4.750		4/14/31	100.00	4.75	97.92	(31,651)	-2.1%	4.3	2.1	-3.0	-9.9	2.6
3130BAGD3	AFS	FHLB 4.2 04/23/31	Callable	2,000,000	Fixed	4.200		4/23/31	100.00	4.20	96.20	(76,062)	-3.8%	4.6	3.0	-3.5	-10.8	3.3
3130BAW52	AFS	FHLB 4.32 12/15/28	Callable	1,890,000	Fixed	4.320		12/15/28	100.00	4.32	98.47	(28,847)	-1.5%	2.2	1.5	-1.9	-5.8	1.7
3130BB6W0	AFS	FHLB 4.35 12/21/28	Callable	2,000,000	Fixed	4.350		12/21/28	100.00	4.35	98.52	(29,616)	-1.5%	2.3	1.5	-1.9	-5.8	1.7
3130BBAN5	AFS	FHLB 4.5 06/15/29	Callable	2,000,000	Fixed	4.500		6/15/29	100.00	4.50	98.34	(33,258)	-1.7%	2.7	1.8	-2.2	-6.8	2.0
3130BBN76	AFS	FHLB 4.75 01/29/30	Callable	1,000,000	Fixed	4.750		1/29/30	100.00	4.75	98.48	(15,244)	-1.5%	3.4	1.7	-2.4	-7.8	2.1
3130BBP41	AFS	FHLB 5.08 08/11/31	Callable	1,000,000	Fixed	5.080		8/11/31	100.00	5.08	98.57	(14,269)	-1.4%	4.3	1.8	-2.9	-9.9	2.4
3130BCAL7	AFS	FHLB 5 09/28/29	Callable	2,000,000	Fixed	5.000		9/28/29	100.00	5.00	99.51	(9,768)	-0.5%	2.5	1.6	-2.1	-6.9	1.9
3133ENJC5	AFS	FFCB 1.29 12/22/26	Callable	5,000,000	Fixed	1.290		12/22/26	100.00	1.29	99.27	(36,345)	-0.7%	0.3	0.2	-0.2	-0.7	0.2
3133ERE23	AFS	FFCB 4.32 12/02/27	Callable	1,000,000	Fixed	4.320		12/2/27	100.00	4.32	99.54	(4,594)	-0.5%	1.2	0.6	-1.0	-3.2	0.8
3133ET5K9	AFS	FFCB 4.07 06/26/30	Callable	3,000,000	Fixed	4.070		6/26/30	99.95	4.08	96.42	(105,933)	-3.5%	3.8	2.6	-3.0	-9.2	2.8
3133ETXV4	AFS	FFCB 3.83 09/15/28	Callable	1,400,000	Fixed	3.830		9/15/28	100.17	3.74	97.85	(32,480)	-2.3%	2.0	1.6	-1.8	-5.3	1.7
3133EWFX3	AFS	FFCB 3.7 03/05/29	Callable	2,000,000	Fixed	3.700		3/5/29	99.85	3.76	96.88	(59,382)	-3.0%	2.5	2.0	-2.2	-6.5	2.1
3133EWMX5	AFS	FFCB 4.03 04/30/29	Callable	2,000,000	Fixed	4.030		4/30/29	100.00	4.03	97.39	(52,234)	-2.6%	2.6	2.0	-2.2	-6.7	2.1
3133EWPC8	AFS	FFCB 4.3 11/12/30	Callable	2,000,000	Fixed	4.300		11/12/30	100.00	4.30	96.63	(67,396)	-3.4%	4.1	2.9	-3.2	-9.8	3.1
3133EWTU4	AFS	FFCB 4.16 06/22/28	Callable	1,000,000	Fixed	4.160		6/22/28	99.50	4.46	98.77	(7,331)	-0.7%	1.8	1.3	-1.5	-4.7	1.4
3134GW4C7	AFS	FHLMC 0.8 10/27/26	Callable	5,000,000	Fixed	0.800		10/27/26	90.79		99.69	445,080	9.8%	0.1	0.1	-0.1	-0.2	0.1
3134HADY6	AFS	FHLMC 4 08/14/29	Callable	4,000,000	Fixed	4.000		8/14/29	98.65	4.50	97.06	(63,652)	-1.6%	2.9	2.2	-2.5	-7.4	2.3
3134HCE96	AFS	FHLMC 4.21 02/26/29	Callable	1,500,000	Fixed	4.210		2/26/29	100.00	4.21	98.02	(29,720)	-2.0%	2.4	1.7	-2.0	-6.2	1.9
3134HCV48	AFS	FHLMC 4.25 05/25/29	Callable	2,000,000	Fixed	4.250		5/25/29	100.00	4.25	97.83	(43,332)	-2.2%	2.7	1.9	-2.2	-6.8	2.1
3134HCXZ7	AFS	FHLMC 3.7 03/10/31	Callable	2,000,000	Fixed	3.700		3/10/31	99.40	3.85	94.47	(98,510)	-5.0%	4.5	3.5	-3.7	-10.9	3.6
3135G05Y5	AFS	FNMA 0.75 10/08/27	Bullet	2,000,000	Fixed	0.750		10/8/27	94.88	5.99	96.15	25,418	1.3%	1.0	1.0	-1.0	-2.9	1.0
3136GAGW3	AFS	FNMA 4.1 08/10/28	Callable	5,000,000	Fixed	4.100		8/10/28	100.00	4.10	98.56	(72,130)	-1.4%	1.9	1.8	-1.8	-5.1	1.8
3136GCCY9	AFS	FNMA 4 01/06/31	Callable	4,000,000	Fixed	4.000		1/6/31	100.00	4.00	95.71	(171,692)	-4.3%	4.3	3.1	-3.4	-10.4	3.3
912828YX2	AFS	USTN 1.75 12/31/26	Bullet	5,000,000	Fixed	1.750		12/31/26	93.94		99.37	271,675	5.8%	0.3	0.3	-0.3	-0.7	0.3
91282CEV9	AFS	USTN 3.25 06/30/29	Bullet	1,000,000	Fixed	3.250		6/30/29	98.53	3.82	95.62	(29,141)	-3.0%	2.8	2.6	-2.5	-7.4	2.6
91282CEW7	AFS	USTN 3.25 06/30/27	Bullet	5,000,000	Fixed	3.250		6/30/27	97.95	6.08	99.08	56,276	1.1%	0.8	0.7	-0.7	-2.2	0.7
91282CFL0	AFS	USTN 3.875 09/30/29	Bullet	5,000,000	Fixed	3.880		9/30/29	99.54	4.04	96.95	(129,829)	-2.6%	3.0	2.8	-2.7	-8.0	2.8
91282CFM8	AFS	USTN 4.125 09/30/27	Bullet	2,500,000	Fixed	4.130		9/30/27	100.95	3.15	99.53	(35,589)	-1.4%	1.0	1.0	-1.0	-2.8	1.0
91282CFT3	AFS	USTN 4 10/31/29	Bullet	5,000,000	Fixed	4.000		10/31/29	99.77	4.08	97.21	(127,578)	-2.6%	3.1	2.9	-2.8	-8.2	2.9
91282CFY2	AFS	USTN 3.875 11/30/29	Bullet	5,000,000	Fixed	3.880		11/30/29	98.84	4.27	96.76	(104,194)	-2.1%	3.2	3.0	-2.9	-8.4	2.9
91282CFZ9	AFS	USTN 3.875 11/30/27	Bullet	3,000,000	Fixed	3.880		11/30/27	99.63	4.20	99.07	(16,523)	-0.6%	1.2	1.1	-1.1	-3.3	1.1
91282CGB1	AFS	USTN 3.875 12/31/29	Bullet	3,000,000	Fixed	3.880		12/31/29	98.33	4.43	96.70	(48,857)	-1.7%	3.3	3.1	-3.0	-8.6	3.0
91282CGH8	AFS	USTN 3.5 01/31/28	Bullet	2,000,000	Fixed	3.500		1/31/28	99.22	4.11	98.38	(16,876)	-0.9%	1.4	1.3	-1.3	-3.8	1.3
91282CGQ8	AFS	USTN 4 02/28/30	Bullet	1,000,000	Fixed	4.000		2/28/30	100.88	3.72	96.94	(39,375)	-3.9%	3.4	3.2	-3.1	-8.9	3.1
91282CJA0	AFS	USTN 4.625 09/30/28	Bullet	1,000,000	Fixed	4.630		9/30/28	100.09	4.58	99.48	(6,094)	-0.6%	2.0	1.9	-1.9	-5.5	1.9
91282CJQ5	AFS	USTN 3.75 12/31/30	Bullet	1,000,000	Fixed	3.750		12/31/30	99.59	3.85	95.23	(43,594)	-4.4%	4.3	4.0	-3.8	-10.8	3.9

CUSIP Details

Security Details - Treasury/Agency Sector

					Coupon									% Price Change			
CUSIP	FAS	Description	Structure	Current	Type	Rate	Next Step	Maturity	Book Price	Yld @ Book	Mkt Price	Gain/Loss	G/L %	Avg Life	-100	+100	+300	Eff Dur
91282CMF5	AFS	USTN 4.25 01/15/28	Bullet	3,000,000	Fixed	4.250		1/15/28	99.41	4.72	99.37	(1,173)	0.0%	1.3	1.3	-1.2	-3.6	1.2
91282CMN8	AFS	USTN 4.25 02/15/28	Bullet	1,000,000	Fixed	4.250		2/15/28	99.91	4.32	99.31	(5,977)	-0.6%	1.4	1.3	-1.3	-3.9	1.3
91282CMN8	AFS	USTN 4.25 02/15/28	Bullet	1,000,000	Fixed	4.250		2/15/28	99.69	4.48	99.31	(3,789)	-0.4%	1.4	1.3	-1.3	-3.9	1.3
91282CMW8	AFS	USTN 3.75 04/15/28	Bullet	2,000,000	Fixed	3.750		4/15/28	100.09	3.68	98.42	(33,439)	-1.7%	1.6	1.5	-1.5	-4.3	1.5
91282CND9	AFS	USTN 3.75 05/15/28	Bullet	2,000,000	Fixed	3.750		5/15/28	99.69	3.95	98.31	(27,500)	-1.4%	1.6	1.6	-1.5	-4.5	1.6
91282CNV9	AFS	UST 3.625 08/31/27	Bullet	1,000,000	Fixed	3.630		8/31/27	99.41	4.29	99.14	(2,618)	-0.3%	0.9	0.9	-0.9	-2.6	0.9
91282CPA3	AFS	USTN 3.625 09/30/30	Bullet	3,000,000	Fixed	3.630		9/30/30	100.52	3.49	95.06	(163,713)	-5.4%	4.0	3.7	-3.6	-10.3	3.7
91282CPC9	AFS	USTN 3.5 10/15/28	Bullet	2,000,000	Fixed	3.500		10/15/28	99.02	4.01	97.30	(34,375)	-1.7%	2.1	2.0	-1.9	-5.6	1.9
91282CPK1	AFS	USTN 3.5 11/15/28	Bullet	2,000,000	Fixed	3.500		11/15/28	99.89	3.55	97.17	(54,375)	-2.7%	2.2	2.0	-2.0	-5.8	2.0
91282CRB9	AFS	USTN 4.25 07/31/28	Bullet	1,000,000	Fixed	4.250		7/31/28	99.44	4.57	98.92	(5,195)	-0.5%	1.9	1.8	-1.7	-5.1	1.7
TOTAL		**TSY/AGENCY**		**138,140,000**		**3.451**		**10/30/28**	**98.29**		**97.97**	**(439,447)**	**-0.3%**	**2.1**	**1.7**	**-1.8**	**-5.4**	**1.7**

CUSIP Details

Security Details - Corporate Sector

									Rating								% Price Change			
CUSIP	FAS	Ticker	Current	Cpn	Maturity	Industry	Call Date	Next Reset	S&P	Mdy	Book Price	Yld @ Book	Mkt Price	Gain/Loss	G/L %	Avg Life	-100	+100	+300	Eff Dur
02079KBK2	AFS	GOOGL	1,000,000	4.100	2/15/31	Services	1/15/31		AA+	Aa2	100.60	3.95	94.92	(56,772)	-5.6%	4.4	4.0	-3.8	-11.0	3.9
023135CG9	AFS	AMZN	1,000,000	3.450	4/13/29	Services	2/13/29		AA	A1	98.85	3.93	95.85	(30,005)	-3.0%	2.6	2.4	-2.3	-6.8	2.4
023135CT1	AFS	AMZN	1,500,000	4.100	11/20/30	Services	10/20/30		AA	A1	100.70	3.91	95.18	(82,820)	-5.5%	4.2	3.8	-3.6	-10.5	3.7
023135DD5	AFS	AMZN	1,500,000	4.250	3/13/31	Services	2/13/31		AA	A1	99.68	4.33	95.14	(68,097)	-4.6%	4.5	4.1	-3.9	-11.1	4.0
06055JQF9	AFS	BAC	2,000,000	4.050	2/23/29	Finance	2/23/27		A-	A1	100.00	4.08	96.97	(60,634)	-3.0%	2.4	2.0	-2.1	-6.3	2.0
06406RBK2	AFS	BNY	1,000,000	4.600	7/26/30	Finance	7/26/29		A	Aa3	102.20	3.77	97.94	(42,513)	-4.2%	2.8	2.7	-2.6	-7.5	2.6
06406RBN6	AFS	BNY	656,000	4.540	2/1/29	Finance	2/1/28		A	Aa3	101.08	3.70	99.15	(12,719)	-1.9%	1.4	1.3	-1.3	-3.7	1.3
22550L2K6	AFS	UBSG	500,000	5.000	7/9/27	Finance			A+	Aa2	100.18	4.75	99.97	(1,069)	-0.2%	0.8	0.8	-0.7	-2.2	0.8
30303MAB8	AFS	META	1,500,000	4.200	11/15/30	Services	10/15/30		AA-	Aa3	100.70	4.01	95.19	(82,700)	-5.5%	4.2	3.8	-3.6	-10.4	3.7
38151GAJ0	AFS		2,000,000	4.100	3/12/31				A+	A1	100.00	4.10	94.36	(112,897)	-5.6%	4.5	4.1	-3.9	-11.2	4.0
46647PBD7	AFS	JPM	1,500,000	3.700	5/6/30	Finance	5/6/29		A	A1	98.87	4.17	95.66	(48,024)	-3.2%	2.6	2.5	-2.4	-7.0	2.4
46660NBS1	AFS	JPM	2,000,000	4.880	5/12/31	Finance	5/12/27		A	A1	100.00	4.87	96.50	(69,964)	-3.5%	4.6	2.9	-3.4	-10.5	3.1
57629TBX4	AFS	MMGFB	1,500,000	4.550	5/7/30	Finance			AA+	Aa3	100.48	4.40	96.78	(55,535)	-3.7%	3.6	3.3	-3.2	-9.3	3.3
59217GEZ8	AFS	METLF	1,500,000	3.300	3/21/29	Finance			AA-	Aa3	97.90	4.20	95.17	(40,929)	-2.8%	2.5	2.4	-2.3	-6.7	2.3
6174468G7	AFS	MS	1,000,000	4.430	1/23/30	Finance	1/23/29		A-	A1	100.70	4.11	97.77	(29,344)	-2.9%	2.3	2.2	-2.1	-6.2	2.2
64952WFP3	AFS	NYLIN	1,500,000	4.150	7/25/28	Finance			AA+	Aa1	100.07	4.11	98.13	(29,156)	-1.9%	1.8	1.7	-1.7	-5.0	1.7
67066GAQ7	AFS	NVDA	3,000,000	4.350	6/15/29	Industrial	5/15/29		AA	Aa1	99.69	4.47	97.71	(59,457)	-2.0%	2.7	2.5	-2.5	-7.2	2.5
718172CE7	AFS	PM	500,000	3.130	3/2/28	Industrial	12/2/27		A-	A2	94.88	6.97	97.34	12,297	2.6%	1.4	1.4	-1.4	-4.0	1.4
75973QAA5	AFS	RNR	500,000	3.450	7/1/27	Finance	4/1/27			A3	95.09	10.38	98.98	19,441	4.1%	0.8	0.7	-0.7	-2.2	0.7
797440CE2	AFS	SRE	500,000	4.950	8/15/28	Utility	7/15/28		A	A1	101.87	3.90	99.72	(10,751)	-2.1%	1.9	1.8	-1.7	-5.1	1.7
808513BW4	AFS	SCHW	500,000	3.300	4/1/27	Finance	1/1/27		A-	A2	95.88	11.99	99.35	17,383	3.6%	0.5	0.5	-0.5	-1.5	0.5
89236TMK8	AFS	TOYOM	500,000	4.550	8/9/29	Finance					102.12	3.76	97.96	(20,785)	-4.1%	2.9	2.7	-2.6	-7.6	2.6
89236TPH2	AFS	TOYOM	1,000,000	4.200	1/10/31	Finance			A+	A1	99.83	4.24	95.47	(43,584)	-4.4%	4.3	3.9	-3.8	-10.8	3.9
89236TPQ2	AFS	TOYOM	1,000,000	4.050	3/13/29	Finance			A+	A1	99.76	4.15	97.33	(24,336)	-2.4%	2.5	2.3	-2.3	-6.6	2.3
91324PDX7	AFS	UNH	1,000,000	2.000	5/15/30	Services			A+	A2	91.42	4.60	88.84	(25,791)	-2.8%	3.6	3.5	-3.3	-9.7	3.4
95004HBB3	AFS	WFC	2,000,000	4.150	2/12/31	Finance	2/12/29		A+	Aa2	100.00	4.15	94.16	(116,772)	-5.8%	4.4	3.6	-3.7	-10.7	3.6
TOTAL		**CORPORAT**	**32,156,000**	**4.098**	**1/17/30**		**2/19/29**				**99.56**	**4.45**	**96.21**	**(1,075,529)**	**-3.4%**	**3.2**	**2.8**	**-2.8**	**-8.1**	**2.8**

CUSIP Details

Security Details - CD Sector

CUSIP	FAS	Description	Current	Cpn	Maturity	Call Date	Book Price	Yld @ Book	Mkt Price	Gain/Loss	G/L %	Avg Life	% Price Change -100	% Price Change +100	% Price Change +300	Eff Dur
05612LLE0	AFS	BMWG 4.25 12/18/28	250,000	4.250	12/18/28		100.00	4.25	99.52	(1,204)	-0.5%	2.2	2.1	-2.1	-6.0	2.1
09582YAV4	AFS	BRBS 4.2 12/28/27	240,000	4.200	12/28/27		100.40	3.87	99.87	(1,266)	-0.5%	1.3	1.2	-1.2	-3.5	1.2
17290G5W3	AFS	C 4.5 06/30/29 CD	250,000	4.500	6/30/29		100.00	4.50	98.51	(3,738)	-1.5%	2.8	2.6	-2.5	-7.3	2.6
178180HL2	AFS	RY 3.85 02/14/28	250,000	3.850	2/14/28		100.00	3.86	99.33	(1,674)	-0.7%	1.4	1.3	-1.3	-3.9	1.3
33622PAP8	AFS	OLMST 3.9 02/20/29	250,000	3.900	2/20/29	11/20/26	100.00	3.94	97.85	(5,382)	-2.2%	2.4	1.7	-2.0	-6.2	1.9
38151GBA8	AFS	GOLDMAN SACHS BANK USA	2,000,000	5.000	8/13/29	5/15/28	100.00	5.00	98.90	(21,980)	-1.1%	2.9	2.1	-2.3	-7.1	2.2
46659CSR2	AFS	JPM 4 01/14/31	250,000	4.000	1/14/31	1/14/27	100.00	3.96	95.79	(10,537)	-4.2%	4.3	3.0	-3.4	-10.4	3.2
53229WAE3	AFS	LGHOF 4.4 06/18/29	250,000	4.400	6/18/29	12/8/26	100.00	4.44	98.74	(3,156)	-1.3%	2.7	1.3	-2.0	-6.5	1.7
61776N2D4	AFS	MS 3.8 03/12/29	250,000	3.800	3/12/29		100.00	3.80	98.39	(4,030)	-1.6%	2.5	2.3	-2.3	-6.7	2.3
61778EQC8	AFS	MS 3.95 02/25/30	250,000	3.950	2/25/30		100.00	3.96	97.91	(5,220)	-2.1%	3.4	3.2	-3.1	-8.9	3.2
65504UAM9	AFS	NOBLF 4.1 06/12/28	250,000	4.100	6/12/28		100.00	4.14	99.55	(1,119)	-0.4%	1.7	1.6	-1.6	-4.7	1.6
77357DAN8	AFS	ROCKN 4.25 12/30/27	250,000	4.250	12/30/27		100.00	4.29	99.97	(63)	0.0%	1.3	1.2	-1.2	-3.5	1.2
89235MPP0	AFS	TOYOM 4.65 06/13/29	245,000	4.650	6/13/29		100.00	4.65	100.32	775	0.3%	2.7	2.6	-2.5	-7.2	2.5
949764XV1	AFS	WFC 4.2 06/20/28	250,000	4.200	6/20/28		100.00	4.24	99.71	(730)	-0.3%	1.7	1.6	-1.6	-4.7	1.6
TOTAL		**CD**	**5,235,000**	**4.479**	**4/12/29**	**12/25/27**	**100.02**	**4.47**	**98.88**	**(59,320)**	**-1.1%**	**2.6**	**2.0**	**-2.2**	**-6.5**	**2.1**

CUSIP Details

Security Details - Other Sector

					Coupon									% Price Change			
CUSIP	FAS	Description	Structure	Current	Type	Rate	Next Step	Maturity	Book Price	Yld @ Book	Mkt Price	Gain/Loss	G/L %	Avg Life	-100	+100	+300	Eff Dur
PALM1CAMP	AFS	CAMP	Bullet	55,648,755	Fixed	3.870		10/31/26	100.00	3.84	100.00	0	0.0%	0.1	0.1	-0.1	-0.3	0.1
PALM1LAIF	AFS	STATE OF CALIFORNIA LOCAL	Bullet	126,343,897		3.830		10/31/26	100.00	3.80	100.00	0	0.0%	0.1	0.1	-0.1	-0.3	0.1
TOTAL		**OTHER**		**181,992,652**		**3.842**		**10/31/26**	**100.00**		**100.00**	**0**	**0.0%**	**0.1**	**0.1**	**-0.1**	**-0.3**	**0.1**

Scenario Yield and Price Analysis

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Scenario Yield and Price Analysis

Interest Rate Risk / Reward - Treasury/Agency Sector

		Book			Projected Yield At Book Price									% Change in Market Price							
CUSIP	Description	Value	Price	Market Price	-400	-300	-200	-100	Base	+100	+200	+300	+400	-400	-300	-200	-100	+100	+200	+300	+400
3130AL5A8	FHLB 0.9 02/26/27	4,479,000	89.58	98.50	n.m.	n.m.	n.m.	n.m.	**n.m.**	n.m.	n.m.	n.m.	n.m.	1.6	1.2	0.8	0.4	-0.4	-0.8	-1.2	-1.6
3130AQRH8	FHLB 2 02/25/27	4,590,640	91.81	98.96	n.m.	n.m.	24.55	24.55	**24.55**	24.55	24.55	24.55	24.55	1.3	1.1	0.8	0.4	-0.4	-0.8	-1.2	-1.6
3130ARHJ3	FHLB 3.175 04/19/27	4,801,355	96.03	99.24	n.m.	n.m.	n.m.	10.76	**10.76**	10.76	10.76	10.76	10.76	0.9	0.9	0.8	0.5	-0.5	-1.1	-1.6	-2.1
3130B3XP3	FHLB 4.5 12/04/29	1,000,000	100.00	98.44	4.47	4.47	4.47	4.47	**4.50**	4.50	4.50	4.50	4.50	2.3	2.2	2.0	1.7	-2.8	-5.6	-8.3	-10.9
3130B4RC7	FHLB 4.5 07/27/29	3,000,000	100.00	98.51	4.49	4.49	4.49	4.49	**4.50**	4.50	4.50	4.50	4.50	4.7	3.9	3.0	1.8	-2.3	-4.8	-7.2	-9.6
3130B8BF8	FHLB 3.95 11/06/30	833,082	100.37	95.51	0.23	0.23	0.23	3.85	**3.85**	3.85	3.85	3.85	3.85	5.1	5.0	4.8	3.0	-3.3	-6.7	-10.0	-13.2
3130B9RD4	FHLB 4 09/10/29	2,000,000	100.00	96.98	4.02	4.02	4.02	4.00	**4.00**	4.00	4.00	4.00	4.00	3.9	3.6	3.4	2.2	-2.5	-5.0	-7.6	-10.0
3130B9WM8	FHLB 4 03/14/28	2,500,000	100.00	98.89	4.02	4.02	4.02	4.00	**4.00**	4.00	4.00	4.00	4.00	1.9	1.7	1.5	1.1	-1.3	-2.7	-4.0	-5.3
3130BA4X2	FHLB 4.75 04/14/31	1,520,000	100.00	97.92	4.70	4.70	4.70	4.75	**4.75**	4.75	4.75	4.75	4.75	2.3	2.3	2.2	2.1	-3.0	-6.4	-9.9	-13.2
3130BAGD3	FHLB 4.2 04/23/31	2,000,000	100.00	96.20	4.20	4.20	4.20	4.20	**4.20**	4.20	4.20	4.20	4.20	6.1	5.5	4.8	3.0	-3.5	-7.2	-10.8	-14.2
3130BAW52	FHLB 4.32 12/15/28	1,890,000	100.00	98.47	4.29	4.29	4.29	4.32	**4.32**	4.32	4.32	4.32	4.32	2.4	2.2	2.0	1.5	-1.9	-3.8	-5.8	-7.7
3130BB6W0	FHLB 4.35 12/21/28	2,000,000	100.00	98.52	4.33	4.33	4.33	4.35	**4.35**	4.35	4.35	4.35	4.35	2.5	2.2	2.0	1.5	-1.9	-3.8	-5.8	-7.7
3130BBAN5	FHLB 4.5 06/15/29	2,000,000	100.00	98.34	4.49	4.49	4.49	4.50	**4.50**	4.50	4.50	4.50	4.50	4.5	3.7	2.9	1.8	-2.2	-4.5	-6.8	-9.0
3130BBN76	FHLB 4.75 01/29/30	1,000,000	100.00	98.48	4.73	4.73	4.73	4.75	**4.75**	4.75	4.75	4.75	4.75	3.0	2.7	2.3	1.7	-2.4	-5.1	-7.8	-10.5
3130BBP41	FHLB 5.08 08/11/31	1,000,000	100.00	98.57	5.06	5.06	5.06	5.06	**5.08**	5.08	5.08	5.08	5.08	3.2	2.8	2.5	1.8	-2.9	-6.3	-9.9	-13.4
3130BCAL7	FHLB 5 09/28/29	2,000,000	100.00	99.51	5.00	5.00	5.00	5.00	**5.00**	5.00	5.00	5.00	5.00	4.9	3.9	2.9	1.6	-2.1	-4.4	-6.9	-9.3
3133ENJC5	FFCB 1.29 12/22/26	5,000,000	100.00	99.27	1.29	1.29	1.29	1.29	**1.29**	1.29	1.29	1.29	1.29	0.7	0.7	0.5	0.2	-0.2	-0.5	-0.7	-0.9
3133ERE23	FFCB 4.32 12/02/27	1,000,000	100.00	99.54	4.29	4.29	4.29	4.29	**4.32**	4.32	4.32	4.32	4.32	1.2	1.0	0.8	0.6	-1.0	-2.1	-3.2	-4.3
3133ET5K9	FFCB 4.07 06/26/30	2,998,500	99.95	96.42	8.66	8.66	8.66	4.09	**4.08**	4.08	4.08	4.08	4.08	3.8	3.8	3.7	2.6	-3.0	-6.1	-9.2	-12.1
3133ETXV4	FFCB 3.83 09/15/28	1,402,404	100.17	97.85	-11.26	-11.26	-11.26	3.74	**3.74**	3.74	3.74	3.74	3.74	2.3	2.2	2.2	1.6	-1.8	-3.5	-5.3	-7.0
3133EWFX3	FFCB 3.7 03/05/29	1,997,000	99.85	96.88	4.05	4.05	3.83	3.76	**3.76**	3.76	3.76	3.76	3.76	4.7	4.2	3.5	2.0	-2.2	-4.3	-6.5	-8.5
3133EWMX5	FFCB 4.03 04/30/29	2,000,000	100.00	97.39	4.03	4.03	4.03	4.03	**4.03**	4.03	4.03	4.03	4.03	4.7	4.1	3.4	2.0	-2.2	-4.5	-6.7	-8.9
3133EWPC8	FFCB 4.3 11/12/30	2,000,000	100.00	96.63	4.30	4.30	4.30	4.30	**4.30**	4.30	4.30	4.30	4.30	9.0	7.3	5.3	2.9	-3.2	-6.5	-9.8	-13.0
3133EWTU4	FFCB 4.16 06/22/28	995,000	99.50	98.77	4.86	4.86	4.86	4.46	**4.46**	4.46	4.46	4.46	4.46	3.9	3.2	2.4	1.3	-1.5	-3.1	-4.7	-6.2
3134GW4C7	FHLMC 0.8 10/27/26	4,539,500	90.79	99.69	n.m.	n.m.	n.m.	n.m.	**n.m.**	n.m.	n.m.	n.m.	n.m.	0.3	0.2	0.2	0.1	-0.1	-0.1	-0.2	-0.3
3134HADY6	FHLMC 4 08/14/29	3,946,000	98.65	97.06	15.61	15.61	15.61	4.50	**4.50**	4.50	4.50	4.50	4.50	3.5	3.4	3.2	2.2	-2.5	-4.9	-7.4	-9.8
3134HCE96	FHLMC 4.21 02/26/29	1,500,000	100.00	98.02	4.21	4.21	4.21	4.21	**4.21**	4.21	4.21	4.21	4.21	3.9	3.4	2.8	1.7	-2.0	-4.2	-6.2	-8.3
3134HCV48	FHLMC 4.25 05/25/29	2,000,000	100.00	97.83	4.24	4.24	4.24	4.25	**4.25**	4.25	4.25	4.25	4.25	4.6	3.9	3.2	1.9	-2.2	-4.5	-6.8	-9.0
3134HCXZ7	FHLMC 3.7 03/10/31	1,988,000	99.40	94.47	5.08	5.08	5.08	3.85	**3.85**	3.85	3.85	3.85	3.85	7.4	6.9	6.0	3.5	-3.7	-7.4	-10.9	-14.4
3135G05Y5	FNMA 0.75 10/08/27	1,897,626	94.88	96.15	5.99	5.99	5.99	5.99	**5.99**	5.99	5.99	5.99	5.99	4.1	3.1	2.0	1.0	-1.0	-2.0	-2.9	-3.9
3136GAGW3	FNMA 4.1 08/10/28	5,000,000	100.00	98.56	4.10	4.10	4.10	4.10	**4.10**	4.10	4.10	4.10	4.10	7.4	5.5	3.6	1.8	-1.8	-3.5	-5.1	-6.8
3136GCCY9	FNMA 4 01/06/31	4,000,000	100.00	95.71	3.98	3.98	3.98	4.00	**4.00**	4.00	4.00	4.00	4.00	5.5	5.2	4.9	3.1	-3.4	-6.9	-10.4	-13.7
912828YX2	USTN 1.75 12/31/26	4,696,880	93.94	99.37	n.m.	n.m.	n.m.	n.m.	**n.m.**	n.m.	n.m.	n.m.	n.m.	1.0	0.8	0.5	0.3	-0.3	-0.5	-0.7	-1.0
91282CEV9	USTN 3.25 06/30/29	985,313	98.53	95.62	3.82	3.82	3.82	3.82	**3.82**	3.82	3.82	3.82	3.82	11.0	8.1	5.3	2.6	-2.5	-5.0	-7.4	-9.7
91282CEW7	USTN 3.25 06/30/27	4,897,630	97.95	99.08	6.08	6.08	6.08	6.08	**6.08**	6.08	6.08	6.08	6.08	3.0	2.2	1.5	0.7	-0.7	-1.4	-2.2	-2.9
91282CFL0	USTN 3.875 09/30/29	4,977,095	99.54	96.95	4.04	4.04	4.04	4.04	**4.04**	4.04	4.04	4.04	4.04	12.0	8.8	5.8	2.8	-2.7	-5.4	-8.0	-10.5
91282CFM8	USTN 4.125 09/30/27	2,523,773	100.95	99.53	3.15	3.15	3.15	3.15	**3.15**	3.15	3.15	3.15	3.15	4.0	3.0	2.0	1.0	-1.0	-1.9	-2.8	-3.8
91282CFT3	USTN 4 10/31/29	4,988,320	99.77	97.21	4.08	4.08	4.08	4.08	**4.08**	4.08	4.08	4.08	4.08	12.3	9.0	5.9	2.9	-2.8	-5.5	-8.2	-10.7
91282CFY2	USTN 3.875 11/30/29	4,942,085	98.84	96.76	4.27	4.27	4.27	4.27	**4.27**	4.27	4.27	4.27	4.27	12.6	9.3	6.1	3.0	-2.9	-5.7	-8.4	-11.0
91282CFZ9	USTN 3.875 11/30/27	2,988,750	99.63	99.07	4.20	4.20	4.20	4.20	**4.20**	4.20	4.20	4.20	4.20	4.7	3.5	2.3	1.1	-1.1	-2.2	-3.3	-4.4
91282CGB1	USTN 3.875 12/31/29	2,949,834	98.33	96.70	4.43	4.43	4.43	4.43	**4.43**	4.43	4.43	4.43	4.43	13.0	9.5	6.2	3.1	-3.0	-5.8	-8.6	-11.2
91282CGH8	USTN 3.5 01/31/28	1,984,376	99.22	98.38	4.11	4.11	4.11	4.11	**4.11**	4.11	4.11	4.11	4.11	5.3	4.0	2.6	1.3	-1.3	-2.5	-3.8	-5.0
91282CGQ8	USTN 4 02/28/30	1,008,750	100.88	96.94	3.72	3.72	3.72	3.72	**3.72**	3.72	3.72	3.72	3.72	13.6	10.0	6.5	3.2	-3.1	-6.1	-8.9	-11.7
91282CJA0	USTN 4.625 09/30/28	1,000,938	100.09	99.48	4.58	4.58	4.58	4.58	**4.58**	4.58	4.58	4.58	4.58	7.9	5.9	3.9	1.9	-1.9	-3.7	-5.5	-7.2
91282CJQ5	USTN 3.75 12/31/30	995,938	99.59	95.23	3.85	3.85	3.85	3.85	**3.85**	3.85	3.85	3.85	3.85	17.0	12.4	8.1	4.0	-3.8	-7.4	-10.8	-14.1

* n.m.: Yield not meaningful

Scenario Yield and Price Analysis

Interest Rate Risk / Reward - Treasury/Agency Sector

		Book			Projected Yield At Book Price									% Change in Market Price							
CUSIP	Description	Value	Price	Market Price	-400	-300	-200	-100	Base	+100	+200	+300	+400	-400	-300	-200	-100	+100	+200	+300	+400
91282CMF5	USTN 4.25 01/15/28	2,982,189	99.41	99.37	4.72	4.72	4.72	4.72	**4.72**	4.72	4.72	4.72	4.72	5.2	3.8	2.5	1.3	-1.2	-2.4	-3.6	-4.8
91282CMN8	USTN 4.25 02/15/28	996,875	99.69	99.31	4.48	4.48	4.48	4.48	**4.48**	4.48	4.48	4.48	4.48	5.5	4.1	2.7	1.3	-1.3	-2.6	-3.9	-5.1
91282CMN8	USTN 4.25 02/15/28	999,063	99.91	99.31	4.32	4.32	4.32	4.32	**4.32**	4.32	4.32	4.32	4.32	5.5	4.1	2.7	1.3	-1.3	-2.6	-3.9	-5.1
91282CMW8	USTN 3.75 04/15/28	2,001,876	100.09	98.42	3.68	3.68	3.68	3.68	**3.68**	3.68	3.68	3.68	3.68	6.2	4.6	3.0	1.5	-1.5	-2.9	-4.3	-5.7
91282CND9	USTN 3.75 05/15/28	1,993,750	99.69	98.31	3.95	3.95	3.95	3.95	**3.95**	3.95	3.95	3.95	3.95	6.5	4.8	3.2	1.6	-1.5	-3.0	-4.5	-6.0
91282CNV9	UST 3.625 08/31/27	994,063	99.41	99.14	4.29	4.29	4.29	4.29	**4.29**	4.29	4.29	4.29	4.29	3.7	2.7	1.8	0.9	-0.9	-1.8	-2.6	-3.5
91282CPA3	USTN 3.625 09/30/30	3,015,471	100.52	95.06	3.49	3.49	3.49	3.49	**3.49**	3.49	3.49	3.49	3.49	16.0	11.7	7.6	3.7	-3.6	-7.0	-10.3	-13.5
91282CPC9	USTN 3.5 10/15/28	1,980,312	99.02	97.30	4.01	4.01	4.01	4.01	**4.01**	4.01	4.01	4.01	4.01	8.2	6.0	4.0	2.0	-1.9	-3.8	-5.6	-7.4
91282CPK1	USTN 3.5 11/15/28	1,997,812	99.89	97.17	3.55	3.55	3.55	3.55	**3.55**	3.55	3.55	3.55	3.55	8.5	6.3	4.1	2.0	-2.0	-3.9	-5.8	-7.7
91282CRB9	USTN 4.25 07/31/28	994,375	99.44	98.92	4.57	4.57	4.57	4.57	**4.57**	4.57	4.57	4.57	4.57	7.3	5.4	3.6	1.8	-1.7	-3.4	-5.1	-6.7
TOTAL	**TREASURY/AGENCY SECTOR**	**135,773,574**	**98.29**	**97.97**	**4.47**	**4.47**	**5.25**	**5.17**	**5.17**	**5.17**	**5.17**	**5.17**	**5.17**	**5.4**	**4.2**	**3.1**	**1.7**	**-1.8**	**-3.6**	**-5.4**	**-7.1**

* n.m.: Yield not meaningful

Scenario Yield and Price Analysis

Interest Rate Risk / Reward - Corporate Sector

		Book			Projected Yield At Book Price									% Change in Market Price							
CUSIP	Description	Value	Price	Market Price	-400	-300	-200	-100	Base	+100	+200	+300	+400	-400	-300	-200	-100	+100	+200	+300	+400
02079KBK2	GOOGL 4.1 02/15/31	1,006,000	100.60	94.92	3.95	3.95	3.95	3.95	**3.95**	3.95	3.95	3.95	3.95	17.1	12.5	8.2	4.0	-3.8	-7.5	-11.0	-14.4
023135CG9	AMZN 3.45 04/13/29	988,500	98.85	95.85	3.96	3.96	3.96	3.93	**3.93**	3.93	3.93	3.93	3.93	9.8	7.3	4.8	2.4	-2.3	-4.6	-6.8	-9.0
023135CT1	AMZN 4.1 11/20/30	1,510,500	100.70	95.18	3.91	3.91	3.91	3.91	**3.91**	3.91	3.91	3.91	3.91	16.2	11.9	7.8	3.8	-3.6	-7.1	-10.5	-13.7
023135DD5	AMZN 4.25 03/13/31	1,495,155	99.68	95.14	4.33	4.33	4.33	4.33	**4.33**	4.33	4.33	4.33	4.33	17.3	12.7	8.3	4.1	-3.9	-7.6	-11.1	-14.5
06055JQF9	BAC 4.05 02/23/29	2,000,000	100.00	96.97	4.08	4.08	4.08	4.08	**4.08**	4.08	4.08	4.08	4.08	4.4	4.0	3.4	2.0	-2.1	-4.2	-6.3	-8.3
06406RBK2	BNY 4.596 07/26/30	1,021,953	102.20	97.94	3.77	3.77	3.77	3.77	**3.77**	3.77	3.77	3.77	3.77	11.1	8.2	5.4	2.7	-2.6	-5.1	-7.5	-9.8
06406RBN6	BNY 4.543 02/01/29	663,116	101.08	99.15	3.70	3.70	3.70	3.70	**3.70**	3.70	3.70	3.70	3.70	5.3	3.9	2.6	1.3	-1.3	-2.5	-3.7	-4.9
22550L2K6	UBSG 5 07/09/27	500,911	100.18	99.97	4.75	4.75	4.75	4.75	**4.75**	4.75	4.75	4.75	4.75	3.1	2.3	1.5	0.8	-0.7	-1.5	-2.2	-2.9
30303MAB8	META 4.2 11/15/30	1,510,500	100.70	95.19	4.01	4.01	4.01	4.01	**4.01**	4.01	4.01	4.01	4.01	16.1	11.8	7.7	3.8	-3.6	-7.1	-10.4	-13.6
38151GAJ0	GOLDMAN SACHS BK CD	2,000,000	100.00	94.36	4.10	4.10	4.10	4.10	**4.10**	4.10	4.10	4.10	4.10	17.6	12.9	8.4	4.1	-3.9	-7.6	-11.2	-14.6
46647PBD7	JPM 3.702 05/06/30	1,482,990	98.87	95.66	4.17	4.17	4.17	4.17	**4.17**	4.17	4.17	4.17	4.17	10.4	7.6	5.0	2.5	-2.4	-4.7	-7.0	-9.2
46660NBS1	JPM 4.875 05/12/31	2,000,000	100.00	96.50	4.87	4.87	4.87	4.87	**4.87**	4.87	4.87	4.87	4.87	6.0	5.4	4.6	2.9	-3.4	-7.0	-10.5	-14.0
57629TBX4	MMGFB 4.55 05/07/30	1,507,200	100.48	96.78	4.40	4.40	4.40	4.40	**4.40**	4.40	4.40	4.40	4.40	14.2	10.4	6.8	3.3	-3.2	-6.3	-9.3	-12.1
59217GEZ8	METLF 3.3 03/21/29	1,468,500	97.90	95.17	4.20	4.20	4.20	4.20	**4.20**	4.20	4.20	4.20	4.20	9.9	7.3	4.8	2.4	-2.3	-4.5	-6.7	-8.8
6174468G7	MS 4.431 01/23/30	1,007,000	100.70	97.77	4.11	4.11	4.11	4.11	**4.11**	4.11	4.11	4.11	4.11	9.2	6.8	4.5	2.2	-2.1	-4.2	-6.2	-8.2
64952WFP3	NYLIN 4.15 07/25/28	1,501,050	100.07	98.13	4.11	4.11	4.11	4.11	**4.11**	4.11	4.11	4.11	4.11	7.2	5.4	3.5	1.7	-1.7	-3.4	-5.0	-6.6
67066GAQ7	NVDA 4.35 06/15/29	2,990,700	99.69	97.71	4.48	4.48	4.48	4.47	**4.47**	4.47	4.47	4.47	4.47	10.5	7.8	5.1	2.5	-2.5	-4.9	-7.2	-9.5
718172CE7	PM 3.125 03/02/28	474,396	94.88	97.34	7.78	7.78	6.97	6.97	**6.97**	6.97	6.97	6.97	6.97	5.2	4.0	2.7	1.4	-1.4	-2.7	-4.0	-5.3
75973QAA5	RNR 3.45 07/01/27	475,471	95.09	98.98	13.88	13.88	13.88	10.38	**10.38**	10.38	10.38	10.38	10.38	2.5	1.9	1.4	0.7	-0.7	-1.4	-2.2	-2.9
797440CE2	SRE 4.95 08/15/28	509,341	101.87	99.72	3.86	3.86	3.86	3.86	**3.90**	3.90	3.90	3.90	3.90	7.2	5.3	3.5	1.8	-1.7	-3.4	-5.1	-6.7
808513BW4	SCHW 3.3 04/01/27	479,391	95.88	99.35	20.96	20.96	20.96	11.99	**11.99**	11.99	11.99	11.99	11.99	1.4	1.1	0.9	0.5	-0.5	-1.0	-1.5	-1.9
89236TMK8	TOYOM 4.55 08/09/29	510,588	102.12	97.96	3.76	3.76	3.76	3.76	**3.76**	3.76	3.76	3.76	3.76	11.3	8.3	5.5	2.7	-2.6	-5.1	-7.6	-9.9
89236TPH2	TOYOM 4.2 01/10/31	998,300	99.83	95.47	4.24	4.24	4.24	4.24	**4.24**	4.24	4.24	4.24	4.24	16.9	12.4	8.1	3.9	-3.8	-7.4	-10.8	-14.1
89236TPQ2	TOYOM 4.05 03/13/29	997,600	99.76	97.33	4.15	4.15	4.15	4.15	**4.15**	4.15	4.15	4.15	4.15	9.8	7.2	4.7	2.3	-2.3	-4.5	-6.6	-8.7
91324PDX7	UNH 2 05/15/30	914,212	91.42	88.84	4.60	4.60	4.60	4.60	**4.60**	4.60	4.60	4.60	4.60	14.8	10.9	7.1	3.5	-3.3	-6.6	-9.7	-12.6
95004HBB3	WFC 4.15 02/12/31	2,000,000	100.00	94.16	4.15	4.15	4.15	4.15	**4.15**	4.15	4.15	4.15	4.15	12.4	9.8	6.9	3.6	-3.7	-7.3	-10.7	-14.1
TOTAL	**CORPORATE SECTOR**	**32,013,372**	**99.56**	**96.21**	**4.65**	**4.65**	**4.64**	**4.45**	**4.45**	**4.45**	**4.45**	**4.45**	**4.45**	**11.0**	**8.3**	**5.6**	**2.8**	**-2.8**	**-5.5**	**-8.1**	**-10.6**

* n.m.: Yield not meaningful

Scenario Yield and Price Analysis

Interest Rate Risk / Reward - CD Sector

		Book			Projected Yield At Book Price									% Change in Market Price							
CUSIP	Description	Value	Price	Market Price	-400	-300	-200	-100	Base	+100	+200	+300	+400	-400	-300	-200	-100	+100	+200	+300	+400
05612LLE0	BMWG 4.25 12/18/28	250,000	100.00	99.52	4.25	4.25	4.25	4.25	**4.25**	4.25	4.25	4.25	4.25	8.8	6.5	4.3	2.1	-2.1	-4.1	-6.0	-8.0
09582YAV4	BRBS 4.2 12/28/27	240,948	100.40	99.87	3.87	3.87	3.87	3.87	**3.87**	3.87	3.87	3.87	3.87	5.0	3.7	2.4	1.2	-1.2	-2.4	-3.5	-4.6
17290G5W3	C 4.5 06/30/29 CD	250,000	100.00	98.51	4.50	4.50	4.50	4.50	**4.50**	4.50	4.50	4.50	4.50	10.9	8.0	5.3	2.6	-2.5	-5.0	-7.3	-9.6
178180HL2	RY 3.85 02/14/28	250,000	100.00	99.33	3.86	3.86	3.86	3.86	**3.86**	3.86	3.86	3.86	3.86	5.5	4.1	2.7	1.3	-1.3	-2.6	-3.9	-5.1
33622PAP8	OLMST 3.9 02/20/29	250,000	100.00	97.85	3.94	3.94	3.94	3.94	**3.94**	3.94	3.94	3.94	3.94	2.7	2.6	2.5	1.7	-2.0	-4.1	-6.2	-8.2
38151GBA8	GOLDMAN SACHS BANK USA	2,000,000	100.00	98.90	5.00	5.00	5.00	5.00	**5.00**	5.00	5.00	5.00	5.00	7.4	5.7	4.0	2.1	-2.3	-4.7	-7.1	-9.4
46659CSR2	JPM 4 01/14/31	250,000	100.00	95.79	3.96	3.96	3.96	3.96	**3.96**	3.96	3.96	3.96	3.96	5.5	5.2	4.8	3.0	-3.4	-7.0	-10.4	-13.8
53229WAE3	LGHOF 4.4 06/18/29	250,000	100.00	98.74	4.44	4.44	4.44	4.44	**4.44**	4.44	4.44	4.44	4.44	2.1	2.0	1.8	1.3	-2.0	-4.2	-6.5	-8.7
61776N2D4	MS 3.8 03/12/29	250,000	100.00	98.39	3.80	3.80	3.80	3.80	**3.80**	3.80	3.80	3.80	3.80	9.8	7.2	4.8	2.3	-2.3	-4.5	-6.7	-8.7
61778EQC8	MS 3.95 02/25/30	250,000	100.00	97.91	3.96	3.96	3.96	3.96	**3.96**	3.96	3.96	3.96	3.96	13.6	10.0	6.5	3.2	-3.1	-6.1	-8.9	-11.7
65504UAM9	NOBLF 4.1 06/12/28	250,000	100.00	99.55	4.14	4.14	4.14	4.14	**4.14**	4.14	4.14	4.14	4.14	6.7	5.0	3.3	1.6	-1.6	-3.2	-4.7	-6.2
77357DAN8	ROCKN 4.25 12/30/27	250,000	100.00	99.97	4.29	4.29	4.29	4.29	**4.29**	4.29	4.29	4.29	4.29	4.9	3.7	2.4	1.2	-1.2	-2.4	-3.5	-4.6
89235MPP0	TOYOM 4.65 06/13/29	245,000	100.00	100.32	4.65	4.65	4.65	4.65	**4.65**	4.65	4.65	4.65	4.65	10.7	7.9	5.2	2.6	-2.5	-4.9	-7.2	-9.5
949764XV1	WFC 4.2 06/20/28	250,000	100.00	99.71	4.24	4.24	4.24	4.24	**4.24**	4.24	4.24	4.24	4.24	6.8	5.1	3.3	1.6	-1.6	-3.2	-4.7	-6.2
TOTAL	**CD SECTOR**	**5,235,948**	**100.02**	**98.88**	**4.47**	**4.47**	**4.47**	**4.47**	**4.47**	**4.47**	**4.47**	**4.47**	**4.47**	**7.3**	**5.6**	**3.9**	**2.0**	**-2.1**	**-4.3**	**-6.5**	**-8.6**

* n.m.: Yield not meaningful

Scenario Yield and Price Analysis

Interest Rate Risk / Reward - Other Sector

		Book			Projected Yield At Book Price									% Change in Market Price							
CUSIP	Description	Value	Price	Market Price	-400	-300	-200	-100	Base	+100	+200	+300	+400	-400	-300	-200	-100	+100	+200	+300	+400
PALM1CAMP	CAMP	55,648,755	100.00	100.00	3.84	3.84	3.84	3.84	**3.84**	3.84	3.84	3.84	3.84	0.3	0.3	0.2	0.1	-0.1	-0.2	-0.3	-0.3
PALM1LAIF	STATE OF CALIFORNIA LOCAL AGENCY I	126,343,897	100.00	100.00	3.80	3.80	3.80	3.80	**3.80**	3.80	3.80	3.80	3.80	0.3	0.3	0.2	0.1	-0.1	-0.2	-0.3	-0.3
TOTAL	**OTHER SECTOR**	**181,992,652**	**100.00**	**100.00**	**3.81**	**3.81**	**3.81**	**3.81**	**3.81**	**3.81**	**3.81**	**3.81**	**3.81**	**0.3**	**0.3**	**0.2**	**0.1**	**-0.1**	**-0.2**	**-0.3**	**-0.3**

* n.m.: Yield not meaningful

Addendum

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Addendum

Portfolio Changes

New Securities 08/2026 - 10/2026

CUSIP	Sector	Description	Maturity	Coupon	Original Face	Book Price	Intent
3130BBP41	Treasury/Agency	FHLB 5.08 08/11/31	08/11/31	5.0800	1,000,000	100.0000	AFS
3130BCAL7	Treasury/Agency	FHLB 5 09/28/29	09/28/29	5.0000	2,000,000	100.0000	AFS
38151GBA8	CD	GOLDMAN SACHS BANK USA	08/13/29	5.0000	2,000,000	100.0000	AFS
91282CJA0	Treasury/Agency	USTN 4.625 09/30/28	09/30/28	4.6250	1,000,000	100.0938	AFS
91282CMF5	Treasury/Agency	USTN 4.25 01/15/28	01/15/28	4.2500	3,000,000	99.4063	AFS
91282CMN8	Treasury/Agency	USTN 4.25 02/15/28	02/15/28	4.2500	1,000,000	99.6875	AFS
91282CRB9	Treasury/Agency	USTN 4.25 07/31/28	07/31/28	4.2500	1,000,000	99.4375	AFS
PALM1CAMP	Other	CAMP	10/31/26	3.8700	55,648,755	100.0000	AFS

Securities Sold/Redeemed 08/2026 - 10/2026

CUSIP	Sector	Description	Maturity	Coupon	Original Face	Book Price	Intent	Redemption Type

Addendum

Portfolio Exceptions

Portfolio Exceptions

	Exception Description	CUSIP	Sector	Sub Sector	Sub Sub Sector	Security Description	Current Par	Book Price	Market Price
No bonds were excluded from your portfolio									

Portfolio Exceptions Summary

Total Current Par	Excluded Current Par	Included Current Par	Excluded Pct	Total Count	Excluded Count	Included Count	Excluded Pct
357,523,652	0	357,523,652	0.00%	97	0	97	0.00%

Addendum

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	Applied	Notes
Date Requested	10/08/2026	The Performance Profile was requested on this date
Book Date	09/30/2026	The portfolio's book (holding) price is as of this date
As-Of Date	09/23/2026	Market pricing for this portfolio is as of this date.
Call Report	n.a.	Most recent institution call report available on Date Requested
Risk Manager	n.a.	The most recent Risk Manager information as of Date Requested
Tax Rate Applied	21.00%	Adjustable, defaults to 21.00% C-Corp Bank, 29.60% S-Corp Bank, 0.00% Credit Union
Cost of Funds	1.0%	Used to calculate Tax-Equivalent Yields where appropriate for depositories
TEFRA	Tax-Free Munis	C-Corp Bank (20% BQ, 100% GM); S-Corp Bank (0% BQ, 100% GM); all else n.a.
Portfolio Statistics	10/08/2026	The most recent Stifel portfolio summary statistics as of Date Requested

Addendum

Key Terms and Definitions

Term	Definition
Adjustment Frequency	For adjustable-rate mortgages (ARMs), the number of months between the loan's or security's coupon adjustment dates. GNMA ARMs adjust annually in one of the following months: January, April, July, or October; FNMA and FHLMC issues also usually have annual reset dates although the adjustment dates occur at any time during the year.
Book Yield	Usually provided from Bond Accounting reports and represents the Annualized yield to maturity (or call) based on the book value of a bond and projected cash flows. Similar to "Projected Yield at Book" except 3mo Historical Speeds are commonly employed in calculating Book Yield for amortizing securities rather than a forward looking estimate.
Collateral	Assets that are used to secure payment of certain bonds, for example, real estate is a source of collateral for mortgage backed securities.
Coupon	The stated interest rate on a bond that is used to calculate interest payments that are payable to bond holders. A coupon rate of interest can be fixed over the life of the bond or a variable rate of interest that is calculated using a formula described in the offering documents. Floating coupon rates are generally a simple spread (or margin) relative to a stated index (such as LIBOR). Many bonds include caps and floors on the coupon interest rate and some contain more complex formulas.
Convexity	An incremental measure (along with the linear measure of duration) to capture the curvature of a bond's price/yield relationship. Practically, negative convexity indicates the upside price of a bond is limited if rates fall due to embedded options (mortgage prepayments or an issuers ability to call the bond).
Current Face (Par Amount)	Computed by multiplying the original face by the current factor, represents principal remaining for an investor to receive.
Current Index	The level of the index at a specified moment in time that is used in conjunction with the margin to establish the security's coupon.
Effective Duration	Or "option-adjusted duration" measures interest rate risk of a security considering the impact of optionality and possible changes in future interest rates. It is calculated by averaging the percentage changes in the security's value under the higher and lower rate environments, while 25bp, 50bp or other sized yield shifts are commonly used, the rate of change is restated as a 100bp equivalent by simple multiplication.
Enhanced Credit Rating	A rating that reflects the underlying issue's standalone credit quality as well as any credit support provided by a state credit enhancement program.
Factor	Relevant for bonds that pay amortizing principal to bond holders. The factor equals the percentage of the original face that is outstanding.
Floor	For adjustable-rate securities, it is the lowest level to which a coupon can fall over the life of the security
Forward Curve	The forward curve is a graph that defines the prices (yields) at which a contract for future delivery or payment can be concluded today, it represents a term structure of forward rates.
Gross WAC	The weighted-average mortgage rate of all the loans in a pool.
Initial Reset Date	The date on which an adjustable-rate mortgage (ARM) or underlying mortgage in an ARM pool can reset for the first time.
Internal Rate of Return	A sector or portfolio yield to expected maturity based on the portfolio's expected cash flows, treated as a single instrument. This reflects the overall yield to expected maturity of the portfolio, not a monthly earnings rate. On a single bond, IRR is the same as yield.
Lifetime Cap	For adjustable-rate securities, it is the highest level that a coupon may attain over the life of the security.
Margin	The amount added to the index of a floating rate loan or security (such as an adjustment rate mortgage security) in order to calculate a coupon rate of interest.
Market Yield	The yield of a bond at current market price. For a bond you own, an indication of what yield the market will pay you today for the bond.
Months to Roll (MTR)	Months remaining until a bond's coupon will next reset
Pay Window	For CMO's, the expected date range to receive principal payments.
Prepay Speeds	Prepayments occur when a servicer receives principal payments above the scheduled amount. The velocity of the prepayments is measured using prepayment speeds, typically measured using conditional prepayment rate (CPR) or prepayment speed assumption (PSA).
Price Volatility	The percentage change in price for a given a change in interest rates. Price volatility is generally calculated using a parallel, instantaneous shock in a benchmark yield curve assuming constant spreads relative to the benchmark curve.
Projected Call	The date at which a callable bond is projected to be redeemed at a given level of interest rates. All things equal, higher rates should extend the date and lower rates should accelerate the redemption date.
Projected Yield at Book	Annualized yield to maturity (or call) based on the book value of a bond and projected cash flows given the market conditions at the time of the analysis.
Roll Date	The date (or weighted average date) that a bond's coupon can reset
Static Cash Flow Gap Estimate	In the absence of more robust Earnings at Risk simulations, an estimate of how sensitive a depository's margin is to movements in interest rates by comparing the amount and sensitivity of repricing Assets and Liabilities. A positive gap indicates more assets repricing than liabilities (asset sensitive) and a negative gap indicates more liabilities repricing than assets (liability sensitive).
Tranche	Class of debt securities issued as part of a bond instrument, each part (tranche) characterized by a unique set of features such as maturity, interest (coupon) rate, interest payment date, to suit the needs of different investors.
Underlying Credit Rating	A rating issued by an agency assessing the ability of an issuer to repay its debt. The assessment of creditworthiness is based solely on the obligor and does not include enhancements from a third party.
Weighted Average Life (WAL)	The weighted-average time in years that the principal of a security is expected to be outstanding. For mortgage securities and callable bonds, average life varies with prepayment speeds and yield curve assumptions.
Weighted Average Loan Age (WALA)	The average age of all mortgages in a pool, weighted by current balance.
Weighted Average Maturity (WAM)	The average remaining maturity of the underlying mortgages in a pool, weighted by current balance.
Yield at Book Price	On a sector or portfolio summary level, this is a book value-weighted average yield. It reflects expected earnings in the current month. Over time, relatively low (or high) yields may mature, increasing (or decreasing) subsequent months' expected earnings versus the initial weighted average.
Yield Contribution	For a given a sectors weight, how much yield does it contribute to the overall portfolio.

Addendum

Key Terms and Definitions

Yield to Maturity (YTM)	The single yield that makes the present value of the cash flows to maturity equal to the price plus accrued interest.
Yield to Call (YTC)	The single yield that makes the present value of the cash flows to the call date equal to the price plus accrued interest.
Yield to Worst (YTW)	The lower of the yield to maturity and the yield to call.

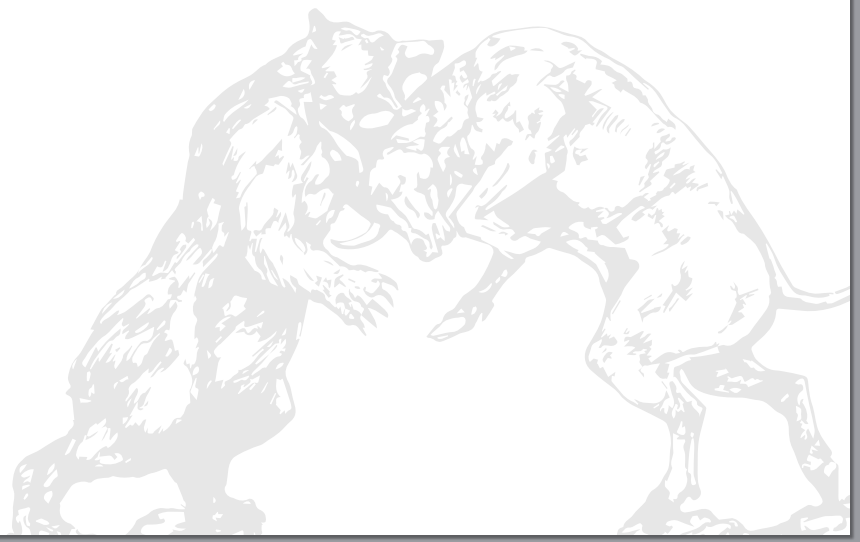
STIFEL

Performance Profile

City of Palmdale - Successor Agency

Palmdale, CA

September 2026



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Performance Profile

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Chad Smith, Managing Director

csmith@stifel.com

Executive Summary

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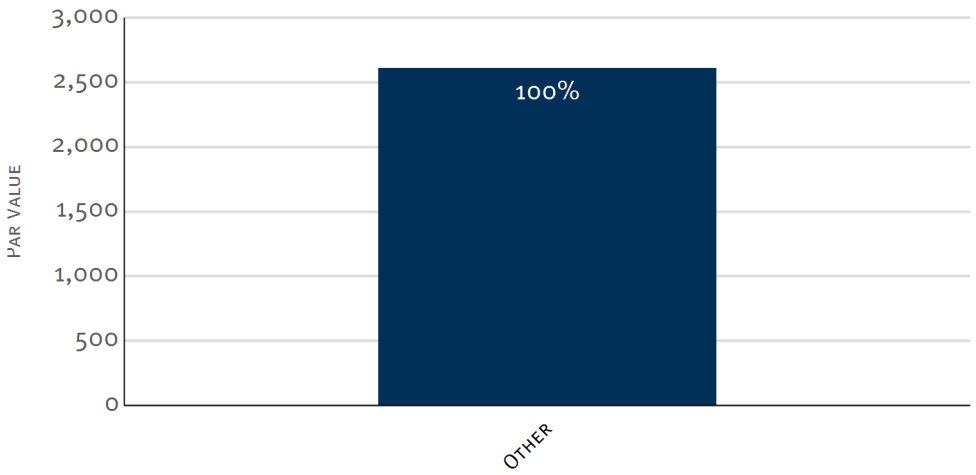
Executive Summary

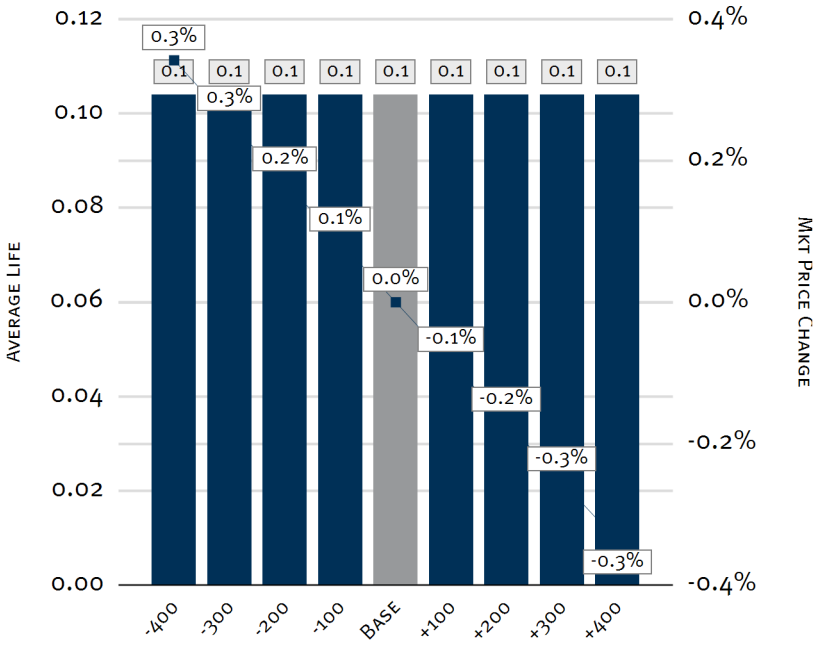
Portfolio Snapshot

Book Value	**2,606,929**
# Securities	1
Average Size (Book)	2,606,929
Yield @ Book Price	3.80
Internal Rate of Return	3.76
Yield @ Book Price +100bps	3.80
Yield @ Book Price -100bps	3.80
Market Yield	3.80
$ Gain Loss	
% Gain Loss	0.0%
Average Life	0.1
Average Life +300bps	0.1
% Price Change +100bps	-0.1
% Price Change +300bps	-0.3
Effective Duration	0.1
Effective Convexity	0.0
AFS / HTM %	100% / 0%
Fixed / Floating	100% / 0%
ESG / Green Par (000's)	$0 / $0

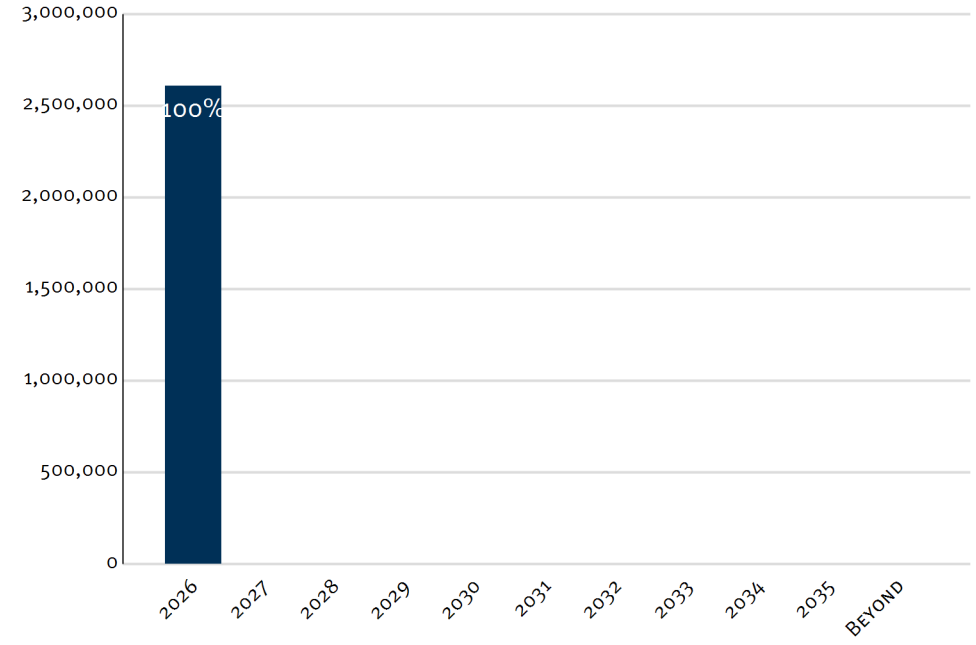
Sector Allocation



Average Life vs Price Sensitivity



Projected Principal Cash Flows



Executive Summary

Historical Portfolio Overview

	09/30/2026	05/31/2026	03/31/2026	
Book Value	2,606,929	4,067,226	4,027,756	
Yield @ Book Price	3.80	3.79	3.84	
Yield @ Book Price (+100)	3.80	3.79	3.84	
Yield @ Book Price (+300)	3.80	3.79	3.84	
Yield @ Book Price (-100)	3.80	3.79	3.84	
WAL	0.1	0.1	0.1	
WAL (+100)	0.1	0.1	0.1	
WAL (+300)	0.1	0.1	0.1	
WAL (-100)	0.1	0.1	0.1	
% Price Change (+100)	-0.1%	-0.1%	-0.1%	
% Price Change (+300)	-0.3%	-0.3%	-0.3%	
% Price Change (-100)	0.1%	0.1%	0.1%	
Effective Duration	0.1	0.1	0.1	
Effective Convexity	0.0	0.0	0.0	
$ Gain/Loss	0	0	0	
% Gain/Loss	0.0%	0.0%	0.0%	
$ Gain/Loss (+300)	-6,609	-10,424	-10,198	
Principal Cash Flow 2 yrs out	100%	100%	100%	
Principal Cash Flow 2 yrs out (+100)	100%	100%	100%	
Principal Cash Flow 2 yrs out (+300)	100%	100%	100%	
Principal Cash Flow 2 yrs out (-100)	100%	100%	100%	

Executive Summary

Portfolio Sector Summary

Sector	Portfolio Curr Par %	Par Value	Cpn	Maturity	Book Value	Yld @ Book	Market Value	Market Yield	% Price Change -100	% Price Change +100	% Price Change +300	Gain/(Loss) $	Gain/(Loss) %	WAL	Effective Dur	Effective Cvx	AFS %
Cash & Other (1)	100.0%	2,606,929	3.83	0.1	2,606,929	3.80	2,606,929	3.80	0.1	-0.1	-0.3	0	0.0%	0.1	0.1	0.0	100%
Other (1)	100.0%	2,606,929	3.83	0.1	2,606,929	3.80	2,606,929	3.80	0.1	-0.1	-0.3	0	0.0%	0.1	0.1	0.0	100%
Total (1)	100.0%	2,606,929	3.83	0.1	2,606,929	3.80	2,606,929	3.80	0.1	-0.1	-0.3	0	0.0%	0.1	0.1	0.0	100%

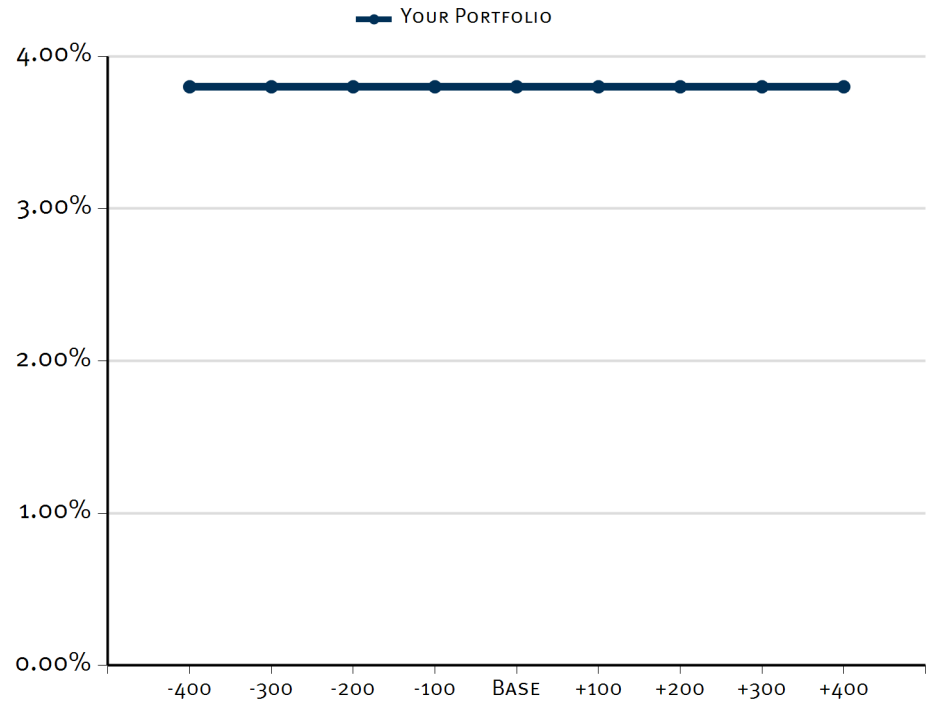
Executive Summary

Portfolio Analysis - Interest Rate Shock

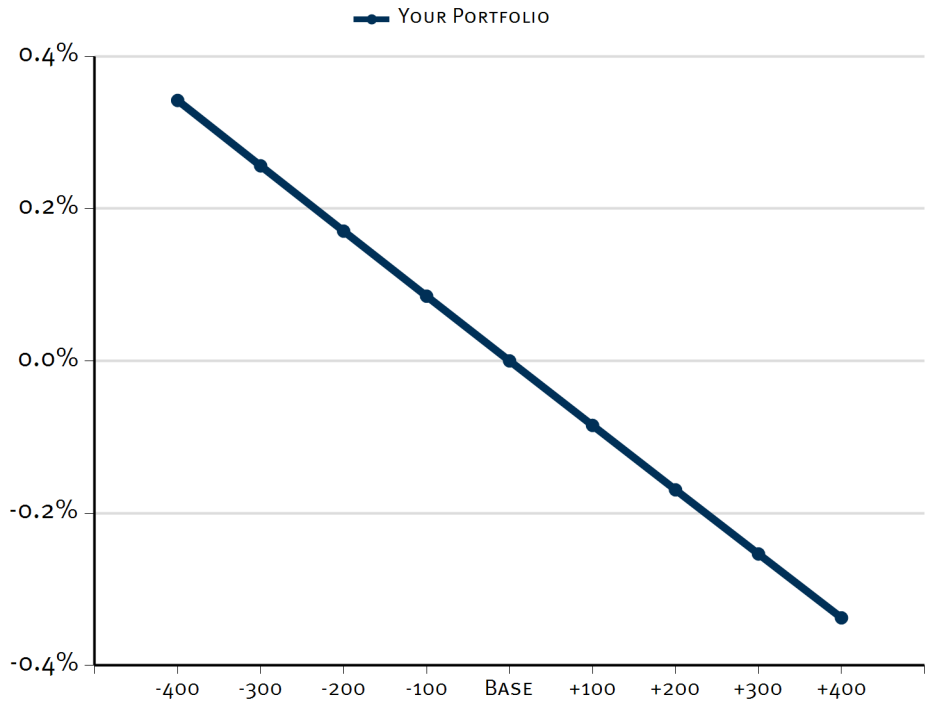
Total Portfolio

	-400	-300	-200	-100	Base	+100	+200	+300	+400
Number Bonds	1	1	1	1	**1**	1	1	1	1
Current Face	2,606,929	2,606,929	2,606,929	2,606,929	**2,606,929**	2,606,929	2,606,929	2,606,929	2,606,929
Book Value	2,606,929	2,606,929	2,606,929	2,606,929	**2,606,929**	2,606,929	2,606,929	2,606,929	2,606,929
Book Price	100.00	100.00	100.00	100.00	**100.00**	100.00	100.00	100.00	100.00
Projected Yield At Book Price	3.80%	3.80%	3.80%	3.80%	**3.80%**	3.80%	3.80%	3.80%	3.80%
Market Value	2,615,845	2,613,605	2,611,371	2,609,145	**2,606,929**	2,604,721	2,602,515	2,600,320	2,598,133
Market Price	100.34	100.26	100.17	100.09	**100.00**	99.92	99.83	99.75	99.66
Market Yield	-0.27%	0.74%	1.76%	2.78%	**3.80%**	4.82%	5.85%	6.88%	7.91%
% Price Change	0.3%	0.3%	0.2%	0.1%	**0.0%**	-0.1%	-0.2%	-0.3%	-0.3%
Book Gain/Loss	8,916	6,676	4,442	2,216	**0**	-2,208	-4,414	-6,609	-8,796
Gain/Loss %	0.3%	0.3%	0.2%	0.1%	**0.0%**	-0.1%	-0.2%	-0.3%	-0.3%
Average Life	0.1	0.1	0.1	0.1	**0.1**	0.1	0.1	0.1	0.1
Effective Duration	0.1	0.1	0.1	0.1	**0.1**	0.1	0.1	0.1	0.1
Effective Convexity	0.0	0.0	0.0	0.0	**0.0**	0.0	0.0	0.0	0.0

Projected Portfolio Yield at Book



Total Portfolio Price Volatility

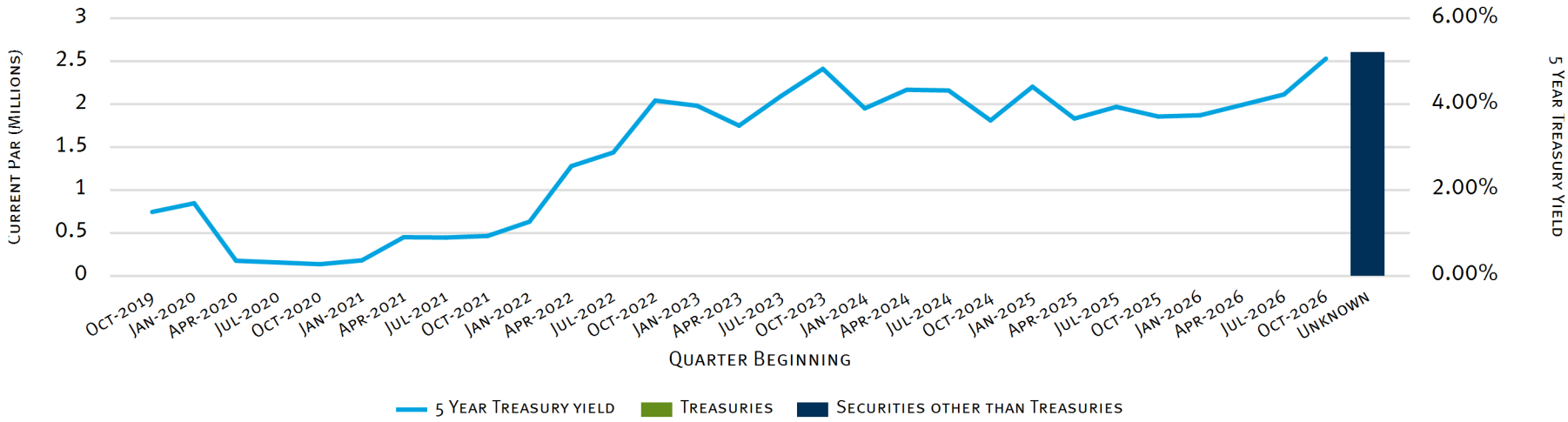


[1]Stifel Portfolio Median refers to the median portfolio value for other institutions analyzed by Stifel within the past three months.

Executive Summary

Market Timing Analysis

Historical Purchases vs 5 Year Treasury Yield



5 Year Treasury Average: 2.80% / Median 3.65%

Securities Purchased by Rate Environment



The highest quartile is composed of the seven quarters over the past seven years in which rates were the highest, the second quartile is the next seven highest quarters, and so on.

Executive Summary

Key Market Rates

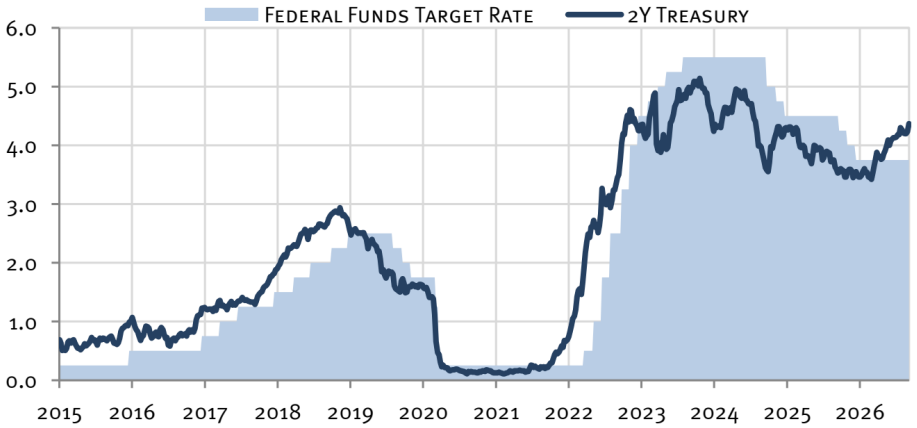
KEY MARKET RATES

Treasury Yields	8/31/2026	8/31/2025	YOY Δ
3M Treasury Bill	3.83	4.15	(0.31)
6M Treasury Bill	3.99	3.97	0.02
2Y Treasury Note	4.34	3.62	0.72
3Y Treasury Note	4.40	3.58	0.83
5Y Treasury Note	4.50	3.70	0.80
10Y Treasury Note	4.75	4.23	0.52
30Y Treasury Bond	5.24	4.93	0.31
10Y TIPS	2.43	1.82	0.61

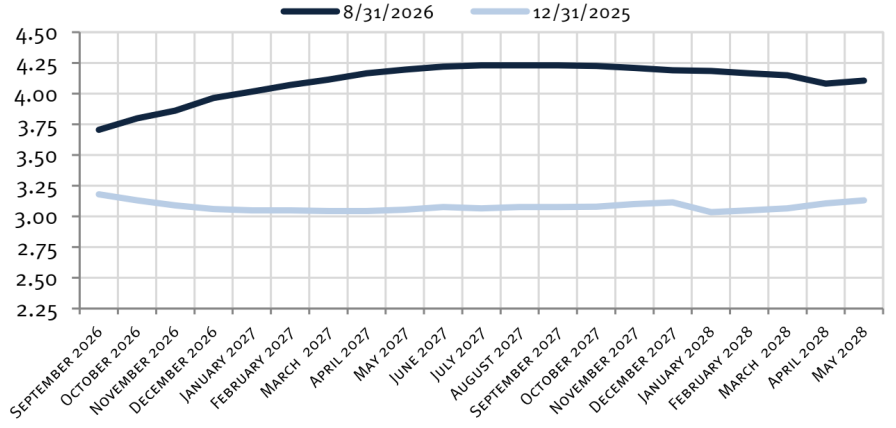
Other Key Interest Rates	8/31/2026	8/31/2025	YOY Δ
Fed Funds Target Rate	3.75	4.50	(0.75)
Fed Funds Effective Rate	3.63	4.33	(0.70)
Interest on Reserves	3.65	4.40	(0.75)
SOFR	3.68	4.34	(0.66)
SOFR 30-Day Average	3.65	4.35	(0.71)
Discount Rate	3.75	4.50	(0.75)
Prime	6.75	7.50	(0.75)
FHLMC 30Y Mortgage Rate	6.66	6.56	0.10

Stocks and Commodities	8/31/2026	8/31/2025	YOY Δ
Dollar Index	99.43	97.77	1.7%
CRB Commodity Index	565.32	554.89	1.9%
Brent Crude Oil	90.49	68.12	32.8%
Gold	4,437	3,448	28.7%
DJIA	53,186	45,545	16.8%
S&P 500	7,686	6,460	19.0%
Russell 2000	2,956	2,366	24.9%
NASDAQ	26,371	21,456	22.9%

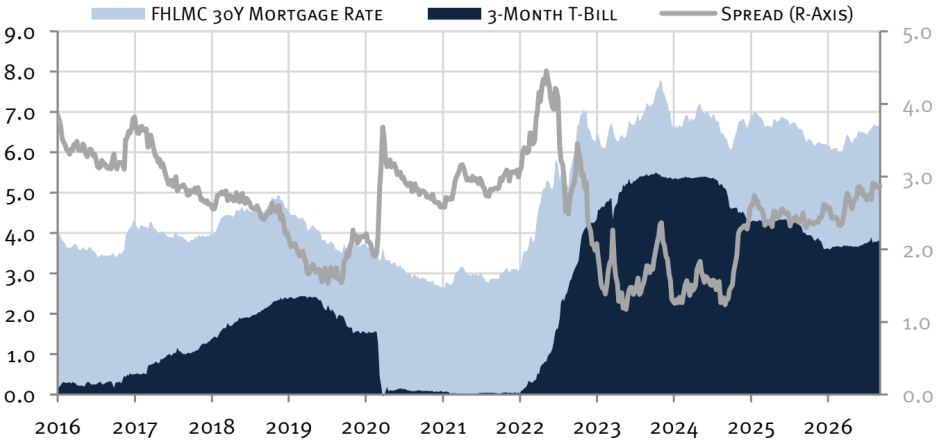
FEDERAL FUNDS TARGET RATE AND 2-YEAR TREASURY YIELD



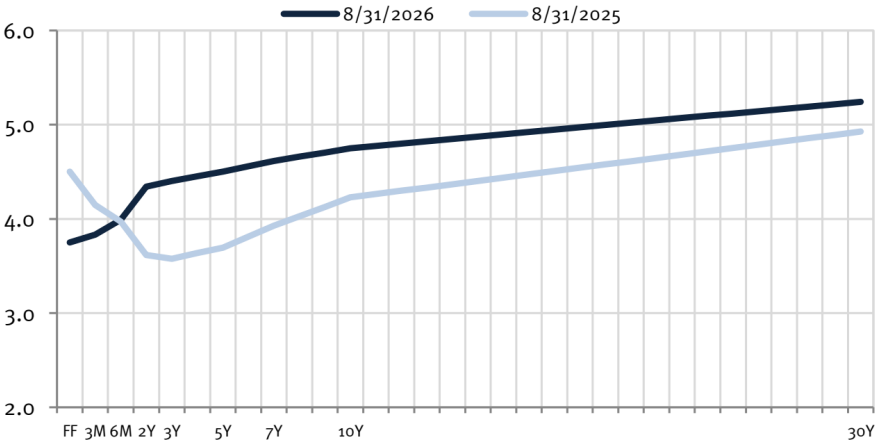
FED FUNDS FUTURES



FUNDING COSTS vs. FNMA 30Y MORTGAGE RATES



CURRENT TREASURY YIELD CURVE vs. ONE YEAR AGO



KEY ECONOMIC DATA

Gross Domestic Product (Chain-Weighted)	Jun-26	Mar-26	Dec-25	Sep-25	Jun-25	Mar-25	Dec-24	Sep-24	Jun-24	Mar-24	Dec-23	Sep-23	Jun-23
GDP *(S Billions)*	**24,270**	24,180	24,056	24,027	23,771	23,548	23,587	23,479	23,287	23,082	23,034	22,841	22,581
GDP *(QoQ, SAAR)*	**1.5%**	2.1%	0.5%	4.4%	3.8%	-0.6%	1.9%	3.3%	3.6%	0.8%	3.4%	4.7%	2.5%
Personal Consumption ($ Billions)	**16,830**	16,688	16,665	16,586	16,446	16,346	16,321	16,166	16,010	15,858	15,790	15,672	15,554
Personal Consumption (QoQ, SAAR)	**3.4%**	0.5%	1.9%	3.5%	2.5%	0.6%	3.9%	4.0%	3.9%	1.7%	3.0%	3.1%	1.5%
Real Disposable Personal Income ($ Billions)	**18,004**	18,072	18,030	18,071	18,025	17,943	17,843	17,755	17,701	17,596	17,417	17,269	17,183
Real Disposable personal Income (QoQ, SAAR)	**-1.5%**	0.9%	-0.9%	1.0%	1.8%	2.3%	2.0%	1.2%	2.4%	4.2%	3.5%	2.0%	4.3%
Private Investment ($ Billions)	**4,523**	4,493	4,408	4,383	4,383	4,548	4,316	4,392	4,382	4,296	4,313	4,276	4,181
Private Investment (QoQ, SAAR)	**2.7%**	7.9%	2.3%	0.0%	-13.7%	23.3%	-6.8%	0.9%	8.2%	-1.6%	3.6%	9.4%	7.2%
Business Fixed Investment ($ Billions)	**4,551**	4,475	4,406	4,389	4,381	4,334	4,260	4,281	4,265	4,250	4,219	4,171	4,132
Business Fixed Investment (QoQ, SAAR)	**7.0%**	6.5%	1.5%	0.8%	4.4%	7.1%	-1.9%	1.5%	1.4%	3.0%	4.6%	3.8%	9.5%
Residential Fixed Investment ($ Billions)	**748**	746	761	764	779	789	791	783	792	796	781	778	757
Residential Fixed Investment (QoQ, SAAR)	**1.2%**	-7.8%	-1.7%	-7.1%	-5.1%	-1.0%	4.3%	-4.8%	-2.0%	8.2%	1.5%	11.5%	4.2%
Change in Business Inventories ($ Billions)	**(36)**	(1)	8	(6)	(190)	155	(52)	(6)	63	(49)	(6)	50	(26)
Government Spending ($ Billions)	**3,991**	4,000	3,957	4,015	3,993	3,994	4,004	3,971	3,919	3,887	3,865	3,821	3,774
Government Spending (QoQ, SAAR)	**-1.0%**	4.4%	-5.6%	2.2%	-0.1%	-1.0%	3.3%	5.4%	3.3%	2.3%	4.7%	5.2%	3.3%
Federal Government Spending ($ Billions)	**1,476**	1,492	1,459	1,527	1,517	1,537	1,560	1,543	1,512	1,496	1,493	1,480	1,456
Federal Government Spending ($ Billions)	**-4.2%**	9.4%	-16.7%	2.7%	-5.3%	-5.6%	4.4%	8.6%	4.3%	0.8%	3.4%	6.8%	-0.1%
State and Local Government Spending ($ Billions)	**2,513**	2,507	2,497	2,487	2,475	2,456	2,445	2,429	2,407	2,391	2,372	2,341	2,317
State and Local Government Spending (QoQ, SAAR)	**0.9%**	1.6%	1.5%	2.0%	3.1%	1.9%	2.7%	3.6%	2.8%	3.2%	5.4%	4.2%	5.4%
Net External Trade ($ Billions)	**(1,084)**	(1,002)	(969)	(956)	(1,058)	(1,381)	(1,069)	(1,065)	(1,032)	(964)	(934)	(926)	(928)
Net External Trade (QoQ, SAAR)	**-36.9%**	-14.4%	-5.6%	33.5%	65.5%	-178.3%	-1.5%	-13.3%	-31.4%	-13.5%	-3.5%	0.8%	-7.2%
Exports ($ Billions)	**2,788**	2,757	2,687	2,709	2,647	2,660	2,659	2,664	2,608	2,604	2,575	2,537	2,509
Exports (QoQ, SAAR)	**4.5%**	10.9%	-3.2%	9.6%	-1.8%	0.2%	-0.9%	8.9%	0.7%	4.6%	6.1%	4.4%	-5.3%
Imports ($ Billions)	**3,871**	3,759	3,655	3,664	3,705	4,040	3,727	3,729	3,640	3,568	3,509	3,463	3,437
Imports (QoQ, SAAR)	**12.5%**	11.8%	-1.0%	-4.4%	-29.3%	38.0%	-0.2%	10.1%	8.4%	6.9%	5.4%	3.0%	-2.1%

Labor	Aug-26	Jul-26	Jun-26	May-26	Apr-26	Mar-26	Feb-26	Jan-26	Dec-25	Nov-25	Oct-25	Sep-25	Aug-25
Unemployment Rate	4.1%	4.1%	4.2%	4.3%	4.3%	4.3%	4.4%	4.3%	4.4%	4.5%		4.4%	4.3%
Monthly Change in Nonfarm Payrolls (000s)	162	21	31	63	148	214	-156	160	-17	41	-140	76	-70
Average Weekly Hours Worked Nonfarm	34.4	34.3	34.3	34.3	34.3	34.2	34.3	34.3	34.2	34.3	34.2	34.2	34.2
Average Hourly Earnings Nonfarm (YoY)	3.1%	3.2%	3.4%	3.3%	3.6%	3.4%	3.7%	3.7%	3.7%	3.9%	3.9%	3.8%	4.0%

Inflation	Aug-26	Jul-26	Jun-26	May-26	Apr-26	Mar-26	Feb-26	Jan-26	Dec-25	Nov-25	Oct-25	Sep-25	Aug-25
Consumer Price Index (YoY)		3.4%	3.5%	4.2%	3.8%	3.3%	2.4%	2.4%	2.7%	2.7%		3.0%	2.9%
Core Consumer Price Index (YoY)		2.5%	2.6%	2.9%	2.8%	2.6%	2.5%	2.5%	2.6%	2.6%		3.0%	3.1%
Core Personal Consumption Expenditure (YoY)		3.3%	3.3%	3.5%	3.3%	3.3%	3.0%	3.1%	3.0%	2.8%	2.8%	2.8%	2.9%

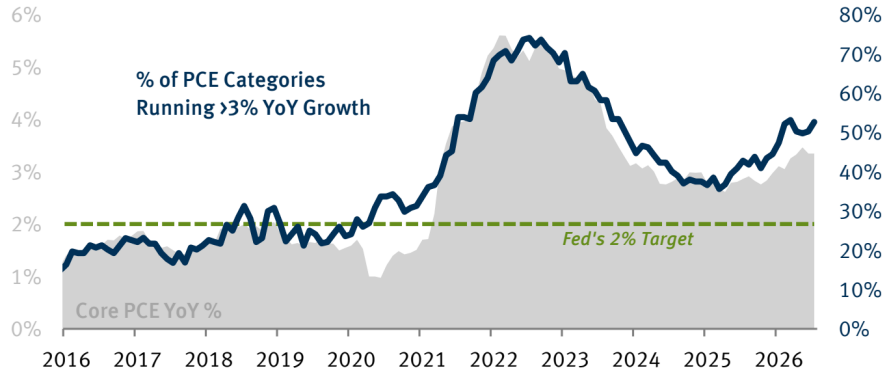
Housing	Aug-26	Jul-26	Jun-26	May-26	Apr-26	Mar-26	Feb-26	Jan-26	Dec-25	Nov-25	Oct-25	Sep-25	Aug-25
New Home Sales (000s, Annualized)		607	678	630	641	659	630	576	723	757	652	714	698
Existing Home Sales (Millions, Annualized)		4.06	4.13	4.19	4.04	4.01	4.13	4.02	4.27	4.09	4.11	4.08	4.03
Homebuilder Confidence Index	35	34	36	37	34	38	37	37	39	38	37	32	32
Housing Starts (000s, Annualized)		1239	1415	1182	1414	1522	1346	1385	1378	1319	1273	1319	1291
Building Permits (000s, Annualized)		1433	1374	1410	1423	1363	1540	1393	1482	1414	1418	1444	1347

Other	Aug-26	Jul-26	Jun-26	May-26	Apr-26	Mar-26	Feb-26	Jan-26	Dec-25	Nov-25	Oct-25	Sep-25	Aug-25
Industrial Production (YoY Change in Output)		1.1%	1.3%	1.5%	1.4%	0.7%	0.8%	1.0%	1.2%	1.8%	1.8%	1.9%	1.2%
ISM Manufacturing Index	54.6	55.6	53.3	54.0	52.7	52.7	52.4	52.6	47.9	48.0	48.8	48.9	48.9
ISM Non-Manufacturing Index	55.4	54.1	54.0	54.5	53.6	54.0	56.1	53.8	53.8	52.4	52.0	50.3	51.9
ISM Economy-Weighted Composite index	55.3	54.2	53.9	54.5	53.5	53.9	55.7	53.7	53.2	52.0	51.7	50.2	51.6
Auto Sales (Millions, Annualized)	16.76	16.33	16.52	16.08	15.92	16.34	15.75	14.85	16.02	15.60	15.32	16.39	16.07
Consumer Confidence (U of M)	51.7	55.2	49.5	44.8	49.8	53.3	56.6	56.4	52.9	51.0	53.6	55.1	58.2

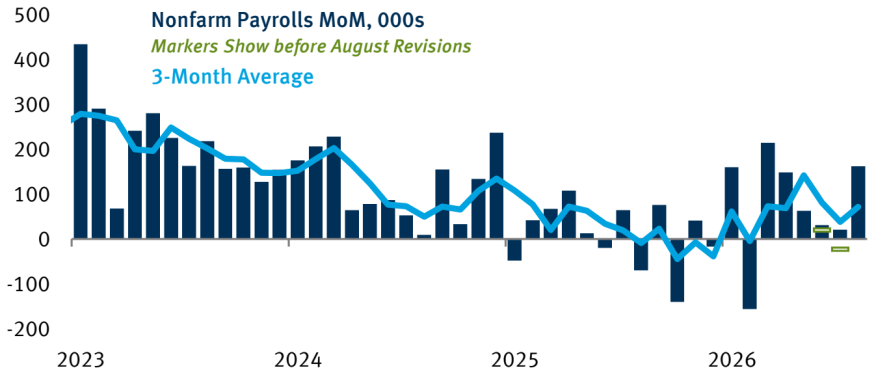
Executive Summary

Key Market Rates

Chair Warsh's Focus on Inflation in Jackson Hole Boosted September Hike Odds



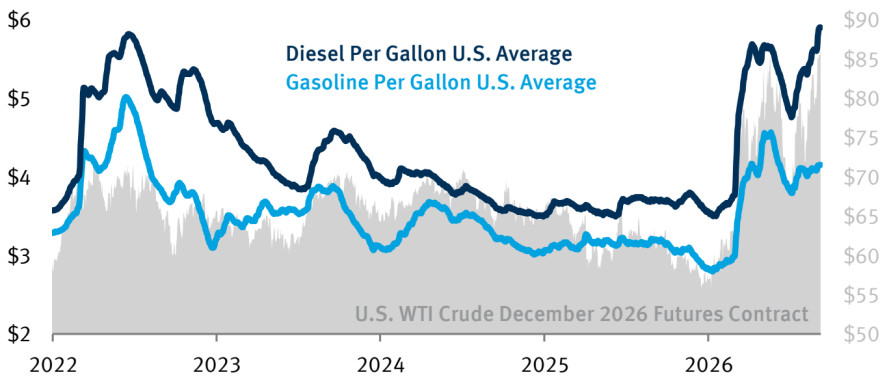
And a Surprisingly Strong Labor Update for August Offered Hawks Cover



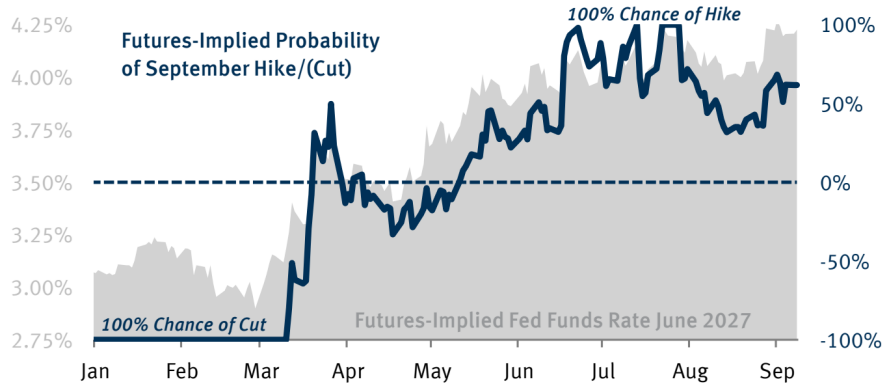
Particularly Considering Economic Activity Appears to Be Holding Up



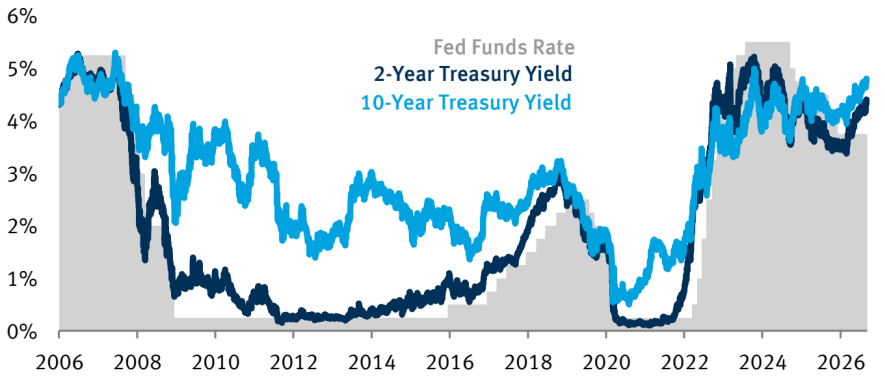
And Persistently High Energy Prices Pose Upside Inflation Risks



New Inflation Data, However, Will Likely Settle a Still-Open Debate



And Set the Pace for Interest Rates into the Final Months of the Year



Sources: Bureau of Economic Analysis, Bureau of Labor Statistics, Institue for Supply Management, American Automobile Association, Bloomberg Finance L.P., Stifel

Data as of September 8, 2026

Sector Analysis

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Sector Analysis

Other Sector Portfolio

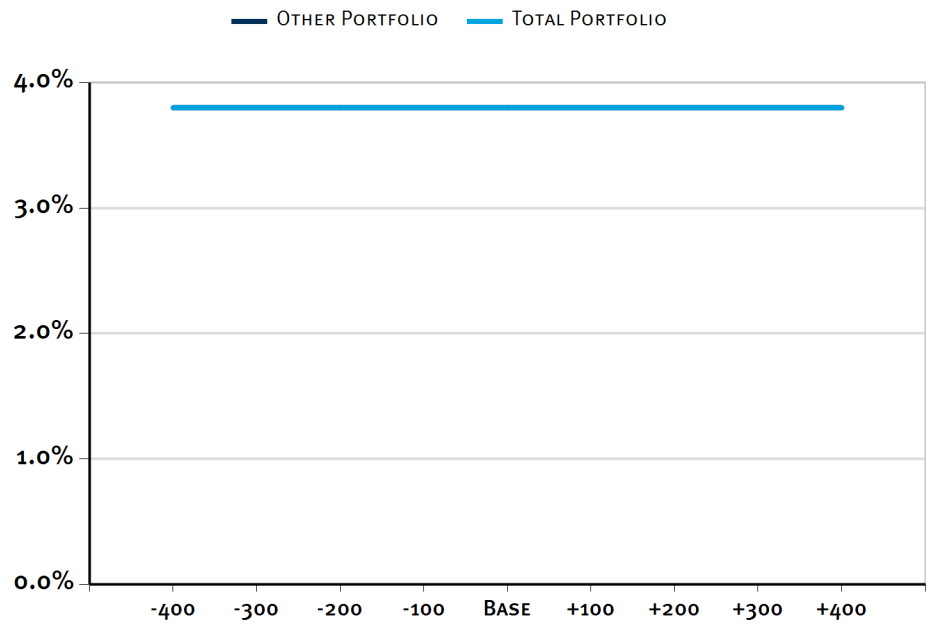
	-400	-300	-200	-100	Base	+100	+200	+300	+400
Number Bonds	1	1	1	1	1	1	1	1	1
Current Face	2,606,929	2,606,929	2,606,929	2,606,929	2,606,929	2,606,929	2,606,929	2,606,929	2,606,929
Book Value	2,606,929	2,606,929	2,606,929	2,606,929	2,606,929	2,606,929	2,606,929	2,606,929	2,606,929
Book Price	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Proj. Yld. At Book Px.	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%
Market Value	2,615,845	2,613,605	2,611,371	2,609,145	2,606,929	2,604,721	2,602,515	2,600,320	2,598,133
Market Price	100.34	100.26	100.17	100.09	100.00	99.92	99.83	99.75	99.66
Market Yield	-0.27%	0.74%	1.76%	2.78%	3.80%	4.82%	5.85%	6.88%	7.91%
% Price Change	0.3%	0.3%	0.2%	0.1%	0.0%	-0.1%	-0.2%	-0.3%	-0.3%
Book Gain/Loss	8,916	6,676	4,442	2,216	0	-2,208	-4,414	-6,609	-8,796
Gain/Loss %	0.34%	0.26%	0.17%	0.09%	0.00%	-0.08%	-0.17%	-0.25%	-0.34%
Average Life	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Effective Duration	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Effective Convexity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Other Contribution to Total Portfolio Measures

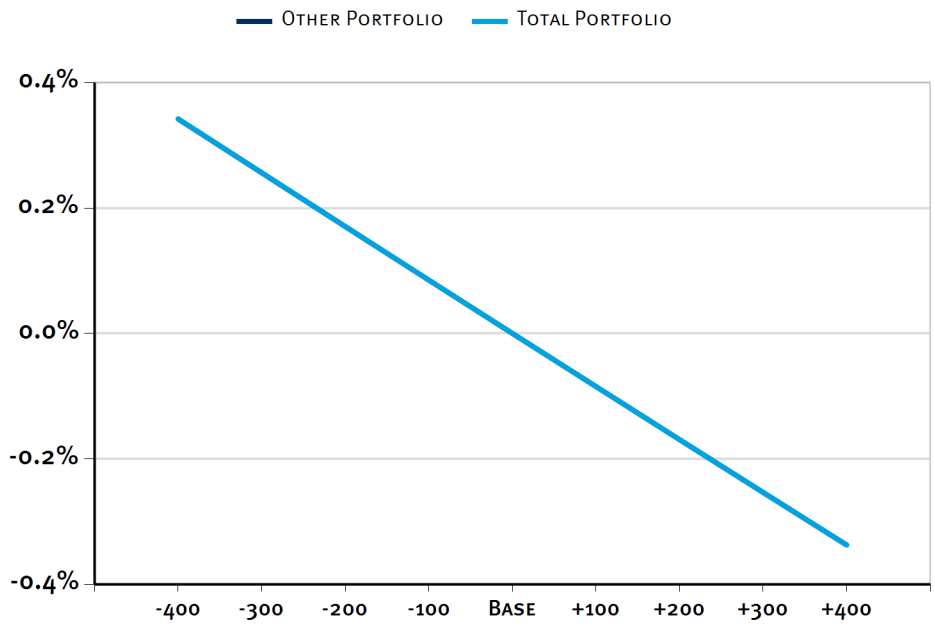
Allocation, Mkt Val	100.0%
Px Risk Contribution[1]	100.0%
Yield Contribution[2]	100.0%

[1] Risk - Sector px. vol. +300 as % of total port. px. vol
[2] Yield - Sector yield as a % of total port. yield.

Other Sector Yield @ Book vs Total Portfolio



Other Sector Price Volatility vs Total Portfolio



Cashflow Analysis

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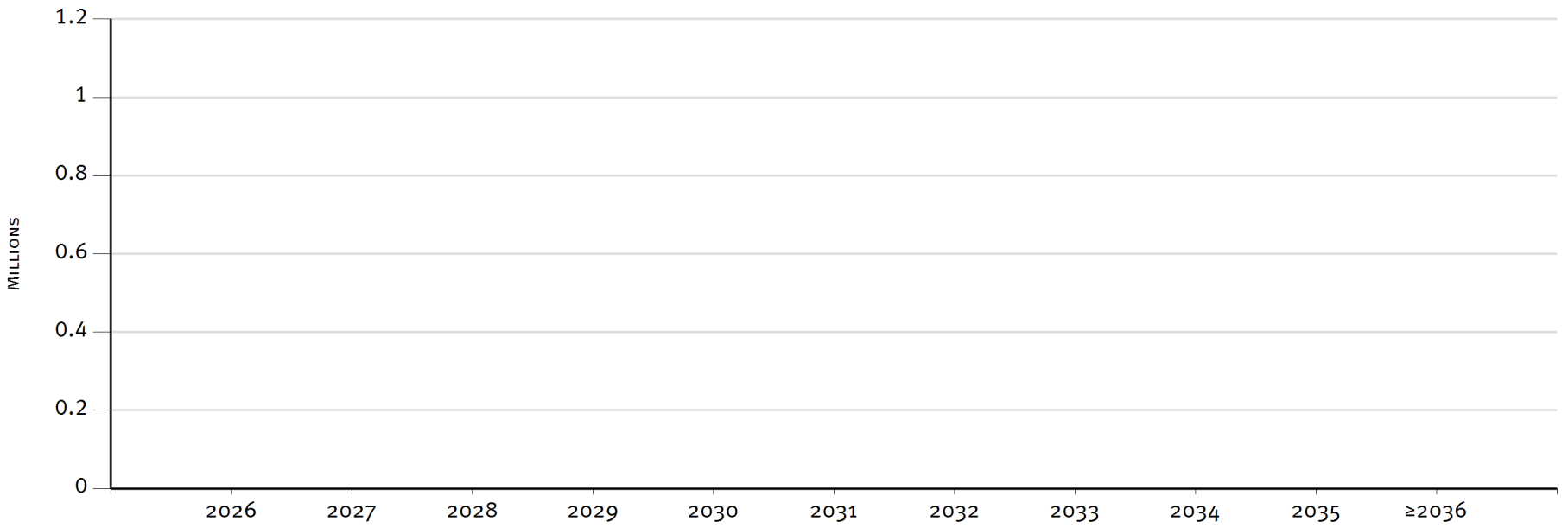
Cash Flow Analysis

Annual Base

Annual Cash Flows by Sector (Base)

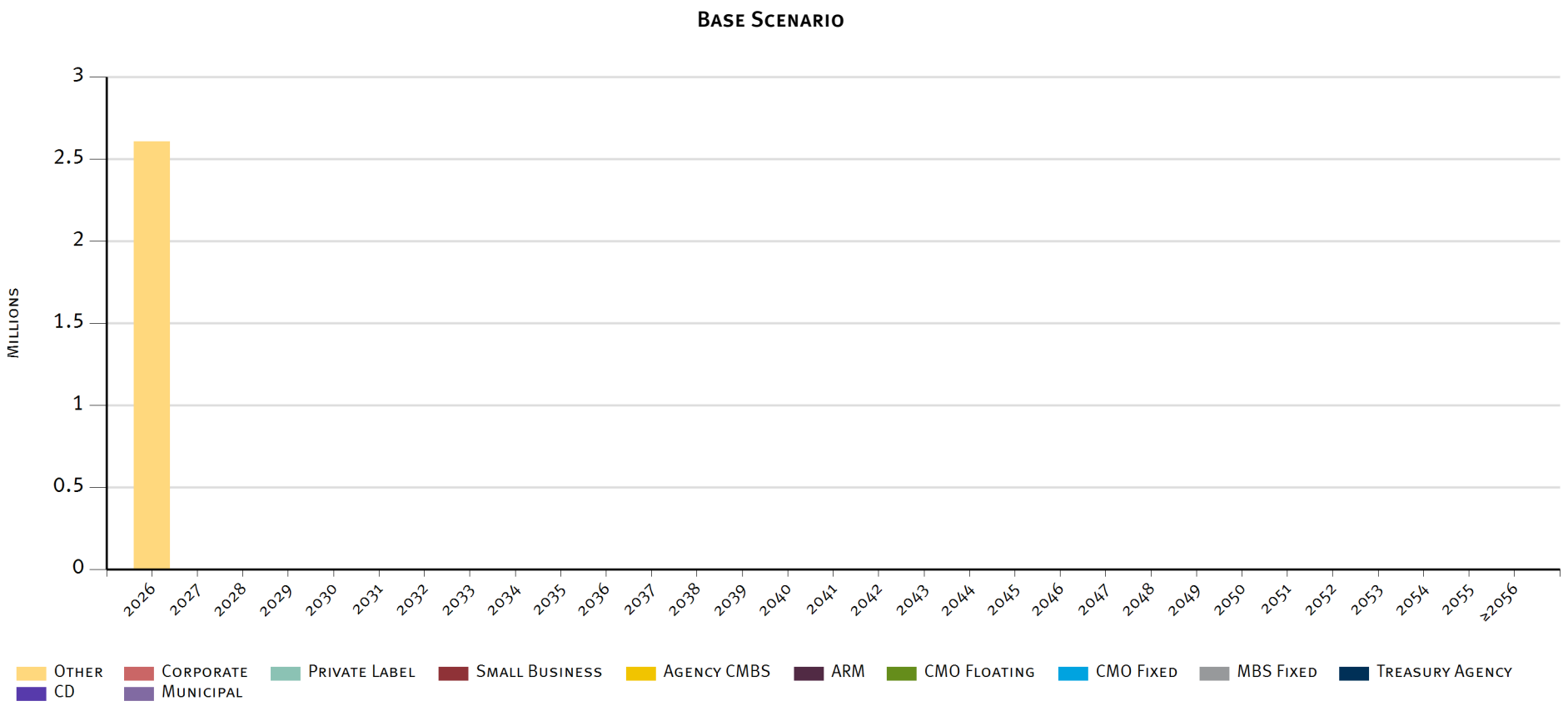
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	≥2036
Treasury/Agency	0	0	0	0	0	0	0	0	0	0	0
MBS Fixed	0	0	0	0	0	0	0	0	0	0	0
ARM	0	0	0	0	0	0	0	0	0	0	0
CMO Fixed	0	0	0	0	0	0	0	0	0	0	0
CMO Floating	0	0	0	0	0	0	0	0	0	0	0
Agency CMBS	0	0	0	0	0	0	0	0	0	0	0
Small Business	0	0	0	0	0	0	0	0	0	0	0
Private Label	0	0	0	0	0	0	0	0	0	0	0
Municipal	0	0	0	0	0	0	0	0	0	0	0
Corporate	0	0	0	0	0	0	0	0	0	0	0
CD	0	0	0	0	0	0	0	0	0	0	0
Other	2,606,929	0	0	0	0	0	0	0	0	0	0
Total	**2,606,929**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
% of Total Portfolio	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Annual Cash Flows by Sector (Base)



Cash Flow Analysis

Cash Flows By Sector - Next 30 Years



Cash Flow Analysis

Annual Shocked

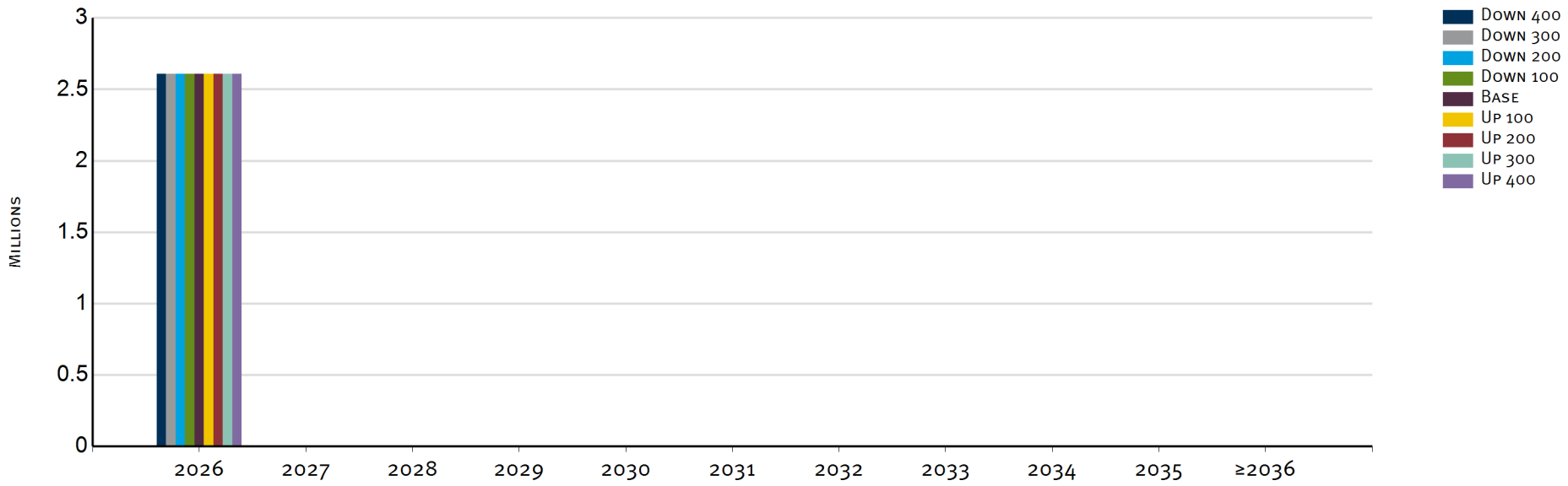
Shocked Annual Portfolio Cash Flows

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	≥ 2036
Down 400	2,606,929	0	0	0	0	0	0	0	0	0	0
Down 300	2,606,929	0	0	0	0	0	0	0	0	0	0
Down 200	2,606,929	0	0	0	0	0	0	0	0	0	0
Down 100	2,606,929	0	0	0	0	0	0	0	0	0	0
Base	**2,606,929**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Up 100	2,606,929	0	0	0	0	0	0	0	0	0	0
Up 200	2,606,929	0	0	0	0	0	0	0	0	0	0
Up 300	2,606,929	0	0	0	0	0	0	0	0	0	0
Up 400	2,606,929	0	0	0	0	0	0	0	0	0	0

Change in Shocked Annual Portfolio Cash Flows from Base

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	≥ 2036
Down 400	0	0	0	0	0	0	0	0	0	0	0
Down 300	0	0	0	0	0	0	0	0	0	0	0
Down 200	0	0	0	0	0	0	0	0	0	0	0
Down 100	0	0	0	0	0	0	0	0	0	0	0
Up 100	0	0	0	0	0	0	0	0	0	0	0
Up 200	0	0	0	0	0	0	0	0	0	0	0
Up 300	0	0	0	0	0	0	0	0	0	0	0
Up 400	0	0	0	0	0	0	0	0	0	0	0

Shocked Annual Portfolio Cash Flows

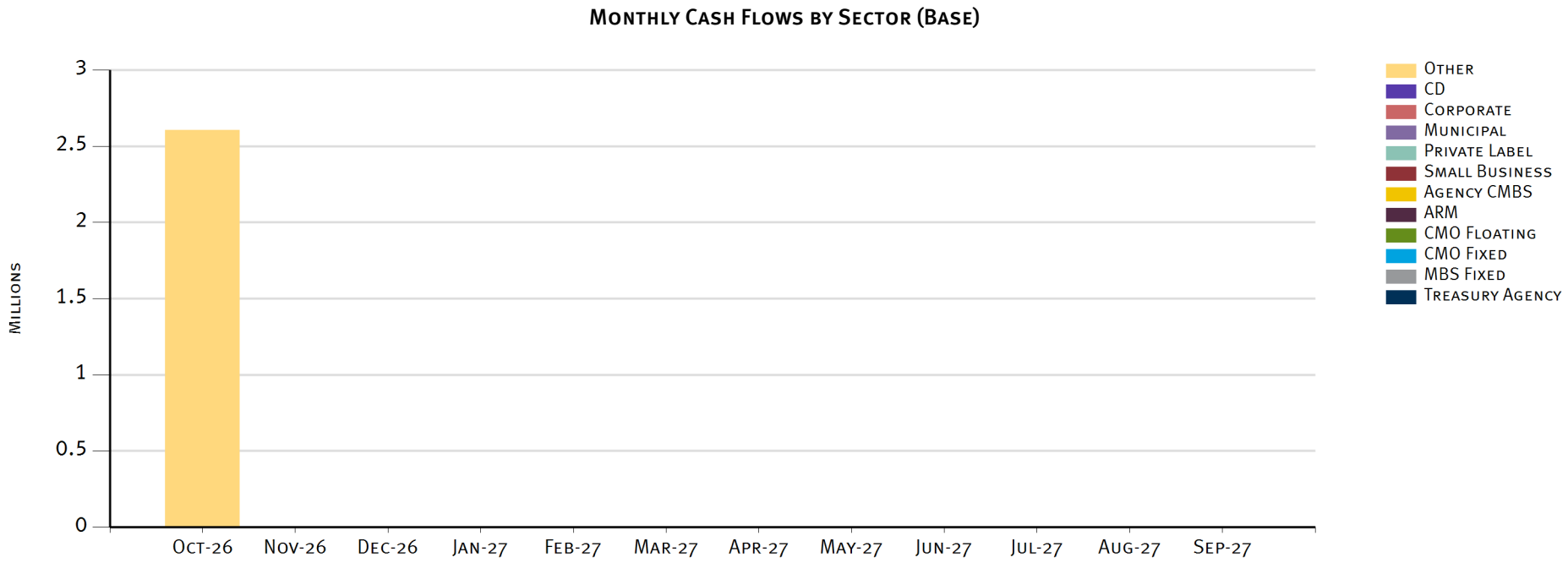


Cash Flow Analysis

Monthly Base

Monthly Cash Flows by Sector (Base)

	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	Total	% of Total Portfolio
Treasury/Agency	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
MBS Fixed	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
ARM	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
CMO Fixed	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
CMO Floating	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Agency CMBS	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Small Business	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Private Label	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Municipal	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Corporate	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
CD	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Other	2,606,929	0	0	0	0	0	0	0	0	0	0	0	2,606,929	100.0%
Total	**2,606,929**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2,606,929**	**100.0%**
% of Total Portfolio	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	



Cash Flow Analysis

Monthly Shocked

Shocked Monthly Portfolio Cash Flows (Year 1)

	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	Total
Down 400	2,606,929	0	0	0	0	0	0	0	0	0	0	0	2,606,929
Down 300	2,606,929	0	0	0	0	0	0	0	0	0	0	0	2,606,929
Down 200	2,606,929	0	0	0	0	0	0	0	0	0	0	0	2,606,929
Down 100	2,606,929	0	0	0	0	0	0	0	0	0	0	0	2,606,929
Base	**2,606,929**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2,606,929**
Up 100	2,606,929	0	0	0	0	0	0	0	0	0	0	0	2,606,929
Up 200	2,606,929	0	0	0	0	0	0	0	0	0	0	0	2,606,929
Up 300	2,606,929	0	0	0	0	0	0	0	0	0	0	0	2,606,929
Up 400	2,606,929	0	0	0	0	0	0	0	0	0	0	0	2,606,929

Change in Monthly Cash Flows from Base (Year 1)

	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	Total
Down 400	0	0	0	0	0	0	0	0	0	0	0	0	0
Down 300	0	0	0	0	0	0	0	0	0	0	0	0	0
Down 200	0	0	0	0	0	0	0	0	0	0	0	0	0
Down 100	0	0	0	0	0	0	0	0	0	0	0	0	0
Up 100	0	0	0	0	0	0	0	0	0	0	0	0	0
Up 200	0	0	0	0	0	0	0	0	0	0	0	0	0
Up 300	0	0	0	0	0	0	0	0	0	0	0	0	0
Up 400	0	0	0	0	0	0	0	0	0	0	0	0	0

Shocked Monthly Portfolio Cash Flows (Year 2)

	Oct-27	Nov-27	Dec-27	Jan-28	Feb-28	Mar-28	Apr-28	May-28	Jun-28	Jul-28	Aug-28	Sep-28	Total
Down 400	0	0	0	0	0	0	0	0	0	0	0	0	0
Down 300	0	0	0	0	0	0	0	0	0	0	0	0	0
Down 200	0	0	0	0	0	0	0	0	0	0	0	0	0
Down 100	0	0	0	0	0	0	0	0	0	0	0	0	0
Base	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Up 100	0	0	0	0	0	0	0	0	0	0	0	0	0
Up 200	0	0	0	0	0	0	0	0	0	0	0	0	0
Up 300	0	0	0	0	0	0	0	0	0	0	0	0	0
Up 400	0	0	0	0	0	0	0	0	0	0	0	0	0

Change in Monthly Cash Flows from Base (Year 2)

	Oct-27	Nov-27	Dec-27	Jan-28	Feb-28	Mar-28	Apr-28	May-28	Jun-28	Jul-28	Aug-28	Sep-28	Total
Down 400	0	0	0	0	0	0	0	0	0	0	0	0	0
Down 300	0	0	0	0	0	0	0	0	0	0	0	0	0
Down 200	0	0	0	0	0	0	0	0	0	0	0	0	0
Down 100	0	0	0	0	0	0	0	0	0	0	0	0	0
Up 100	0	0	0	0	0	0	0	0	0	0	0	0	0
Up 200	0	0	0	0	0	0	0	0	0	0	0	0	0
Up 300	0	0	0	0	0	0	0	0	0	0	0	0	0
Up 400	0	0	0	0	0	0	0	0	0	0	0	0	0

Cash Flow Analysis

Yield Forecaster

	Down 100 (4.33% Assumed Reinvestment Rate)[1]					Base Case (5.33% Assumed Reinvestment Rate)[1]					Up 100 (6.33% Assumed Reinvestment Rate)[1]				
	Principal Cash Flow	Cuml. Pay Down	Rolloff Yield	Rem. Port. Yield	Reinvest Port. Yield	Principal Cash Flow	Cuml. Pay Down	Rolloff Yield	Rem. Port. Yield	Reinvest Port. Yield	Principal Cash Flow	Cuml. Pay Down	Rolloff Yield	Rem. Port. Yield	Reinvest Port. Yield
Oct-26	2,606,929	100.0%	3.80	0.00	4.33	2,606,929	100.0%	3.80	0.00	5.33	2,606,929	100.0%	3.80	0.00	6.33
Nov-26	0	100.0%	0.00	0.00	4.33	0	100.0%	0.00	0.00	5.33	0	100.0%	0.00	0.00	6.33
Dec-26	0	100.0%	0.00	0.00	4.33	0	100.0%	0.00	0.00	5.33	0	100.0%	0.00	0.00	6.33
Jan-27	0	100.0%	0.00	0.00	4.33	0	100.0%	0.00	0.00	5.33	0	100.0%	0.00	0.00	6.33
Feb-27	0	100.0%	0.00	0.00	4.33	0	100.0%	0.00	0.00	5.33	0	100.0%	0.00	0.00	6.33
Mar-27	0	100.0%	0.00	0.00	4.33	0	100.0%	0.00	0.00	5.33	0	100.0%	0.00	0.00	6.33
Apr-27	0	100.0%	0.00	0.00	4.33	0	100.0%	0.00	0.00	5.33	0	100.0%	0.00	0.00	6.33
May-27	0	100.0%	0.00	0.00	4.33	0	100.0%	0.00	0.00	5.33	0	100.0%	0.00	0.00	6.33
Jun-27	0	100.0%	0.00	0.00	4.33	0	100.0%	0.00	0.00	5.33	0	100.0%	0.00	0.00	6.33
Jul-27	0	100.0%	0.00	0.00	4.33	0	100.0%	0.00	0.00	5.33	0	100.0%	0.00	0.00	6.33
Aug-27	0	100.0%	0.00	0.00	4.33	0	100.0%	0.00	0.00	5.33	0	100.0%	0.00	0.00	6.33
Sep-27	0	100.0%	0.00	0.00	4.33	0	100.0%	0.00	0.00	5.33	0	100.0%	0.00	0.00	6.33
Oct-27	0	100.0%	0.00	0.00	4.33	0	100.0%	0.00	0.00	5.33	0	100.0%	0.00	0.00	6.33
Nov-27	0	100.0%	0.00	0.00	4.33	0	100.0%	0.00	0.00	5.33	0	100.0%	0.00	0.00	6.33
Dec-27	0	100.0%	0.00	0.00	4.33	0	100.0%	0.00	0.00	5.33	0	100.0%	0.00	0.00	6.33
Jan-28	0	100.0%	0.00	0.00	4.33	0	100.0%	0.00	0.00	5.33	0	100.0%	0.00	0.00	6.33
Feb-28	0	100.0%	0.00	0.00	4.33	0	100.0%	0.00	0.00	5.33	0	100.0%	0.00	0.00	6.33
Mar-28	0	100.0%	0.00	0.00	4.33	0	100.0%	0.00	0.00	5.33	0	100.0%	0.00	0.00	6.33
Apr-28	0	100.0%	0.00	0.00	4.33	0	100.0%	0.00	0.00	5.33	0	100.0%	0.00	0.00	6.33
May-28	0	100.0%	0.00	0.00	4.33	0	100.0%	0.00	0.00	5.33	0	100.0%	0.00	0.00	6.33
Jun-28	0	100.0%	0.00	0.00	4.33	0	100.0%	0.00	0.00	5.33	0	100.0%	0.00	0.00	6.33
Jul-28	0	100.0%	0.00	0.00	4.33	0	100.0%	0.00	0.00	5.33	0	100.0%	0.00	0.00	6.33
Aug-28	0	100.0%	0.00	0.00	4.33	0	100.0%	0.00	0.00	5.33	0	100.0%	0.00	0.00	6.33
Sep-28	0	100.0%	0.00	0.00	4.33	0	100.0%	0.00	0.00	5.33	0	100.0%	0.00	0.00	6.33
Oct-28	0	100.0%	0.00	0.00	4.33	0	100.0%	0.00	0.00	5.33	0	100.0%	0.00	0.00	6.33
Nov-28	0	100.0%	0.00	0.00	4.33	0	100.0%	0.00	0.00	5.33	0	100.0%	0.00	0.00	6.33
Dec-28	0	100.0%	0.00	0.00	4.33	0	100.0%	0.00	0.00	5.33	0	100.0%	0.00	0.00	6.33
Jan-29	0	100.0%	0.00	0.00	4.33	0	100.0%	0.00	0.00	5.33	0	100.0%	0.00	0.00	6.33
Feb-29	0	100.0%	0.00	0.00	4.33	0	100.0%	0.00	0.00	5.33	0	100.0%	0.00	0.00	6.33
Mar-29	0	100.0%	0.00	0.00	4.33	0	100.0%	0.00	0.00	5.33	0	100.0%	0.00	0.00	6.33
Apr-29	0	100.0%	0.00	0.00	4.33	0	100.0%	0.00	0.00	5.33	0	100.0%	0.00	0.00	6.33
May-29	0	100.0%	0.00	0.00	4.33	0	100.0%	0.00	0.00	5.33	0	100.0%	0.00	0.00	6.33
Jun-29	0	100.0%	0.00	0.00	4.33	0	100.0%	0.00	0.00	5.33	0	100.0%	0.00	0.00	6.33
Jul-29	0	100.0%	0.00	0.00	4.33	0	100.0%	0.00	0.00	5.33	0	100.0%	0.00	0.00	6.33
Aug-29	0	100.0%	0.00	0.00	4.33	0	100.0%	0.00	0.00	5.33	0	100.0%	0.00	0.00	6.33
Sep-29	0	100.0%	0.00	0.00	4.33	0	100.0%	0.00	0.00	5.33	0	100.0%	0.00	0.00	6.33

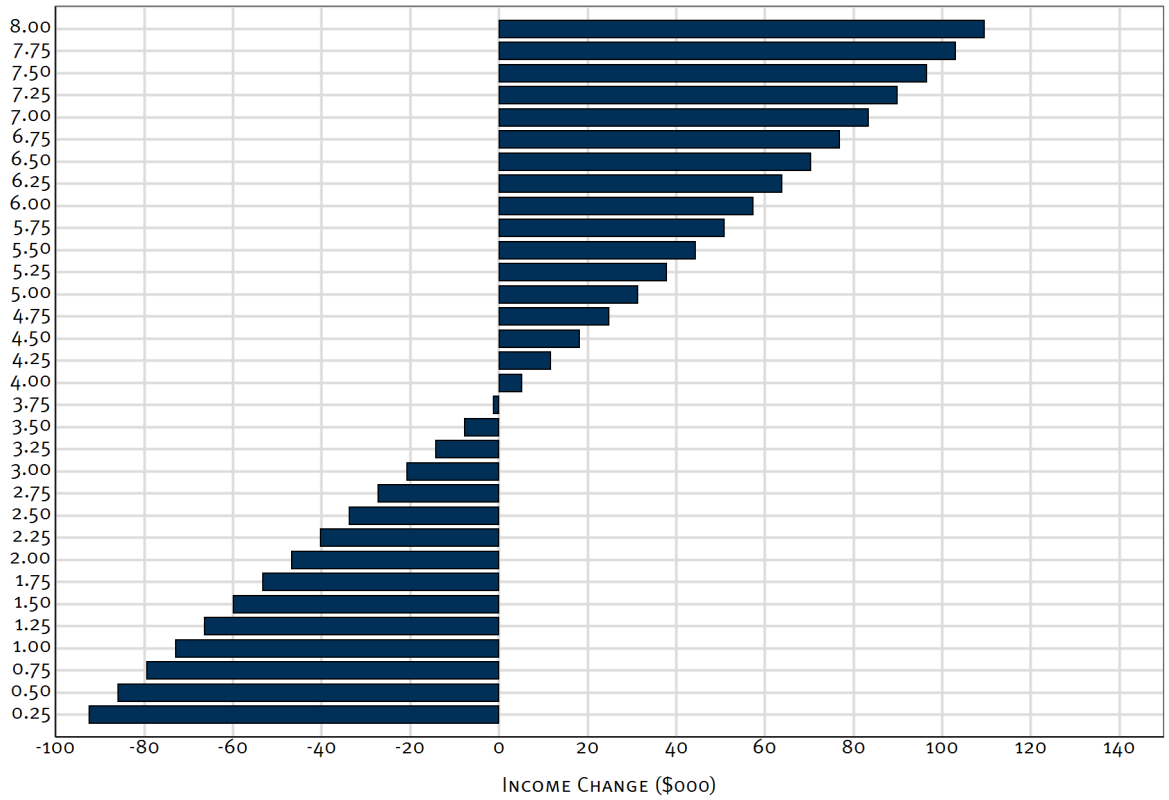
[1] Base reinvestment set at 5 Year Treasury rate +50 basis points

Cash Flow Analysis

Gap Analysis - Potential Income Impact of Principal Reinvestment

Principal Maturing (12 Mo Horizon)	2,607
Current Book Yield of Principal Maturing	3.80%
Estimated Annual Income at Current Book Yield	$99

Estimated Impact on Income at Various Reinvestment Yields



Assumed Reinvestment Yield	Estimated Annualized Income	Income Difference From Current Book	Resulting Book Yield
0.25	7	-93	0.25
0.50	13	-86	0.50
0.75	20	-80	0.75
1.00	26	-73	1.00
1.25	33	-66	1.25
1.50	39	-60	1.50
1.75	46	-53	1.75
2.00	52	-47	2.00
2.25	59	-40	2.25
2.50	65	-34	2.50
2.75	72	-27	2.75
3.00	78	-21	3.00
3.25	85	-14	3.25
3.50	91	-8	3.50
3.75	98	-1	3.75
4.00	104	5	4.00
4.25	111	12	4.25
4.50	117	18	4.50
4.75	124	25	4.75
5.00	130	31	5.00
5.25	137	38	5.25
5.50	143	44	5.50
5.75	150	51	5.75
6.00	156	57	6.00
6.25	163	64	6.25
6.50	169	70	6.50
6.75	176	77	6.75
7.00	182	83	7.00
7.25	189	90	7.25
7.50	196	96	7.50
7.75	202	103	7.75
8.00	209	110	8.00

Cash Flow Analysis

Projected Call and Maturity Report

Projected Call and Maturity Dates by Rate Scenario (Next 12 Months)

Description	CUSIP	Maturity	Next Call Date	Coupon	Current Face	Book Gain/Loss	Yld @ Book	Projected Call / Maturity Date								
								-400	-300	-200	-100	Base	+100	+200	+300	+400

Supplemental Analysis

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Sector Supplemental Analysis

Key Portfolio Sorts

Top 10 Up 300 Market Value Changes (%)

CUSIP	Sector	Description	Cpn	Maturity	Par Value	Book Price	Mkt Price	G/L	Yld @ Book	WAL	% Px Δ +300	$ Amt Δ +300	G/L +300	Eff Dur	INT
PALM1LAIF	Cash & Other	STATE OF CALIFORNIA LOCAL	3.83	10/31/26	2,606,929	100.00	100.00		3.80	0.1	-0.3	-6,609	-6,609	0.1	AFS
			3.83		2,606,929	100.00	100.00		3.80	0.1	-0.3	-6,609	-6,609	0.1	

Top 10 Up 300 Market Value Changes ($)

CUSIP	Sector	Description	Cpn	Maturity	Par Value	Book Price	Mkt Price	G/L	Yld @ Book	WAL	% Px Δ +300	$ Amt Δ +300	G/L +300	Eff Dur	INT
PALM1LAIF	Cash & Other	STATE OF CALIFORNIA LOCAL	3.83	10/31/26	2,606,929	100.00	100.00		3.80	0.1	-0.3	-6,609	-6,609	0.1	AFS
			3.83		2,606,929	100.00	100.00		3.80	0.1	-0.3	-6,609	-6,609	0.1	

Sector Supplemental Analysis

Key Portfolio Sorts

Top 10 Marked To Market Up 300 Loss Positions

CUSIP	Sector	Description	Cpn	Maturity	Par Value	Book Price	Mkt Price	G/L	Yld @ Book	WAL	% Px Δ +300	$ Amt Δ +300	G/L +300	Eff Dur	INT
PALM1LAIF	Cash & Other	STATE OF CALIFORNIA LOCAL	3.83	10/31/26	2,606,929	100.00	100.00		3.80	0.1	-0.3	-6,609	-6,609	0.1	AFS
			3.83		2,606,929	100.00	100.00		3.80	0.1	-0.3	-6,609	-6,609	0.1	

Top 10 Average Life Extension Up 300bps

CUSIP	Sector	Description	Cpn	Maturity	Par Value	Book Price	Mkt Price	G/L	Yld @ Book	% Px Δ +300	Eff Dur	WAL	WAL +300	Chg in WAL	INT
PALM1LAIF	Cash & Other	STATE OF CALIFORNIA LOCAL	3.83	10/31/26	2,606,929	100.00	100.00		3.80	-0.3	0.1	0.1	0.1	0.0	AFS
			3.83		2,606,929	100.00	100.00		3.80	-0.3	0.1	0.1	0.1	0.0	

CUSIP Details

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CUSIP Details

Security Details - Other Sector

					Coupon									% Price Change			
CUSIP	FAS	Description	Structure	Current	Type	Rate	Next Step	Maturity	Book Price	Yld @ Book	Mkt Price	Gain/Loss	G/L %	Avg Life	-100	+100	+300	Eff Dur
PALM1LAIF	AFS	STATE OF CALIFORNIA LOCAL	Bullet	2,606,929		3.830		10/31/26	100.00	3.80	100.00	0	0.0%	0.1	0.1	-0.1	-0.3	0.1
TOTAL		**OTHER**		**2,606,929**		**3.830**		**10/31/26**	**100.00**		**100.00**	**0**	**0.0%**	**0.1**	**0.1**	**-0.1**	**-0.3**	**0.1**

Scenario Yield and Price Analysis

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Scenario Yield and Price Analysis

Interest Rate Risk / Reward - Other Sector

		Book			Projected Yield At Book Price									% Change in Market Price							
CUSIP	Description	Value	Price	Market Price	-400	-300	-200	-100	Base	+100	+200	+300	+400	-400	-300	-200	-100	+100	+200	+300	+400
PALM1LAIF	STATE OF CALIFORNIA LOCAL AGENCY I	2,606,929	100.00	100.00	3.80	3.80	3.80	3.80	**3.80**	3.80	3.80	3.80	3.80	0.3	0.3	0.2	0.1	-0.1	-0.2	-0.3	-0.3
TOTAL	**OTHER SECTOR**	**2,606,929**	**100.00**	**100.00**	**3.80**	**3.80**	**3.80**	**3.80**	**3.80**	**3.80**	**3.80**	**3.80**	**3.80**	**0.3**	**0.3**	**0.2**	**0.1**	**-0.1**	**-0.2**	**-0.3**	**-0.3**

* n.m.: Yield not meaningful

Addendum

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Addendum

Portfolio Changes

New Securities 06/2026 - 10/2026

CUSIP	Sector	Description	Maturity	Coupon	Original Face	Book Price	Intent

Securities Sold/Redeemed 06/2026 - 10/2026

CUSIP	Sector	Description	Maturity	Coupon	Original Face	Book Price	Intent	Redemption Type

Addendum

Portfolio Exceptions

Portfolio Exceptions

	Exception Description	CUSIP	Sector	Sub Sector	Sub Sub Sector	Security Description	Current Par	Book Price	Market Price
No bonds were excluded from your portfolio									

Portfolio Exceptions Summary

Total Current Par	Excluded Current Par	Included Current Par	Excluded Pct	Total Count	Excluded Count	Included Count	Excluded Pct
2,606,929	0	2,606,929	0.00%	1	0	1	0.00%

Addendum

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	Applied	Notes
Date Requested	10/08/2026	The Performance Profile was requested on this date
Book Date	09/30/2026	The portfolio's book (holding) price is as of this date
As-Of Date	09/23/2026	Market pricing for this portfolio is as of this date.
Call Report	n.a.	Most recent institution call report available on Date Requested
Risk Manager	n.a.	The most recent Risk Manager information as of Date Requested
Tax Rate Applied	21.00%	Adjustable, defaults to 21.00% C-Corp Bank, 29.60% S-Corp Bank, 0.00% Credit Union
Cost of Funds	1.0%	Used to calculate Tax-Equivalent Yields where appropriate for depositories
TEFRA	Tax-Free Munis	C-Corp Bank (20% BQ, 100% GM); S-Corp Bank (0% BQ, 100% GM); all else n.a.
Portfolio Statistics	10/08/2026	The most recent Stifel portfolio summary statistics as of Date Requested

Addendum

Key Terms and Definitions

Term	Definition
Adjustment Frequency	For adjustable-rate mortgages (ARMs), the number of months between the loan's or security's coupon adjustment dates. GNMA ARMs adjust annually in one of the following months: January, April, July, or October; FNMA and FHLMC issues also usually have annual reset dates although the adjustment dates occur at any time during the year.
Book Yield	Usually provided from Bond Accounting reports and represents the Annualized yield to maturity (or call) based on the book value of a bond and projected cash flows. Similar to "Projected Yield at Book" except 3mo Historical Speeds are commonly employed in calculating Book Yield for amortizing securities rather than a forward looking estimate.
Collateral	Assets that are used to secure payment of certain bonds, for example, real estate is a source of collateral for mortgage backed securities.
Coupon	The stated interest rate on a bond that is used to calculate interest payments that are payable to bond holders. A coupon rate of interest can be fixed over the life of the bond or a variable rate of interest that is calculated using a formula described in the offering documents. Floating coupon rates are generally a simple spread (or margin) relative to a stated index (such as LIBOR). Many bonds include caps and floors on the coupon interest rate and some contain more complex formulas.
Convexity	An incremental measure (along with the linear measure of duration) to capture the curvature of a bond's price/yield relationship. Practically, negative convexity indicates the upside price of a bond is limited if rates fall due to embedded options (mortgage prepayments or an issuers ability to call the bond).
Current Face (Par Amount)	Computed by multiplying the original face by the current factor, represents principal remaining for an investor to receive.
Current Index	The level of the index at a specified moment in time that is used in conjunction with the margin to establish the security's coupon.
Effective Duration	Or "option-adjusted duration" measures interest rate risk of a security considering the impact of optionality and possible changes in future interest rates. It is calculated by averaging the percentage changes in the security's value under the higher and lower rate environments, while 25bp, 50bp or other sized yield shifts are commonly used, the rate of change is restated as a 100bp equivalent by simple multiplication.
Enhanced Credit Rating	A rating that reflects the underlying issue's standalone credit quality as well as any credit support provided by a state credit enhancement program.
Factor	Relevant for bonds that pay amortizing principal to bond holders. The factor equals the percentage of the original face that is outstanding.
Floor	For adjustable-rate securities, it is the lowest level to which a coupon can fall over the life of the security
Forward Curve	The forward curve is a graph that defines the prices (yields) at which a contract for future delivery or payment can be concluded today, it represents a term structure of forward rates.
Gross WAC	The weighted-average mortgage rate of all the loans in a pool.
Initial Reset Date	The date on which an adjustable-rate mortgage (ARM) or underlying mortgage in an ARM pool can reset for the first time.
Internal Rate of Return	A sector or portfolio yield to expected maturity based on the portfolio's expected cash flows, treated as a single instrument. This reflects the overall yield to expected maturity of the portfolio, not a monthly earnings rate. On a single bond, IRR is the same as yield.
Lifetime Cap	For adjustable-rate securities, it is the highest level that a coupon may attain over the life of the security.
Margin	The amount added to the index of a floating rate loan or security (such as an adjustment rate mortgage security) in order to calculate a coupon rate of interest.
Market Yield	The yield of a bond at current market price. For a bond you own, an indication of what yield the market will pay you today for the bond.
Months to Roll (MTR)	Months remaining until a bond's coupon will next reset
Pay Window	For CMO's, the expected date range to receive principal payments.
Prepay Speeds	Prepayments occur when a servicer receives principal payments above the scheduled amount. The velocity of the prepayments is measured using prepayment speeds, typically measured using conditional prepayment rate (CPR) or prepayment speed assumption (PSA).
Price Volatility	The percentage change in price for a given a change in interest rates. Price volatility is generally calculated using a parallel, instantaneous shock in a benchmark yield curve assuming constant spreads relative to the benchmark curve.
Projected Call	The date at which a callable bond is projected to be redeemed at a given level of interest rates. All things equal, higher rates should extend the date and lower rates should accelerate the redemption date.
Projected Yield at Book	Annualized yield to maturity (or call) based on the book value of a bond and projected cash flows given the market conditions at the time of the analysis.
Roll Date	The date (or weighted average date) that a bond's coupon can reset
Static Cash Flow Gap Estimate	In the absence of more robust Earnings at Risk simulations, an estimate of how sensitive a depository's margin is to movements in interest rates by comparing the amount and sensitivity of repricing Assets and Liabilities. A positive gap indicates more assets repricing than liabilities (asset sensitive) and a negative gap indicates more liabilities repricing than assets (liability sensitive).
Tranche	Class of debt securities issued as part of a bond instrument, each part (tranche) characterized by a unique set of features such as maturity, interest (coupon) rate, interest payment date, to suit the needs of different investors.
Underlying Credit Rating	A rating issued by an agency assessing the ability of an issuer to repay its debt. The assessment of creditworthiness is based solely on the obligor and does not include enhancements from a third party.
Weighted Average Life (WAL)	The weighted-average time in years that the principal of a security is expected to be outstanding. For mortgage securities and callable bonds, average life varies with prepayment speeds and yield curve assumptions.
Weighted Average Loan Age (WALA)	The average age of all mortgages in a pool, weighted by current balance.
Weighted Average Maturity (WAM)	The average remaining maturity of the underlying mortgages in a pool, weighted by current balance.
Yield at Book Price	On a sector or portfolio summary level, this is a book value-weighted average yield. It reflects expected earnings in the current month. Over time, relatively low (or high) yields may mature, increasing (or decreasing) subsequent months' expected earnings versus the initial weighted average.
Yield Contribution	For a given a sectors weight, how much yield does it contribute to the overall portfolio.

Addendum

Key Terms and Definitions

Yield to Maturity (YTM)	The single yield that makes the present value of the cash flows to maturity equal to the price plus accrued interest.
Yield to Call (YTC)	The single yield that makes the present value of the cash flows to the call date equal to the price plus accrued interest.
Yield to Worst (YTW)	The lower of the yield to maturity and the yield to call.

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
OCTOBER 31, 2026

CITY OF PALMDALE INVESTMENTS

PURCHASE DATE	MATURITY DATE	FUND	ACCOUNT/ INSTITUTION	INTEREST RATE	PAR AMOUNT	PURCHASE AMOUNT	INVESTED AMOUNT
U.S. TREASURY SECURITIES				Yield			
01-03-24	12-31-26	CITY	912828YX2 U.S. Treasury Note	0.04	$ 5,000,000.00	$ 4,696,880.23	$ 4,945,900.00
01-03-24	06-30-27	CITY	91282CEW7 U.S. Treasury Note	0.04	5,000,000.00	4,897,630.28	4,958,500.00
01-03-24	09-30-27	CITY	91282CFM8 U.S. Treasury Note	0.04	2,500,000.00	2,523,771.66	2,499,600.00
12-18-24	09-30-29	CITY	91282CFL0 U.S. Treasury Note	0.39	5,000,000.00	4,977,094.45	4,957,250.00
12-18-24	10-31-29	CITY	91282CFT3 U.S. Treasury Note	0.40	5,000,000.00	4,988,321.47	4,974,800.00
12-18-24	11-30-29	CITY	91282CFY2 U.S. Treasury Note	0.39	5,000,000.00	4,942,086.29	4,954,100.00
01-02-25	12-31-29	CITY	91282CGB1 U.S. Treasury Note	0.39	3,000,000.00	2,949,835.02	2,971,980.00
11-17-25	09-30-30	CITY	91282CPA3 U.S. Treasury Note	3.63	3,000,000.00	3,015,470.91	2,935,770.00
01-23-26	06-30-29	CITY	91282CEV9 US Treasury Note	3.25	1,000,000.00	985,312.50	974,726.56
01-23-26	02-28-30	CITY	91282CGQ8 US Treasury Note	4.00	1,000,000.00	1,008,750.00	994,492.19
01-23-26	12-31-30	CITY	91282CJQ5 US Treasury Note	3.75	1,000,000.00	995,937.50	982,070.31
03-05-26	11-15-28	CITY	91282CPK1 US Treasury Note	3.50	2,000,000.00	1,997,812.50	1,970,468.76
03-16-26	04-15-28	CITY	91282CMW8 US Treasury Note	3.75	2,000,000.00	2,001,875.00	1,986,171.88
05-05-26	05-15-28	CITY	91282CND9 U.S. Treasury Note	3.75	2,000,000.00	1,993,750.00	1,985,625.00
05-05-26	10-15-28	CITY	91282CPC9 U.S. Treasury Note	3.50	2,000,000.00	1,980,312.50	1,971,406.26
06-17-26	01-31-28	CITY	91282CGH8 U.S. Treasury Note	3.50	2,000,000.00	1,984,375.00	1,979,921.88
06-23-26	11-30-27	CITY	91282CFZ9 U.S. Treasury Note	3.88	3,000,000.00	2,988,750.00	2,988,632.82
07-23-26	08-31-27	CITY	91282CNV9 U.S. Treasury Note	3.63	1,000,000.00	994,062.50	994,062.50
07-24-26	02-15-28	CITY	91282CMN8 U.S. Treasury Note	4.25	1,000,000.00	999,062.50	999,062.50
09-15-26	09-30-28	CITY	91282CJA0 U.S. Treasury Note	4.58	1,000,000.00	1,000,937.50	1,000,937.50
09-15-26	02-15-28	CITY	91282CMN8 U.S. Treasury Note	4.48	1,000,000.00	996,875.00	996,875.00
09-15-26	07-31-28	CITY	91282CRB9 U.S. Treasury Note	4.56	1,000,000.00	994,375.00	994,375.00
09-30-26	01-15-28	CITY	91282CMF5 U.S. Treasury Note	4.72	3,000,000.00	2,982,187.50	2,982,187.50
			TOTAL U.S. TREASURY SECURITIES		$ 57,500,000.00	$ 56,895,465.31	$ 56,998,915.66
GOVERNMENT AGENCY PAPER							
12-21-21	12-22-26	CITY	3133ENJC5 Federal Farm Credit	1.29	5,000,000.00	5,000,000.00	4,931,455.55
06-24-22	02-26-27	CITY	3130AL5A8 Federal Home Loan Note	3.33	5,000,000.00	4,479,000.00	4,899,467.95
01-06-23	02-25-27	CITY	3130AQRH8 Federal Home Loan Note	4.38	5,000,000.00	4,590,638.89	4,935,865.65
01-06-23	04-19-27	CITY	3130ARHJ3 Federal Home Loan Note	4.38	5,000,000.00	4,801,354.86	4,963,616.95
08-08-24	08-14-29	CITY	3134HADY6 Freddie Mac Domestic	4.00	4,000,000.00	3,946,000.00	3,972,921.76
12-03-24	12-04-29	CITY	3130B3XP3 Federal Home Loan	4.50	1,000,000.00	1,000,000.00	998,139.76
12-04-24	12-02-27	CITY	3133ERE23 Federal Farm Credit	4.32	1,000,000.00	1,000,000.00	997,746.37
01-27-25	07-27-27	CITY	3130B4RC7 Federal Home Loan Bank	4.50	3,000,000.00	3,000,000.00	3,009,604.20
06-27-25	04-30-29	CITY	3136GAGW3 Fannie Mae	4.75	5,000,000.00	5,000,000.00	4,994,054.65
09-08-25	10-08-27	CITY	3135G05Y5 Fannie Mae NTS	3.31	2,000,000.00	1,897,625.25	1,917,540.00
09-17-25	09-15-28	CITY	3133ETXV4 Federal Farm Credit Bond	3.83	1,400,000.00	1,402,403.14	1,388,086.00
11-17-25	11-06-30	CITY	3130B8BF8 Federal Home Loan	3.95	830,000.00	833,082.01	820,969.60
01-06-26	06-26-30	CITY	3133ET5K9 Federal Farm Credit Bank	4.07	3,000,000.00	2,998,500.00	2,971,004.52
01-06-26	01-06-31	CITY	3136GCCY9 Fannie Mae	4.00	4,000,000.00	4,000,000.00	3,940,567.36
03-05-26	03-05-29	CITY	3133EWFX3 Federal Farm Credit	3.70	2,000,000.00	1,997,000.00	1,972,536.22
03-10-26	09-10-29	CITY	3130B9RD4 Federal Home Loan	4.00	2,000,000.00	2,000,000.00	1,986,232.74
03-10-26	03-10-31	CITY	3134HCXZ7 Freddie Mac	3.70	2,000,000.00	1,988,000.00	1,959,273.60
03-17-26	03-14-28	CITY	3130B9WM8 Federal Home Loan	4.00	2,500,000.00	2,500,000.00	2,492,521.20
03-31-26	02-26-29	CITY	3134HCE96 Freddie Mac	4.21	1,500,000.00	1,500,000.00	1,494,781.64
04-14-26	04-14-31	CITY	3130BA4X2 Federal Home Loan	4.75	1,520,000.00	1,520,000.00	1,510,471.94
04-22-26	04-30-29	CITY	3133EWMX5 Federal Farm Credit	4.03	2,000,000.00	2,000,000.00	1,986,897.86
04-30-26	04-23-31	CITY	3130BAGD3 Federal Home Loan	4.20	2,000,000.00	2,000,000.00	1,981,046.92
05-12-26	11-12-30	CITY	3133EWPC8 Federal Farm Credit	4.30	2,000,000.00	2,000,000.00	1,981,030.80
05-28-26	05-25-29	CITY	3134HCV48 Freddie Mac	4.25	2,000,000.00	2,000,000.00	1,998,173.92
06-16-26	12-15-28	CITY	3130BAW52 Federal Home Loan	4.32	1,890,000.00	1,890,000.00	1,885,971.52
06-24-26	06-15-29	CITY	3130BBAN5 Federal Home Loan	4.50	2,000,000.00	2,000,000.00	1,997,573.66
06-30-26	12-21-28	CITY	3130BB6W0 Federal Home Loan	4.35	2,000,000.00	2,000,000.00	1,997,389.64
07-24-26	06-22-28	CITY	3133EWTU4 Federal Farm Credit	4.16	1,000,000.00	995,000.00	995,000.00
07-29-26	01-29-30	CITY	3130BBN76 Federal Home Loan	4.75	1,000,000.00	1,000,000.00	1,000,000.00

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
OCTOBER 31, 2026

PURCHASE DATE	MATURITY DATE	FUND	ACCOUNT/ INSTITUTION	INTEREST RATE	PAR AMOUNT	PURCHASE AMOUNT	INVESTED AMOUNT
08-11-26	08-11-31	CITY	3130BBP41 Federal Home Loan	5.08	1,000,000.00	1,000,000.00	1,000,000.00
09-28-26	09-28-29	CITY	3130BCAL7 Federal Home Loan	5.00	2,000,000.00	2,000,000.00	2,000,000.00
10-05-26	10-05-29	CITY	3136GDTW3 Fannie Mae	5.25	2,000,000.00	2,000,000.00	2,000,000.00
			TOTAL GOVERNMENT AGENCY PAPER		$ 77,640,000.00	$ 76,338,604.15	$ 76,979,941.98
CERTIFICATES OF DEPOSIT							
01-04-24	12-28-28	CITY	09582YAV4 Blue Ridge Bank	4.09	240,000.00	240,948.00	239,988.00
06-13-24	06-13-29	CITY	89235MPP0 Toyota Financial SGS	4.65	245,000.00	245,000.00	247,411.78
01-14-26	01-14-31	CITY	46659CSR2 JP Morgan Chase Bank NA	4.00	250,000.00	250,000.00	244,602.18
02-13-26	02-14-28	CITY	178180HL2 City National Bank Beverly Hills	3.85	250,000.00	250,000.00	248,731.48
02-20-26	02-20-29	CITY	33622PAP8 First Security Bank	3.90	250,000.00	250,000.00	246,676.75
03-05-26	02-25-30	CITY	61778EQC8 Morgan Stanley	3.95	250,000.00	250,000.00	246,812.40
03-11-26	03-12-29	CITY	61776N2D4 Morgan Stanley	3.80	250,000.00	250,000.00	246,964.75
06-10-26	06-12-28	CITY	65504UAM9 Noble Federal Credit	4.10	250,000.00	250,000.00	249,440.25
06-18-26	06-20-28	CITY	949764XV1 Wells Fargo Bank	4.20	250,000.00	250,000.00	249,896.35
06-18-26	12-18-28	CITY	05612LLE0 BMW Bank of North America	4.25	250,000.00	250,000.00	249,888.10
06-18-26	06-18-29	CITY	53229WAE3 Lighthouse Credit Union	4.40	250,000.00	250,000.00	249,535.78
06-30-26	12-30-27	CITY	77357DAN8 Rockland Federal Credion Union	4.25	250,000.00	250,000.00	250,253.50
06-30-26	06-30-29	CITY	17290G5W3 Citi Bank NA	4.50	250,000.00	250,000.00	250,000.00
10-14-26	10-15-29	CITY	50215YAC5 LSB Community Bank	4.95	250,000.00	250,000.00	250,000.00
10-30-26	10-29-27	CITY	130162CD0 California Credit Union	4.85	250,000.00	250,000.00	250,000.00
			TOTAL CERTIFICATES OF DEPOSIT		$ 3,735,000.00	$ 3,735,948.00	$ 3,720,201.32
CORPORATE BONDS							
01-04-24	03-02-28	CITY	718172CE7 Philip Morris Intl Inc	4.49	500,000.00	474,395.25	489,410.00
01-04-24	04-01-27	CITY	808513BW4 Charles Schaw Corp	4.68	500,000.00	479,390.25	496,595.00
01-09-24	07-09-27	CITY	22550L2K6 Crdit Suisse New York	4.92	500,000.00	500,910.25	503,835.00
01-09-24	08-15-28	CITY	797440CE2 San Diego G & E	4.49	500,000.00	509,340.25	504,120.00
01-09-24	07-01-27	CITY	75973QAA5 Reneissance Financial	5.01	500,000.00	475,470.25	495,455.00
08-27-24	02-01-29	CITY	06406RBN6 Bank of NY Mellon Corp	4.20	656,000.00	663,116.29	656,728.16
08-27-25	07-26-29	CITY	06406RBK2 Bank of Melon Corp	4.09	1,000,000.00	1,021,952.92	1,000,290.00
08-27-25	08-09-29	CITY	89236TMK8 Toyota Motor Crdt Corp	4.03	500,000.00	510,587.75	500,050.00
08-27-25	05-13-30	CITY	91324PDX7 United Health Group Inc	4.15	1,000,000.00	914,211.92	909,440.00
01-06-26	11-15-30	CITY	30303MAB8 Meta Platforms Inc Global	4.20	1,500,000.00	1,510,500.00	1,476,962.22
01-06-26	05-06-30	CITY	46647PBD7 JPMorgan Chase & Co	3.70	1,500,000.00	1,482,990.00	1,459,130.52
01-23-26	04-13-29	CITY	023135CG9 Amazon.com Inc	3.45	1,000,000.00	988,500.00	976,206.37
01-23-26	01-23-30	CITY	6174468G7 Morgan Stanley MTN	4.43	1,000,000.00	1,007,000.00	991,177.91
01-23-26	01-10-31	CITY	89236TPH2 Toyota Motor Credit Corp	4.20	1,000,000.00	998,300.00	982,770.35
02-12-26	02-12-31	CITY	95004HBB3 Wells Fargo Bank	4.15	2,000,000.00	2,000,000.00	1,958,254.26
02-23-26	02-23-29	CITY	06055JQF9 Bank of America Corp	4.05	2,000,000.00	2,000,000.00	1,937,547.64
03-05-26	11-20-30	CITY	023135CT1 Amazon.com Inc Global	4.10	1,500,000.00	1,510,500.00	1,475,218.92
03-05-26	02-15-31	CITY	02079KBK2 Alphabet Inc Global	4.10	1,000,000.00	1,006,000.00	983,570.40
03-05-26	03-21-29	CITY	59217GEZ8 Met Life Glob Funding	3.30	1,500,000.00	1,468,500.00	1,451,015.96
03-12-26	03-12-31	CITY	38151GAJ0 Goldman Sachs Bank	4.10	2,000,000.00	2,000,000.00	1,951,643.40
03-16-26	03-13-31	CITY	023135DD5 Amazon.com Inc Global	4.25	1,500,000.00	1,495,155.00	1,477,589.33
03-16-26	03-13-29	CITY	89236TPQ2 Toyota Motor Credit	4.05	1,000,000.00	997,600.00	988,984.12
04-23-26	05-07-30	CITY	57629TBX4 Massmutual Global	4.55	1,500,000.00	1,507,200.00	1,489,829.46
04-23-26	07-25-28	CITY	64952WFP3 New York Life Global	4.15	1,500,000.00	1,501,050.00	1,490,176.86
05-12-26	05-12-31	CITY	46660NBS1 JP Morgan Chase	4.88	2,000,000.00	2,000,000.00	1,987,112.80
06-23-26	06-15-29	CITY	67066GAQ7 Nvidia Corp	4.35	3,000,000.00	2,990,700.00	2,995,018.68
08-13-26	08-13-29	CITY	38151GBA8 Goldman Sachs Bank	5.00	2,000,000.00	2,000,000.00	2,000,000.00
			TOTAL CORPORATE BONDS		$ 34,156,000.00	$ 34,013,370.13	$ 33,628,132.36
STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND							
09-01-84	n/a	CITY	98-19-620	3.99	$ 64,123,474.70	$ 64,123,474.70	$ 64,123,474.70
9-19-2024	n/a	PFA	40-19-078	3.99	36,500,000.00	36,500,000.00	56,942,754.74
9-28-2021	n/a	ARPA	19-19-004	3.99	14,992,216.98	14,992,216.98	14,992,216.98
			TOTAL LAIF ACCOUNTS		$ 115,615,691.68	$ 115,615,691.68	$ 136,058,446.42

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
OCTOBER 31, 2026

PURCHASE DATE	MATURITY DATE	FUND	ACCOUNT/ INSTITUTION	INTEREST RATE	PAR AMOUNT	PURCHASE AMOUNT	INVESTED AMOUNT
CAMP- CALIFORNIA ASSET MANAGEMENT PROGRAM							
6080-01	n/a	CITY	6080-01	3.99%	$ 55,837,477.92	$ 55,837,477.92	$ 55,837,477.92
		TOTAL CAMP ACCOUNTS			$ 55,837,477.92	$ 55,837,477.92	$ 55,837,477.92
UBS FINANCIAL SERVICES							
n/a	n/a	CITY		0.00	$ 232,159.02	$ 232,159.02	$ 232,159.02
		TOTAL UBS FINANCIAL SERVICES ACCOUNTS			$ 232,159.02	$ 232,159.02	$ 232,159.02
		TOTAL CITY INVESTMENTS			$ 344,716,328.62	$ 342,668,716.21	$ 363,455,274.68
			LIBRARY INVESTMENTS				
STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND							
11-20-84	n/a	LIBRARY	16-19-012	3.99			$ 14,653.16
		TOTAL LIBRARY INVESTMENTS					$ 14,653.16
			FISCAL AGENT CASH				
SIERRA GATEWAY COMMUNITY FACILITIES DISTRICT 91-1							
Fiscal Agent: U.S. Bank National Association (fka First Trust)							
05-10-95	n/a	BOND	95421220	0.35			$ 126.32
05-10-95	n/a	IMPROVEMENT	95421222	0.10			183,596.07
		TOTAL SIERRA GATEWAY COMMUNITY FACILITIES DISTRICT 91-1					$ 183,722.39
BOND PROCEEDS							
RITTER RANCH COMMUNITY FACILITIES DISTRICT 93-1							
Fiscal Agent: U.S. Bank National Association (fka First Trust)							
04-06-95	n/a	IMPV-ACQUI	95420884	0.01			0.85
06-30-26	n/a	Custody	299200000	n/a			2,928,864.82
		TOTAL RITTER RANCH COMMUNITY FACILITIES DISTRICT 93-1					$ 2,928,865.67
BOND PROCEEDS							
ANAVERDE COMMUNITY FACILITIES DISTRICT 2003-1							
Fiscal Agent: U.S. Bank National Association (fka First Trust)							
08-01-19	n/a	SP TAX - B BOND	242969000	0.00			$ 19.04
08-01-19	n/a	RESERVE	242969003	0.00			722,953.95
08-01-19	n/a	SP TAX - REFNDING BOND	242969004	0.01			15,152.57
		TOTAL ANAVERDE COMMUNITY FACILITIES DISTRICT 2003-1					$ 738,125.56
BOND PROCEEDS							
2005 $7.2M COMMUNITY FACILITIES DISTRICT 05-1 (TRADE AND COMMERCE CENTER) REFUNDED 2021							
Fiscal Agent: U.S. Bank National Association (fka First Trust)							
	n/a	SPEC TRB SER A/B	251009000	0.01			$ 10,498.05
	n/a	RESERVE FUND	251009001	0.01			642,479.51
		TOTAL 2005 $7.2M COMMUNITY FACILITIES DISTRICT 05-1 (TRADE AND COMMERCE CENTER) REFUNDED 2021					$ 652,977.56

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
OCTOBER 31, 2026

PURCHASE DATE	MATURITY DATE	FUND	ACCOUNT/ INSTITUTION	INTEREST RATE	PAR AMOUNT	PURCHASE AMOUNT	INVESTED AMOUNT
BOND PROCEEDS							
2006-1 GODDE HILL ESTATE SEWER IMPROVEMENTS LOIB							
Fiscal Agent: U.S. Bank National Association (fka First Trust)							
11-08-06	n/a	REDEMPTION FUND	106844000	0.01			$ 1,426.50
11-08-06	n/a	ADM EXP	106844002	0.01			1,889.24
11-08-06	n/a	RESERVE FUND	106844003	0.01			80,959.66
		TOTAL 2006-1 GODDE HILL ESTATE SEWER IMPROVEMENTS LOIB					$ 84,275.40
2015 HA DEBT SERVICE RESERVE							
Fiscal Agent: Bank of America							
11-19-15	n/a	DEBT SVC RESERVE	1257964992	0.08			$ 41,503.82
		TOTAL 2015 HA DEBT SERVICE RESERVE					$ 41,503.82
PARS RESTRICTED CASH FOR PENSION STABILIZATION TRUST FUND							
05-23-18	n/a	CITY	104790895775 Pub. Agency Retirement Svcs.	2.60			$ 13,588,501.97
		TOTAL PARS PENSION TRUST FUND					$ 13,588,501.97
BOND PROCEEDS							
2015 HA $4.3M MULTIFAMILY HOUSING REVENUE BONDS							
Fiscal Agent: U.S. Bank National Association (fka First Trust)							
09-03-15	n/a	BOND FUND	277067000	0.00			$ 121,975.14
09-03-15	n/a	INTEREST ACCT	277067001	0.01			20.97
09-03-15	n/a	BOND RESERVE	277067003	0.00			281,020.87
09-03-15	n/a	REPAIR & REPLACE FUND	277067004	0.00			1,507,884.43
		TOTAL 2015 HA $4.3M MULTIFAMILY HOUSING REVENUE BONDS					$ 1,910,901.41
BOND PROCEEDS							
2017 PFA $17.4M LEASE REVENUE BONDS							
Fiscal Agent: U.S. Bank National Association (fka First Trust)							
04-05-17	n/a	REVENUE FUND	271128000	0.00			$ -
04-05-17	n/a	REVENUE REFUNDING BOND	271128001	n/a			152,393.76
04-05-17	n/a	REVENUE REFUNDING BOND	271128002				810,000.00
		TOTAL 2017 PFA $17.4M LEASE REVENUE BONDS					$ 962,393.76
BOND PROCEEDS							
2023 A&B SERIES ACQUISITION & CONSTRUCTION REVENUE BOND PFA							
Fiscal Agent: U.S. Bank National Association (fka First Trust)							
11-30-23	n/a	REVENUE FUND	248041000				$ 11.25
11-30-23	n/a	INTEREST	248041001				387,462.60
11-30-23	n/a	PRINCIPAL	248041002				0.80
11-30-23	n/a	REVENUE FUND	248041004				13.54
11-30-23	n/a	INTEREST	248041007				0.18
11-30-23	n/a	REVENUE FUND	248041008				4,800,621.03
		TOTAL 2023 A&B SERIES B ACQUISITION & CONSTRUCTION REV BOND					$ 5,188,109.40
		GRAND TOTAL - FISCAL AGENT CASH					$ 26,279,376.94

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
OCTOBER 31, 2026

PURCHASE DATE	MATURITY DATE	FUND	ACCOUNT/ INSTITUTION	INTEREST RATE	PAR AMOUNT	PURCHASE AMOUNT	INVESTED AMOUNT

SUMMARY OF CASH AND INVESTMENTS

Cash on Hand			$ 11,716,516
Pooled Cash Investments			
City:	361,326,463		
Insur Fund:	2,128,812		$ 363,455,275
Library Investments			14,653
Subtotal			$ 375,186,444
City/AD/CFD/PFA/HA Fiscal Agent Cash			$ 26,279,377
Grand total			$ 401,465,821

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
OCTOBER 31, 2026

POOLED CASH - LOCAL AGENCY INVESTMENT FUND (LAIF), CALIFORNIA ASSET MANAGEMENT PROGRAM (CAMP), & UBS FINANCIAL SERVICES

TRANSACTION DATE	DEPOSIT	WITHDRAWAL	INTEREST RECEIVED	BALANCE
LAIF - CITY ACCOUNT 98-19-620				
Beginning Balance				$ 74,999,872.58
10-09-26		$ (5,000,000.00)		
10-15-26			$ 623,602.12	
10-16-26		$ (6,500,000.00)		
Subtotal	$ -	$ (11,500,000.00)	$ 623,602.12	64,123,474.70
LAIF - PFA ACCOUNT 40-19-078				
Beginning Balance				$ 51,429,215.06
10-02-26	$ 5,000,000.00			
10-15-26			$ 513,539.68	
Subtotal	$ 5,000,000.00	$ -	$ 513,539.68	$ 56,942,754.74
LAIF - LIBRARY ACCOUNT 16-19-012				
Beginning Balance				$ 14,508.32
10-15-26			$ 144.84	
Subtotal	$ -	$ -	$ 144.84	$ 14,653.16
LAIF - ARPA ACCOUNT 19-19-004				
Beginning Balance				$ 14,844,024.23
10-15-26			$ 148,192.75	
Subtotal	$ -	$ -	$ 148,192.75	$ 14,992,216.98
CAMP				
Beginning Balance				$ 55,648,755.01
10-31-26			$ 188,722.91	
Subtotal	$ -	$ -	$ 188,722.91	$ 55,837,477.92
UBS Financial Services				
Beginning Cash Balance				$ 215,901.34
10-31-26			$ 16,257.70	
10-31-26		$ (232,159.04)		
Subtotal	$ -	$ (232,159.04)	$ 16,257.70	$ 0.00
Beginning Cash Reserve Balance				$ 0.00
10-08-26	$ 224,151.34			
10-13-26	$ 7,501.28			
10-30-26			$ 506.40	
Subtotal	$ 231,652.62	$ -	$ 506.40	$ 232,159.02
Total	$ 5,231,652.62	$ (11,732,159.04)	$ 1,490,966.40	$ 192,142,736.52

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
OCTOBER 31, 2026

POOLED CASH - INVESTMENTS MATURED OR CALLED

TN = US Treasury
FP = Federal Paper
CD = Certificate of Deposit
C = Call
M = Maturity
CB = Corporate Bonds

ISSUER	PURCHASE DATE	MATURITY DATE		FACE VALUE REDEEMED	INTEREST RECEIVED	NET FUNDS	INVESTED AMOUNT	GAIN/ (LOSS)
3134GW4C7 Freddie Mac	08-17-22	10-27-26	FP	$ 5,000,000.00	$ 20,000.00	$ 5,020,000.00	$ 4,950,573.55	$ 49,426.45
						$ -		$ -
				$ 5,000,000.00	$ 20,000.00	$ 5,020,000.00	$ 4,950,573.55	$ 49,426.45

Total Number of Transactions:

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
OCTOBER 31, 2026

POOLED CASH - INVESTMENTS PURCHASED

TN = US Treasury
FP = Federal Paper
CD = Certificate of Deposit
CB = Corporate Bonds

ISSUER	PURCHASE DATE		MATURITY DATE	FACE VALUE	PREMIUM / (DISCOUNT)	PURCHASE PRICE	ACCRUED INTEREST PURCHASED	NET PURCHASE	Yield Coupon
3136GDTW3 Fannie Mae	10-05-26	FP	10-05-29	$ 2,000,000.00	-	$ 2,000,000.00	-	$ 2,000,000.00	5.25
50215YAC5 LSB Community Bank	10-14-26	CD	10-15-29	250,000.00	-	250,000.00	-	250,000.00	4.95
130162CD0 California Credit Union	10-30-26	CD	10-29-27	250,000.00	-	250,000.00	-	$ 250,000.00	4.85
				$ 2,500,000.00	$ -	$ 2,500,000.00	$ -	$ 2,500,000.00	

Total Number of Transactions:

SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
October 31, 2026

PURCHASE DATE	MATURITY DATE	FUND	ACCOUNT/ INSTITUTION	INTEREST RATE	INVESTED AMOUNT	TOTAL
LAIF - SA ACCOUNT 65-19-035						
09-01-84	n/a	SA Account	65-19-035	3.99	$ 2,641,898.65	
						$ 2,641,898.65
			FISCAL AGENT CASH			
BOND PROCEEDS						
CRA - 2002 Sub Lien Tax Allocation Bonds $5.3M ($5,329,748.25)						
Fiscal Agent: U.S. Bank National Association						
08-20-02	n/a	Reserve Fund	94460700	2.54	$ 535,091.14	
08-20-02	n/a	Interest Acct	94460701	0.04	31,223.56	
08-20-02	n/a	Principal Acct	94460702	0.04	84.25	
TOTAL CRA - 2002 Sub Lien Tax Allocation Bonds $5.3M ($5,329,748.25)						$ 566,398.95
BOND PROCEEDS						
2016 SA $31.5M Tax Allocation Refunding Bonds Series A						
Fiscal Agent: U.S. Bank National Association (fka First Trust)						
04-26-16	n/a	Debt Service	245113000	0.00	$ -	
04-26-16	n/a	Interest Acc	245113001	N/A	0.00	
TOTAL 2016 SA $31.5M Tax Allocation Refunding Bonds Series A						$ -
BOND PROCEEDS						
2016 SA $31.5M Tax Allocation Refunding Bonds Series B						
Fiscal Agent: U.S. Bank National Association (fka First Trust)						
4/26/2016	n/a	Debt Service	269424000	0.00	$ -	
TOTAL 2016 SA $31.5M Tax Allocation Refunding Bonds Series B						$ -
BOND PROCEEDS						
2026 SA $31.1M Tax Allocation Refunding Bonds Series A						
Fiscal Agent: U.S. Bank National Association (fka First Trust)						
9/3/2026	n/a	Debt Service	287790001		0.01	
9/3/2026	n/a	Debt Service	287790004	0.00	$32,617	
TOTAL 2026 SA $31.1M Tax Allocation Refunding Bonds Series A						$ 32,617.00
GRAND TOTAL - FISCAL AGENT CASH						$ 599,015.95

SUMMARY OF CASH AND INVESTMENTS

Cash on Hand	$	312,364
Pooled Cash Investments		2,641,899
Successor Agency Fiscal Agent Cash		599,016
Grand total	$	3,553,279

SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
October 31, 2026

POOLED CASH - STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND (LAIF)

TRANSACTION DATE	DEPOSIT	WITHDRAWAL	INTEREST RECEIVED	BALANCE
LAIF - SA ACCOUNT 65-19-035				
Beginning Balance				2,606,929.25
10-15-26			34,969.40	
Subtotal	$ -	$ -	$ 34,969.40	$ 2,641,898.65

City Council Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE MAYOR PRO TEM AND CITY COUNCIL**

FROM: **OPERATIONS DEPARTMENT**
FINANCE DIVISION

DISTRICT: **ALL**

SUBJECT: **RECEIVE AND FILE THE SPECIAL TAX ANNUAL REPORT FOR CFD 2003-1 (ANAVERDE), CFD 05-1 (TRADE AND COMMERCE), CFD 16-1 (JOSHUA RANCH WATER SUPPLY AND MAINTENANCE SERVICES), CFD 2022-1 (CITYWIDE MAINTENANCE AND SERVICES), CFD 2022-2 (RITTER RANCH MAINTENANCE SERVICES), AND CFD 2022-3 (RITTER RANCH PHASE 1 PUBLIC FACILITIES) IN ACCORDANCE WITH THE LOCAL AGENCY SPECIAL TAX AND BOND ACCOUNTABILITY ACT, SECTIONS 50075.1 AND 53410 OF THE CALIFORNIA GOVERNMENT CODE.**

RECOMMENDATION

Staff recommend that the City Council:

1. Receive and file the Special Tax Annual Report for CFD 2003-1 (Anaverde), CFD 05-1 (Trade and Commerce), CFD 16-1 (Joshua Ranch Water Supply and Maintenance Services), CFD 2022-1 (Citywide Maintenance Services), CFD 2022-2 (Ritter Ranch Maintenance Services), and CFD 2022-3 (Ritter Ranch Phase 1 Public Facilities) in accordance with the Local Agency Special Tax and Bond Accountability Act, Sections 50075.1 and 53410 of the California Government Code.

BACKGROUND

The Special Tax Annual Report is prepared in accordance with Government Code Sections 50075.1 and 53410, which were established under Senate Bill 165, the Local Agency Special Tax and Bond Accountability Act. These requirements apply to any local special tax or bond measure approved by voters on or after January 1, 2001.

Under this Act, voter-approved special tax and bond measures must:

- Clearly identify the specific purposes of the tax or bond;
- Ensure all proceeds are used only for those stated purposes;

- Establish a separate account to receive all related revenues; and,
- Provide an annual report detailing how the proceeds were collected, managed, and spent.

DISCUSSION

The Local Agency Special Tax and Bond Accountability Act applies to all special tax and bond measures approved by voters on or after January 1, 2001. As a result, the following Community Facilities Districts (CFDs) fall under these requirements:

- CFD No. 2003-1 (Anaverde) – Bonds issued February 23, 2005;
- CFD No. 05-1 (Trade and Commerce) – Bonds issued August 2, 2005;
- CFD No. 16-1 (Joshua Ranch Water Supply and Maintenance Services) – Bonds issued February 3, 2016;
- CFD No. 2022-1 (Citywide Maintenance and Services) – Formed July 13, 2022;
- CFD No. 2022-2 (Ritter Ranch Maintenance Services) – Formed October 24, 2022; and,
- CFD No. 2022-3 (Ritter Ranch Phase 1 Public Facilities) – Formed October 24, 2022.

These districts are therefore subject to the Act's accountability and reporting requirements. The attached report complies with Government Code Sections 50075.3 and 53411, which require the chief fiscal officer of the issuing local agency to file a report with its governing body at least once a year. The annual report must contain (1) the amount of funds collected and expended, and (2) the status of any project required or authorized to be funded, as identified in Government Code Section 50075.1(a) for special taxes or Section 53410(a) for bonds.

Environmental Review

Receiving and filing the Special Tax Annual Report is not a "project" as defined by the California Environmental Quality Act (CEQA), Public Resources Code Section 21065. The action is a government fiscal and administrative activity that does not commit the City to any specific project and will not result in a direct or reasonably foreseeable indirect physical change in the environment (CEQA Guidelines Sections 15378(b)(4) and 15378(b)(5)). Accordingly, no environmental review is required (CEQA Guidelines Section 15060(c)(3)).

FISCAL IMPACT

$0; There is no fiscal impact associated with this action.

STRATEGIC PLAN

Goal II: Ensure long-term fiscal health of the City and maintain funding for services.

C. Involve and expand engagement to enhance public oversight and transparency.

Prepared by:	Janelle Samson, Deputy City Manager
Certified as to availability of Funds:	Janelle Samson, Deputy City Manager
Approved by:	Salvador Mendez, City Manager
Approved as to form:	Aleks Giragosian, City Attorney

ATTACHMENTS

Rpt. Special Tax Annual Report Fiscal Year 2025-26

SB 165: LOCAL AGENCY SPECIAL TAX AND BOND ACCOUNTABILITY ACT FOR FISCAL YEAR 2025/26

Senate Bill 165, filed with the Secretary of State on September 19, 2000, enacted the Local Agency Special Tax and Bond Accountability Act (the "Act"). This Act requires that any local special tax or local bond measure subject to voter approval contain a statement indicating the specific purposes of the special tax, require that the proceeds of the special tax be applied to those purposes, require the creation of an account into which the proceeds shall be deposited, and require an annual report containing specified information concerning the use of the proceeds. The Act only applies to any local special tax measure or local bond measure adopted on or after January 1, 2001, in accordance with Section 50075.1 or Section 53410 of the California Government Code.

Some of the requirements of the Act are handled at the formation of the Special Tax District and others are handled through annual reports. This Section of this report intends to comply with Section 53411 of the California Government Code that states:

"The chief fiscal officer of the issuing local agency shall file a report with its governing body no later than January 1, 2002, and at least once a year thereafter. The annual report shall contain all of the following:

1. The amount of funds collected and expended.
2. The status of any project required or authorized to be funded as identified in subdivision (a) of Section 53410."

The requirements of the Act apply to the Funds for the following districts.

$15,565,000 Improvement Area A Community Facilities District No. 2003-1 (Anaverde Public Improvements) 2019 Special Tax Refunding Bonds

Dated: 08/01/2019

PURPOSE OF SPECIAL TAX

Bonds were issued to: (1) refinance outstanding bonds issued for the Improvement Area, (2) fund a reserve fund for the Bonds, and (3) pay costs of issuing Bonds.

The Special Tax finances the following improvements: storm drain, roadway, park and landscape, water, sewer as well as dry utilities, and construction of a City maintenance facility and a weather station.

The improvements are ongoing.

COLLECTIONS AND EXPENDITURES

Fund Name [1]	Initial Deposit [2]	Total Amount Collected [3]	Amount Expended [3]	Status
Bond Fund [4]	$0.00	$1,458,786.06	$1,534,879.67	Open
Cost of Issuance Fund	208,356.94	0.00	208,356.94	Closed
Improvement Fund	361,000.00	0.00	361,000.00	Closed
Reserve Fund [5]	724,052.09	0.00	0.00	Open

(1) Account created pursuant to Government Code Section 53410 (c).
(2) Amount deposited at the time of bond issuance.
(3) Amount provided by the City for Fiscal Year 2025/26 at the time of writing this report; unaudited.
(4) Includes administrative expense funds.
(5) Does not include the Reserve Policy held in the amount equal to 50% of the reserve requirement as of the closing date of the bonds.

$10,442,992 Community Facilities District No. 05-1 (Trade and Commerce Center Area) 2021 Special Tax Refunding Bonds

Date: June 17, 2021

PURPOSE OF SPECIAL TAX

Bonds were issued to refund the Series 2005 and Series 2007 Special Tax Refunding Bonds, Series A which were issued to refund: (1) a portion of the City's outstanding Limited Obligation Improvement Bonds, 10th Street West Assessment District No. 88-1 Series 1989-A, and (2) the outstanding special tax bonds for Community Facilities District No. 99-1 (Trade and Commerce Center Area), and (3) a portion of the City's outstanding Limited Obligation Improvement Bonds, 7th Street West Assessment District No. 90-2, Series 1990-A.

The projects funded by the Special Tax include: roadways and streets construction and improvements, including traffic signals, off ramps, sidewalks, gutters, street lights; storm drain, and sanitary and domestic sewer facilities.

The projects are complete.

COLLECTIONS AND EXPENDITURES

Fund Name [1]	Initial Deposit [2]	Total Amount Collected [3]	Amount Expended [3]	Status
Bond Fund [4]	$0.00	$819,749.94	$984,161.81	Open
Cost of Issuance Fund	148,037.74	0.00	148,037.74	Closed
Improvement Fund	639,057.15	0.00	639,057.15	Closed
Reserve Fund [5]	$0.00	0.00	0.00	Open

(1) Account created pursuant to Government Code Section 53410 (c).
(2) Amount deposited at the time of bond issuance.
(3) Amount provided by the City for Fiscal Year 2025/26 at the time of writing this report; unaudited.
(4) Includes administrative expense funds.
(5) Does not include the Reserve Policy held in the amount equal to 50% of the reserve requirement as of the closing date of the bonds.

Community Facilities District No. 16-1
(Joshua Ranch Water Supply & Maintenance Services)

Date: February 3, 2016

PURPOSE OF SPECIAL TAX

A Special Tax is levied annually to pay for the following water rights, services, and related costs: acquisition rights to potable water to serve single family homes in phases four and five of the Joshua Ranch development; annual purchase price of the water rights; expenses of the Antelope Valley – East Kern Water Agency to transport the water; and all direct and incidental costs of landscape and drainage maintenance of the Flood Control Facility.

The project is ongoing.

COLLECTIONS AND EXPENDITURES

Fund Name [1]	Amount Collected [2]	Expended Amount [2]
Operating Fund	$881,050.99	$3,120,916.84
Reserve Fund	0.00	0.00

(1) Account created pursuant to Government Code Section 50075.1 (c)
(2) Amount provided by the City for Fiscal Year 2025/26 at the time of writing this report; unaudited. Includes funds expended for the Settlement Agreement.

Community Facilities District No. 2022-1
(Citywide Maintenance and Services)

Formation Date: July 13, 2022

Purpose of Special Tax

The District was formed to fund maintenance and services for maintenance and lighting of parks, parkways, streets, roads, and open space as well as maintenance of landscaping, storm drains, and appurtenances located within the City. The Special Tax may be levied in perpetuity.

The projects are ongoing on an annual basis.

Collections and Expenditures

Fund Name [1]	Amount Collected [2]	Expended Amount [2]
Special Tax Fund	$61,433.16	$26,011.39

(1) Account created pursuant to Government Code Section 50075.1 (c)
(2) Amount provided by the City for Fiscal Year 2025/26 at the time of writing this report; unaudited.

Community Facilities District No. 2022-2
(Ritter Ranch Maintenance Services)

Formation Date: October 24, 2022

Purpose of Special Tax

The District was formed to fund maintenance and services including but not limited to: maintenance and lighting of streets, roadways, parks, parkways, trails, and open space; flood and storm protection services; police protection, fire protection and suppression services; ambulance and paramedic services; maintenance and irrigation of landscaping in public rights of way. The Special Tax may be levied in perpetuity.

The projects are ongoing on an annual basis.

Collections and Expenditures

Fund Name [1]	Amount Collected [2]	Expended Amount [2]
Special Tax Fund	$54,239.84	$5,558.99

(1) Account created pursuant to Government Code Section 50075.1 (c)
(2) Amount provided by the City for Fiscal Year 2025/26 at the time of writing this report; unaudited.

Community Facilities District No. 2022-3
(Ritter Ranch Phase 1 Public Facilities)

Formation Date: October 24, 2022

Purpose of Special Tax

The District was formed to fund domestic water facilities, street improvements, sanitary sewer facilities, storm control facilities, installation of landscaping and related irrigation improvements in public rights of way, construction and development of parks, parkways and trails and installation of walls and fencing in public rights of way and related appurtenances, recreational facilities, water system improvements, flood control facilities, fire control and suppression facilities, sanitation district facilities, along with bond related expenses, administrative fees, and reimbursement of costs related to the formation of the district. The Special Tax may be levied for up to 60 years from the initial levy of the special tax, but no later than the Fiscal Year 2083/84.

The projects are ongoing.

Collections and Expenditures

Fund Name [1]	Amount Collected [2]	Expended Amount [2]
Special Tax Fund	$59,930.94	$7,424.76

(1) Account created pursuant to Government Code Section 50075.1 (c)

(2) Amount provided by the City for Fiscal Year 2025/26 at the time of writing this report; unaudited.

City Council Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **OPERATIONS DEPARTMENT**
INFORMATION TECHNOLOGY DIVISION

DISTRICT: **ALL**

SUBJECT: **APPROVE AGREEMENT WITH ACCELA INC. FOR THE CITY'S PLAN REVIEW, PERMITTING, AND INSPECTION TRACKING SOFTWARE SYSTEM FOR A NOT-TO-EXCEED AMOUNT OF $1,927,800 FOR A SEVEN-YEAR TERM THROUGH DECEMBER 31, 2033**

RECOMMENDATION

Staff recommend that the City Council:

1. Approve Agreement No. A-10114 with Accela Inc. for the City's Plan Review, Permitting, and Inspection Tracking Software System, for a total not-to-exceed amount of $1,927,800, which includes a contract amount of $1,752,550 plus a ten percent (10%) contingency amount of $175,250, for a term of seven years;

2. Authorize the City Attorney to continue negotiations to secure the most favorable terms for the City and authorize the City Manager to execute Agreement No. A-10114 with Accela, Inc., as negotiated by the City Attorney; and,

3. Authorize the City Manager or his designee to approve changes for additional or modified licensing and services up to ten percent (10%) of the amount approved by the City Council.

BACKGROUND

In December 2021, the City entered into Agreement No. A-7700 with Accela Inc. to provide a comprehensive Land Use, Plan Review, Permitting, and Inspection Tracking System to modernize the City's development services, improve interdepartmental collaboration, and expand online access to City services.

Since its implementation, Accela has become an integral component of the City's daily operations, streamlining development review, permitting, and inspection processes

through centralized information management, automated workflows, and improved coordination across departments. The platform enhances transparency and accountability while providing applicants with the ability to electronically submit applications, track project status, and communicate with City staff. These capabilities have improved operational efficiency, enhanced customer service, and supported a more accessible and business-friendly development process.

DISCUSSION

Staff recommend approval of a new seven-year agreement with Accela to ensure the continuity of the City's Land Use, Plan Review, Permitting, and Inspection Tracking System. Continued utilization of the existing platform preserves the City's investment in system implementation, configuration, data integration, and staff training while avoiding the significant costs, operational disruptions, and administrative resources associated with transitioning to an alternative system.

The proposed agreement increases the City's licensing from 75 to 85 licenses to accommodate current operational demands and support continued utilization across departments. Additionally, the agreement includes a negotiated annual increase of 3%, providing long-term cost predictability and supporting the City's financial planning and budgeting efforts.

Approval of the proposed agreement will ensure uninterrupted access to this critical operational system through December 31, 2033, while supporting the City's ongoing commitment to operational efficiency, technological modernization, and enhanced service delivery to residents, businesses, and the development community.

FISCAL IMPACT

$1,927,800; Funds for Fiscal Year 2026-27 are budgeted and available in the Information Technology Software budget. Funding for subsequent years will be proposed through the City's annual budgeting process.

STRATEGIC PLAN

Goal III: Ensure long-term fiscal health of the city and maintain funding for services.

A. Manage resources, costs, and liabilities to ensure the City's long-term fiscal health.

Prepared by:	Janelle Samson, Deputy City Manager
Certified as to availability of Funds:	Janelle Samson, Deputy City Manager
Approved by:	Salvador Mendez, City Manager
Approved as to form:	Taylor Anderson, Deputy City Attorney

ATTACHMENTS

Agrmt No. A-10114 with Accela, Inc.
Cost Proposal

ACCELA SUBSCRIPTION SERVICES AGREEMENT

This Accela Subscription Services Agreement (this "***Agreement***") is entered into as of the date of the applicable Order, as defined below, that incorporates these terms (the "***Effective Date***") by and between Accela, Inc. and the entity identified in such Order ("***Customer***").

1. **DEFINITIONS.**

1.1 "***Accela System***" means the information technology infrastructure used by or on behalf of Accela in performing the Subscriptions Services, including all computers, software (including but not limited to Accela Software), hardware, databases, electronic systems (including database management systems), and networks, whether operated directly by Accela or its third party suppliers.

1.2 "***Aggregate Data***" means data and information related to Customer's use of the Subscription Services, including anonymized analysis of all data processed in the Subscription Services, that is used by Accela in an aggregate and anonymized manner, including compiling statistical and performance information related to the provision and operation of the Services.

1.3 "***Authorized User***" means one named employee, contractor, or agent of Customer (each identified by a unique email address) for whom Customer has purchased a subscription to the Subscription Services and who is authorized by Customer to access and use the Services under the rights granted to Customer pursuant to this Agreement.

1.4 "***Consulting Services***" means packaged or time and materials consulting, review, training, or other services (but excluding Subscription and Support Services) delivered by Accela to Customer pursuant to an Order. The current Consulting Services Policy is available at www.accela.com/terms/.

1.5 "***Customer Data***" means the content, materials, and data that Customer, Authorized Users, and External Users enter into the Subscription Services. Customer Data does not include any component of the Subscription Services, material provided by or on behalf of Accela, or Aggregate Data.

1.6 "***Documentation***" means the then-current technical and functional user documentation in any form made generally available by Accela for the Subscription Services.

1.7 "***External Users***" means third party users of the Subscription Services that access the public-facing interfaces of the Subscription Services to submit queries and requests to facilitate communications between such third party and Customer.

1.8 "***Intellectual Property Rights***" means any patent rights (including, without limitation, patent applications and disclosures), copyrights, trade secrets, know-how, and any other intellectual property rights, in all cases whether or not registered or registrable and recognized in any country or jurisdiction in the world.

1.9 "***Order***" means an Accela order form or other mutually acceptable document fully executed between Customer and Accela that incorporates this Agreement.

1.10 "***Service Availability Policy***" means the Service Availability and Security Policy located at www.accela.com/terms/.

1.11 "***Subscription Services***" means the civic administration services, comprised of the Accela System, Software, and Support Services, to which Customer may license access to in accordance with the terms herein.

1.12 "***Software***" means any licensed software (including client software for Authorized Users' devices) and Documentation that Accela uses or makes available as part of the Subscription Services.

1.13 "***Support Services***" means those technical and help services provided by Accela in accordance with the Software Support Services Policies (SaaS) located at www.accela.com/terms/.

1.14 "***Subscription Period***" means the duration of Customer's authorized use of the Subscription Services as designated in the Order.

2. **USAGE AND ACCESS RIGHTS**.

2.1 Right to Access. Subject to the terms and conditions of this Agreement, Accela hereby grants to Customer a limited, non-exclusive, non-transferable right and license during the Subscription Period, to permit: (i) Authorized Users to access and use the internal and administrative interfaces of the Subscription Services in accordance with the Documentation to support Customer's internal business purposes and (ii) its External Users the ability to access and use the publicly available interfaces to submit requests and information to Customer. Each instance of the Subscription Service shall be provisioned with the amount of storage set forth in the Order and additional storage may be purchased at the then-current rates.

2.2 Support Services & Service Availability. During the Subscription Period, Accela shall provide to Customer the Support Services specified in the Order and shall make all commercially reasonable efforts to attain the service levels specified in the applicable policies. The remedies set forth in the Software Support Services Policies (SaaS) and Service Availability and Security Policy are the sole and exclusive remedies for any breach of the service levels. Customer grants Accela a royalty-free, worldwide, transferable, sub- licensable, irrevocable, perpetual license to use or incorporate into its software or services any suggestions or other feedback provided by Customer or Authorized Users relating to the operation or features of the Subscription Services.

2.3 Purchasing Consulting Services. Customer may purchase Consulting Services from Accela by executing an Order for such services. All prices are exclusive of travel and expenses, which will be invoiced at actual cost, without markup, and will comply with the Consulting Services Policy located at www.accela.com/terms/ or as otherwise agreed in the applicable Order. If applicable, one Consulting Services day shall be equal to eight (8) hours.

2.4 Restrictions on Use. Customer shall not, and shall not permit others to: (i) use or access the Subscription Services in any manner except as expressly permitted by the Agreement, including but not limited to, in a manner that circumvents contractual usage restrictions set forth in this Agreement; (ii) license, sub-license, sell, re-sell, rent, lease, transfer, distribute, time share or otherwise make any portion of the Subscription Services available for access by third parties except as otherwise expressly provided herein; (iii) use the Subscription Service in a way that: (a) violates or infringes upon the rights of a third party; or (b) stores or transmits libelous, tortious, or otherwise unlawful material or malicious code or viruses; (iv) create derivative works, reverse engineer, decompile, disassemble, copy, or otherwise attempt to derive source code or other trade secrets from or about any of the Subscription Services (except to and only to the extent such rights are proscribed by law); (v) interfere with or disrupt the security, integrity, operation, or performance of the Subscription Services; (vi) access, use, or provide access or use to the Subscription Services or Documentation for the purposes of competitive analysis or the development, provision, or use of a competing software, SaaS or product or any other purpose that is to Accela's detriment or commercial disadvantage; (vii) provide access to the Subscription Services to competitors of Accela; (viii) access or use components of the Subscription Service not licensed by Customer; (ix) use or allow the use of the Subscription Services by anyone located in, under the control of, or that is a national or resident of a U.S. embargoed country or territory or by a prohibited end user under Export Control Laws (as defined in Section 12.3, Compliance with Laws); (x) remove, delete, alter or obscure any trademarks, Documentation, warranties, or disclaimers, or any copyright, trademark, patent or other intellectual property or proprietary rights notices from any Subscription Services; or (xi) access or use the Subscription Services in, or in association with, the design, construction, maintenance, or operation of any hazardous environments, systems or applications, any safety response systems or other safety-critical applications, or any other use or application in which the use or failure of the Subscription Services could lead to personal injury or severe physical or property damage.

2.5 Ownership. Accela retains all Intellectual Property Rights, including all rights, title and license to the Subscription Service, Software, Accela System, Support Services, Consulting Services, and Aggregate Data, any related work product of the foregoing and all derivative works thereof by whomever produced; provided however,

that to the extent such materials are delivered to Customer as part of the Subscription Services, Consulting Services or Support Services then Customer shall receive a limited license consistent with the terms of Section 2 to use such materials during the Subscription Period.

2.6 Customer's Responsibilities. Customer will: (i) be responsible for meeting Accela's applicable minimum system requirements for use of the Subscription Services set forth in the Documentation; (ii) be responsible for Authorized Users' compliance with this Agreement and for any other activity (whether or not authorized by Customer) occurring under Customer's account; (iii) be solely responsible for the accuracy, quality, integrity and legality of Customer Data; (iv) use commercially reasonable efforts to prevent unauthorized access to or use of the Subscription Services and Customer Data under its account, and notify Accela promptly of any such unauthorized access or use; (v) use the Subscription Services only in accordance with the applicable Documentation, laws and government regulations; and (vi) pay its Subscription fees in full for the Subscription Period.

3. **PAYMENT TERMS.**

3.1 Purchases Directly from Accela. Except as otherwise set forth in an Order, Subscription fees will be invoiced annually in advance throughout the Subscription Period, and such fees shall be due and payable on the first day of each annual period. At the end of each Subscription Period, the Customer will receive a renewal Order for the renewal Subscription Period, and such renewal fees will be due and payable on the first day of the renewal Subscription Period. Thereafter, Subscription fees for the renewal Subscription Period will be invoiced annually in advance throughout the Subscription Period, and such fees shall be due and payable on the first day of each annual period. All other invoices shall be due and payable net thirty (30) from the date of the applicable invoice. All amounts payable to Accela under this Agreement shall be paid by Customer in full without any setoff, deduction, debit, or withholding for any reason. Any late payments shall be subject to an additional charge of the lesser of 1.5% per month or the maximum permitted by law. All Subscription Services fees are exclusive of any taxes, levies, duties, withholding or similar governmental assessments of any nature (collectively, "***Taxes***"). If any such Taxes are owed or payable for such transactions, they shall be paid separately by Customer without set-off to the fees due Accela.

3.2 Purchases from Authorized Resellers. In the event that Customer has purchased any products or services through a reseller, subject to these terms, any separate payment arrangements and terms shall be exclusively through such reseller and Accela is not a party to such transactions. Accela's sole obligations are set forth herein and Customer acknowledges that its rights hereunder may be terminated for non-payment to such third party.

4. **CONFIDENTIALITY.** As used herein, "***Confidential Information***" means all confidential information disclosed by a one party to this Agreement to the other party of this Agreement whether orally or in writing, that is designated as confidential or that reasonably should be understood to be confidential given the nature of the information and the circumstances of disclosure. However, Confidential Information will not include any information that: (i) is or becomes generally known to the public without breach of any obligation owed to the disclosing party; (ii) was known to the receiving party prior to its disclosure without breach of any obligation owed to the disclosing party; (iii) is received without restriction from a third party without breach of any obligation owed to the disclosing party; or (iv) was independently developed by the receiving party without the use of the disclosing party's Confidential Information. Each party will use the same degree of care that it uses to protect the confidentiality of its own confidential information of like kind (but in no event less than reasonable care) not to disclose or use any Confidential Information except as permitted herein, and will limit access to Confidential Information to those of its employees, contractors and agents who need such access for purposes consistent with this Agreement and who are bound to protect such Confidential Information consistent with this Agreement. The receiving party may disclose Confidential Information if it is compelled by law to do so, provided the receiving party gives the disclosing party prior notice of such compelled disclosure (to the extent legally permitted) and reasonable assistance, at the disclosing party's request and cost, to contest, limit, or protect the disclosure.

5. **CUSTOMER DATA.**

5.1 Ownership. Customer reserves all its rights, title, and interest in and to the Customer Data. No rights are granted to Accela hereunder with respect to the Customer Data, except as otherwise set forth explicitly in Section 5.

5.2 Usage. Customer shall be responsible for Customer Data, as defined above, and as entered into, applied in, or used in the Subscription Services. Customer acknowledges that Accela generally does not have access to Customer Data as it is entered into the Subscription Services and Accela cannot retrieve lost Customer Data. Customer grants to Accela the non-exclusive right to process Customer Data (including personal data) for the sole purpose of and only to the extent necessary for Accela: (i) to provide the Subscription Services; (ii) to verify Customer's compliance with the restrictions set forth in Section 2.4 (Restrictions on Use) if Accela has a reasonable belief of Customer's non-compliance; and (iii) as otherwise set forth in this Agreement. Accela may utilize the information concerning Customer's use of the Subscription Services (excluding any use of Customer's Confidential Information) to improve Subscription Services, to provide Customer with reports on its use of the Subscription Services, and to compile aggregate statistics and usage patterns by customers using the Subscription Services.

5.3 Use of Aggregate Data. Customer agrees that Accela may collect, use, and disclose Aggregate Data, as defined above, derived from the use of the Subscription Services for industry analysis, benchmarking, analytics, marketing, and other business purposes. All Aggregate Data collected, used, and disclosed will be in aggregate form only and will not identify Customer, its Authorized Users or any third parties utilizing the Subscription Services.

6. **WARRANTIES AND DISCLAIMERS.**

6.1 Subscription Services Warranty. During the Subscription Period, Accela warrants that Subscription Services shall perform materially in accordance with the applicable Documentation. As Customer's sole and exclusive remedy and Accela's entire liability for any breach of the foregoing warranty, Accela will use commercially reasonable efforts to: (a) repair the Subscription Services in question; (b) replace the Subscription Services in question with those of substantially similar functionality; or (c), after making all commercially reasonable attempts to do the foregoing, terminate the applicable Subscription Services and refund all unused, prepaid fees paid by Customer for such non-compliant Subscription Services.

6.2 Consulting Services Warranty. For ninety (90) days from the applicable delivery, Accela warrants that Consulting Services shall be performed in a professional and workmanlike manner. As Customer's sole and exclusive remedy and Accela's entire liability for any breach of the foregoing warranty, Accela will use commercially reasonable efforts to (a) re-perform the Consulting Services in a compliant manner; or, after making all commercially reasonable attempts to do the foregoing, (b) refund the fees paid for the non-compliant Consulting Services.

6.3. Disclaimers. EXCEPT AS EXPRESSLY PROVIDED HEREIN, ACCELA MAKES NO WARRANTY OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, AND SPECIFICALLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY, SECURITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW.

6.4. Cannabis-Related Activities. If Customer purchases any Subscription Services for use with any cannabis-related activities, the following additional disclaimers shall apply: Accela is considered a software service provider to its customers and not a cannabis related business or agent thereof. In addition to the foregoing, Accela only retains Subscription Services fees of this Agreement from its Customer for general software services, a state or local government agency, and does not retain these fees from any type of External Users. It is the sole responsibility of the Customer to offer state law compliant services, which may be coordinated and facilitated through the use of the Subscription Services. Accela makes no representations, promises, or warranties with respect to the legality, suitability, or otherwise regarding any third party provider, including partners, and have no responsibility or liability with respect to services provided to Customer by such third parties.

7. **INDEMNIFICATION.** Accela will defend (or at Accela's option, settle) any third party claim, suit or action brought against Customer to the extent that it is based upon a claim that the Subscription Services, as furnished by Accela hereunder, infringes or misappropriates the Intellectual Property Rights of any third party, and will pay any costs, damages and reasonable attorneys' fees attributable to such claim that are finally awarded against Customer, provided that Customer provides: (a) Accela notice of such claim as soon practical and in no event later than would reasonably permit Accela to respond to such claim, (b) reasonable cooperation to Accela, at Accela's expense, in the defense and/or settlement of such claim and (c) Accela the sole and exclusive control of the defense, litigation and settlement of such claim. In the event that Accela reasonably believes, in its sole discretion, that such claim may prevail or that the usage of the Subscription Services may be joined, Accela may seek to: (a) modify the Subscription Services such that it will be non-infringing (provided such modification does not materially reduce the functionality or performance of Customer's installed instance); (b) replace the Subscription Services with a service that is non-infringing and provides substantially similar functionality and performance; or, if the first two options are not commercially practicable, (c) terminate the remainder of the Subscription Period and refund any, pre-paid, unused fees received by Accela. Accela will have no liability under this Section 7 to the extent any claims arise from (i) any combination of the Subscription Services with products, services, methods of a third party; (ii) a modification of the Subscription Services that were either implemented by anyone other than Accela or implemented by Accela in accordance with Customer specifications; (iii) any use of the Subscription Services in a manner that violates this Agreement or the instructions given to Customer by Accela; (iv) a version of the Subscription Services other than the current, fully patched version, provided such updated version would have avoided the infringement; or (v) Customer's breach of this Agreement. THIS SECTION 7 STATES THE ENTIRE OBLIGATION OF ACCELA AND ITS LICENSORS WITH RESPECT TO ANY ALLEGED OR ACTUAL INFRINGEMENT OR MISAPPROPRIATION OF INTELLECTUAL PROPERTY RIGHTS RELATED TO THIS AGREEMENT.

8. **LIMITATION OF LIABILITY.** EXCEPT FOR LIABILITY ARISING OUT OF EITHER PARTY'S LIABILITY FOR DEATH OR PERSONAL INJURY, OR CUSTOMER'S BREACH OF SECTION 2, NEITHER PARTY'S AGGREGATE LIABILITY FOR DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR FROM THE USE OF OR INABILITY TO USE THE SERVICE, WHETHER IN CONTRACT, TORT OR UNDER ANY OTHER THEORY OF LIABILITY, SHALL EXCEED THE TOTAL AMOUNT PAID BY CUSTOMER HEREUNDER IN THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE INCIDENT. EXCEPT FOR LIABILITY ARISING OUT OF CUSTOMER'S BREACH OF SECTION 2, OR EITHER PARTY'S LIABILITY FOR DEATH OR PERSONAL INJURY, IN NO EVENT SHALL EITHER PARTY OR ANY OTHER PERSON OR ENTITY INVOLVED IN CREATING, PRODUCING OR DELIVERING THE SERVICE BE LIABLE FOR ANY INCIDENTAL, SPECIAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES, INCLUDING LOST PROFITS, LOSS OF DATA OR LOSS OF GOODWILL, SERVICE INTERRUPTION, COMPUTER DAMAGE OR SYSTEM FAILURE OR THE COST OF SUBSTITUTE PRODUCTS OR SERVICES, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR FROM THE USE OF OR INABILITY TO USE THE SUBSCRIPTION SERVICES, WHETHER BASED ON WARRANTY, CONTRACT, TORT (INCLUDING NEGLIGENCE), PRODUCT LIABILITY OR ANY OTHER LEGAL THEORY. THE FOREGOING EXCLUSIONS APPLY WHETHER OR NOT A PARTY HAS BEEN INFORMED OF THE POSSIBILITY OF SUCH DAMAGE, AND EVEN IF A LIMITED REMEDY SET FORTH HEREIN IS FOUND TO HAVE FAILED OF ITS ESSENTIAL PURPOSE.

9. **SECURITY.** Accela has implemented commercially viable and reasonable information security processes, policies, and technology safeguards to protect the confidentiality and integrity of Customer Data, personal data protect against reasonably anticipated threats. Customer acknowledges that, notwithstanding security features of the Subscription Services, no product, hardware, software or service can provide a completely secure mechanism of electronic transmission or communication and that there are persons and entities, including enterprises, governments and quasi- governmental actors, as well as technologies, that may attempt to breach any electronic security measure. Subject only to its limited warranty obligations set forth in Section 6, Accela will have no liability for any such security breach. Customer further acknowledges that the Subscription Services is not guaranteed to operate without interruptions, failures, or errors. If Customer or Authorized Users use the Subscription Services in any application or environment where failure could cause personal injury, loss of life, or other substantial harm, Customer assumes any associated risks and will indemnify Accela and hold it harmless against those risks.

10. **THIRD PARTY SERVICES.** Customer may choose to obtain a product or service from a third party that is not directly produced by Accela as a component of the Subscription Services ("***Third Party Services***"), and this may include third party products resold by Accela. Accela assumes no responsibility for, and specifically disclaims any liability, warranty or obligation with respect to, any Third Party Services or the performance of the Subscription Services (including Accela's service level commitment) when the Subscription Services are used in combination with or integrated with Third Party Services.

11. **TERM AND TERMINATION.**

11.1 Agreement Term. This Agreement shall become effective on the Effective Date and shall continue in full force and effect until the expiration of the Subscription Periods set forth in an applicable Order governed by the Agreement.

11.2 Subscription Periods & Renewals. Subscription Periods begin as specified in the applicable Order and, unless terminated earlier in accordance with this Agreement, continue for the full Subscription Period specified therein. Except as otherwise specified in the applicable Order, (a) all Subscription Services will automatically renew for additional Subscription Periods equal to the expiring Subscription Period, unless either party gives the other at least sixty (60) days' notice of non-renewal before the end of the relevant Subscription Period and (b), Orders may only be cancelled or terminated early in accordance with Section 11.3. Subscription Services renewals may be subject to an annual increase, for which Accela shall provide Customer notice prior to the renewal of the Subscription Period. In the event of any non-renewal or other termination, Customer's right to use the Subscription Services will terminate at the end of the relevant Subscription Period.

11.3 Termination or Suspension for Cause. A party may terminate this Agreement and Subscription Services license granted hereunder for cause upon thirty (30) days' written notice to the other party of a material breach if such breach remains uncured at the expiration of such thirty (30) day period. Either party may terminate immediately if the other party files for bankruptcy or becomes insolvent. Accela may, at its sole option, suspend Customer's or any Authorized User's access to the Subscription Services, or any portion thereof, immediately if Accela: (i) suspects that any person other than Customer or an Authorized User is using or attempting to use Customer Data; (ii) suspects that Customer or an Authorized User is using the Subscription Services in a way that violates this Agreement and could expose Accela or any other entity to harm or legal liability; (iii) is or reasonably believes it is required to do so by law or court order or; (iv) Customer's payment obligations are more than ninety (90) days past due, provided that Accela has provided at least thirty (30) days' notice of such suspension for delinquent payment. Should Customer terminate this Agreement for cause, Accela will refund a pro-rata portion of unused, pre-paid fees for the non-compliant Services.

11.4 Effect of Termination. If this Agreement expires or is terminated for any reason: (i) within thirty (30) calendar days following the end of Customer's final Subscription Period, upon Customer's request, Accela will provide Customer Data and associated documents in a database dump file; provided that Customer pays (a) all costs of and associated with such copying, as calculated at Accela's then-current time-and-materials rates, and (b) any and all unpaid amounts due to Accela; (ii) licenses and use rights granted to Customer with respect to Subscription Services and intellectual property will immediately terminate; and (iii) Accela's obligation to provide any further services to Customer under this Agreement will immediately terminate, except as mutually agreed between the parties. If the Subscription Services are nearing expiration date or are otherwise terminated, Accela will initiate its data retention processes, including the deletion of Customer Data from systems directly controlled by Accela. Accela's current Data Storage Policy can be accessed www.accela.com/terms/.

11.5 Survival. Sections 2.5 (Ownership), 4 (Confidentiality), 6.3 (Disclaimer), 8 (Limitation of Liability), 11.4 (Effect of Termination), 11.5 (Surviving Provisions), and 12 (General Provisions) will survive any termination or expiration of this Agreement.

12. **GENERAL.**

12.1 Notice. Except as otherwise specified in this Agreement, all notices, permissions, and approvals hereunder will be in writing and will be deemed to have been given upon: (i) personal delivery; (ii) three days after sending registered, return receipt requested, post or; (iii) one day after sending by commercial overnight carrier. Notices will be sent to the address specified by the recipient in writing when entering into this Agreement or establishing Customer's account for the Subscription Services.

12.2 Governing Law and Jurisdiction. This Agreement and any action related thereto will be governed by the laws of the State of California without regard to its conflict of laws provisions. The exclusive jurisdiction and venue of any action related to the subject matter of this Agreement will be the state and federal courts located in the Northern District of California and each of the parties hereto waives any objection to jurisdiction and venue in such courts.

12.3 Compliance with Laws. Each party will comply with all applicable laws and regulations with respect to its activities under this Agreement including, but not limited to, export laws and regulations of the United States and other applicable jurisdictions. Further, in connection with the services performed under this Agreement and Customer's use of the Subscription Services, the parties agree to comply with all applicable anti-corruption and anti-bribery laws, statutes, and regulations.

12.4 Assignment. Customer may not assign or transfer this Agreement, whether by operation of law or otherwise, without the prior written consent of Accela, which shall not be unreasonably withheld. Any attempted assignment or transfer, without such consent, will be null and void. Subject to the foregoing, this Agreement will bind and inure to the benefit of the parties, their respective successors and permitted assigns.

12.5 Publicity. Notwithstanding anything to the contrary, each party will have the right to publicly announce the existence of the business relationship between parties without disclosing the specific terms of the Agreement.

12.6 Miscellaneous. No failure or delay by either party in exercising any right under this Agreement will constitute a waiver of that right. Other than as expressly stated herein, the remedies provided herein are in addition to, and not exclusive of, any other remedies of a party at law or in equity. If any provision of this Agreement is held by a court of competent jurisdiction to be contrary to law, the provision will be modified by the court and interpreted so as best to accomplish the objectives of the original provision to the fullest extent permitted by law, and the remaining provisions of this Agreement will remain in effect. Accela will not be liable for any delay or failure to perform under this Agreement to the extent such delay or failure results from circumstances or causes beyond the reasonable control of Accela. This Agreement does not create a partnership, franchise, joint venture, agency, fiduciary or similar relationship between the parties. This Agreement, including any attachments hereto as mutually agreed upon by the parties, constitute the entire agreement between the parties concerning its subject matter and it supersedes all prior communications, agreements, proposals, or representations, written or oral, concerning its subject matter. No modification, amendment, or waiver of any provision of this Agreement will be effective unless in writing and signed by a duly authorized representative of each party against whom the modification, amendment or waiver is to be asserted. Notwithstanding any language to the contrary, no additional or conflicting terms or conditions stated in any of Customer's purchase order documentation or otherwise will be incorporated into or form any part of this Agreement, and all such terms or conditions shall be null and void.

[Remainder of Page Intentionally Left Blank – Signature Page Follows]

In WITNESS WHERE OF, the parties have indicated their acceptance of the terms of this Agreement by their signatures below.

ACCELA, INC.	**CUSTOMER:** _____
Signature: _____	Signature: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

9110 Alcosta Blvd, Suite H #3030
San Ramon, CA, 94583

Proposed by: Caitlin Carter
Contact Phone: (925) 359 - 3411
Contact Email: ccarter@accela.com
Quote ID: Q-42005
Valid Through: 12/10/2026
Currency: USD

Renewal Order Form

Address Information

Bill To:
Palmdale, CA - City of
38250 Sierra Hwy
Palmdale, California, 93550
United States

Ship To:
Palmdale, CA - City of
38250 Sierra Hwy
Palmdale, California93550
United States

Billing Name: Salvador Mednez
Billing Phone:
Billing Email: smendez@cityofpalmdaleca.gov

Services	Year	Start Date	End Date	Term (Months)	Price	Qty	Net Total
Accela Building - SaaS - Additional Purchase	Year 1	01/10/2027	01/09/2028	12	$2,403.78	10	$24,037.82
Accela Building - SaaS	Year 1	01/10/2027	01/09/2028	12	$2,403.79	75	$180,283.89
						TOTAL:	$204,321.71

Services	Year	Start Date	End Date	Term (Months)	Price	Qty	Net Total
Accela Building - SaaS	Year 2	01/10/2028	01/09/2029	12	$2,475.90	85	$210,451.36
						TOTAL:	$210,451.36

Services	Year	Start Date	End Date	Term (Months)	Price	Qty	Net Total
Accela Building - SaaS	Year 3	01/10/2029	01/09/2030	12	$2,550.18	85	$216,764.90
						TOTAL:	$216,764.90

Services	Year	Start Date	End Date	Term (Months)	Price	Qty	Net Total
Accela Building - SaaS	Year 4	01/10/2030	01/09/2031	12	$2,626.68	85	$223,267.85
						TOTAL:	$223,267.85

Services	Year	Start Date	End Date	Term (Months)	Price	Qty	Net Total
Accela Building - SaaS	Year 5	01/10/2031	01/09/2032	12	$2,705.48	85	$229,965.89
						TOTAL:	$229,965.89

Services	Year	Start Date	End Date	Term (Months)	Price	Qty	Net Total
Accela Building - SaaS	Year 6	01/10/2032	01/09/2033	12	$2,786.65	85	$236,864.86
						TOTAL:	$236,864.86

Services	Year	Start Date	End Date	Term (Months)	Price	Qty	Net Total
Accela Building - SaaS	Year 7	01/10/2033	01/09/2034	12	$2,870.24	85	$243,970.81
						TOTAL:	$243,970.81

Pricing Summary

Period	Net Total
Year 1	$204,321.71
Year 2	$210,451.36
Year 3	$216,764.90
Year 4	$223,267.85
Year 5	$229,965.89
Year 6	$236,864.86
Year 7	$243,970.81
Total	**$1,565,607.38**

Renewal Terms/Information:

1. Notwithstanding anything to the contrary, this Order Form is governed by the terms and conditions in the (1) Accela Subscription Services Agreement, City of Palmdale Agreement A-7700, dated December 14, 2021, as thereafter amended (where applicable) for Subscription Services, (2) Enhanced Reporting Database (ERD) Policy at Accela Terms for ERD, and (3) Managed Application Services (MAS) Policy at Accela Terms for MAS (collectively, the "Agreement").

2. No additional or conflicting terms or conditions stated in Customer's order documentation, including, without limitation, purchase orders, will be incorporated into or form any part of this Order Form or the governing agreement, and all such terms or conditions will be null and void.

3. For Software Licenses, Accela may terminate this Order Form in the event the Software is phased out across Accela's customer base. In such event, Accela will provide Customer sufficient advance notice and the parties will mutually agree to a migration plan for converting Customer to another Accela generally-available offering with comparable functionality.

4. Subscriptions continue from the Order Start Date through the number of months listed in this Order Form (or if not listed, twelve (12) months). Thereafter Subscriptions automatically renew annually as calculated from Order Start Date of Customer's first Subscription purchase.

5. All Software Licenses, Maintenance, and Subscription purchases are non-cancelable and non-refundable.

6. Pricing is based upon payment by ACH and check. Payment by credit card (including Purchase Cards) for product and services in this Order Form will be subject to a service charge of 3%. There is no service charge for ACH or check payment.

7. Customer may purchase additional licenses at the same price and for the same term as the licenses in this Order Form. Additional licenses purchased in this way will have the same annual price applicable for the purchase period and will have the same uplift and term dates as Customer's existing licenses.

Signatures	
Accela, Inc.	**Customer**
Signature:	Signature:
Print Name:	Print Name:
Title:	Title:
Date:	Date:

City Council Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **OPERATIONS DEPARTMENT**
INFORMATION TECHNOLOGY DIVISION

DISTRICT: **ALL**

SUBJECT: **APPROVE REQUISITIONS WITH MERJAN ENTERPRISES, INC., DBA SOV SECURITY, FOR THE PURCHASE OF SURVEILLANCE CAMERA AND ACCESS CONTROL EQUIPMENT FOR A TOTAL NOT TO EXCEED AMOUNT OF $670,092.13**

RECOMMENDATION

Staff recommend that the City Council:

1. Approve Requisition Nos. 270543 and 270561 with Merjan Enterprises, Inc., dba SOV Security, for the purchase of surveillance camera and access control equipment in a combined total amount of $670,092.13, which includes the purchase amount of $241,112.60 for Aero Building, and $428,979.53 for Chimbole Center; and,

2. Authorize the City Manager or his designee to approve the requisitions and resulting purchase orders with Merjan Enterprises, Inc., including minimal and/or non-substantial changes up to the 15% contingency amount approved by the Council.

BACKGROUND

The Aero Building houses critical City public safety functions, including the Emergency Operations Center (EOC), while the Chimbole Cultural Center supports community programs and activities. Both facilities require reliable security infrastructure to protect City personnel, public assets, and sensitive operational areas.

To enhance security at these facilities, the City proposes purchasing surveillance and access control equipment, as applicable, to improve monitoring capabilities, strengthen facility security, and support the City's broader physical security program. The proposed equipment will align with the City's existing security systems and technology standards.

DISCUSSION

The proposed purchases for the Aero Building and Chimbole Center include surveillance cameras, electronic access-control panels, door-control hardware, and related equipment to enhance monitoring and management of secured areas.

These improvements will enhance security monitoring and access management at City facilities, providing greater protection for personnel, assets, and operational areas. The equipment will be integrated with the City's existing security infrastructure to promote system compatibility, streamline maintenance, and support future expansion and long-term security needs.

Staff proposes to purchase security equipment from Merjan Enterprises, Inc., dba SOV Security, for the Aero Building and Chimbole Cultural Center through cooperative purchasing using California Multiple Award Schedules (CMAS) agreements. As authorized under Palmdale Municipal Code (PMC) Section 3.08.140, cooperative purchasing allows the City to utilize contracts established by other public agencies in lieu of conducting a separate competitive solicitation. This procurement method enables the City to leverage pre-negotiated pricing and contract terms, streamline the purchasing process, reduce administrative costs, and maintain compliance with applicable procurement requirements.

FISCAL IMPACT

$670,092.13; Sufficient funds are budgeted and available in Fiscal Year 2026-27.

STRATEGIC PLAN

Goal III: Invest in infrastructure to improve community livability.

C. Plan and maintain safe and attractive neighborhoods, streets, facilities, and public spaces with exciting programming that promotes active fun for everyone.

Prepared by:	Janelle Samson, Deputy City Manager
Certified as to availability of Funds:	Janelle Samson, Deputy City Manager
Approved by:	Salvador Mendez, City Manager
Approved as to form:	Taylor Anderson, Deputy City Attorney

ATTACHMENTS

Requisition No. 270543
Requisition No. 270561

Bill To	Requisition 00270543-00 FY 2027
FINANCE DEPARTMENT 38300 SIERRA HWY STE D PALMDALE, CA 93550	Acct No: F0010158-724525 Review: Buyer: cmantell Status: Allocated Page 1

Vendor 36-4499338	Ship To
MERJAN ENTERPRISES INC 29399 AGOURA ROAD STE 103 AGOURA HILLS, CA 91301	INFORMATION SERVICES DEPT 38300 SIERRA HWY STE D PALMDALE, CA 93550

Date Ordered	Vendor Number	Date Required	Ship Via	Terms	Department
10/27/26	011813				INFORMATION SERVICES

LN	Description / Account	Qty	Unit Price	Net Price
001	PROCUREMENT OF SECURITY CAMERA SYSTEM COMPONENTS, DOOR ACCESS CONTROL EQUIPMENT, SOFTWARE LICENSES, AND VIDEO RECORDING HARDWARE.	1.00 EA	241112.60000	241112.60

Additional Description Notes

PROCUREMENT OF SURVEILLANCE CAMERAS, ELECTRONIC ACCESS CONTROL HARDWARE, VIDEO MANAGEMENT SOFTWARE LICENSES, AND NETWORK VIDEO RECORDING EQUIPMENT FOR THE AERO BUILDING, INCLUDING PUBLIC SAFETY AND EMERGENCY OPERATIONS CENTER (EOC) OPERATIONS.

THIS PURCHASE IS BASED ON SOV SECURITY QUOTE #100181, UTILIZING CMAS AGREEMENTS 3-24-09-1047 AND 3-25-04-1002, WITH ADDITIONAL OPEN MARKET ITEMS. THIS PURCHASE IS PENDING CITY COUNCIL APPROVAL ON NOVEMBER 9, 2026.

1	F0010158-724525	241112.60

Requisition Link

Requisition Total 241112.60

***** General Ledger Summary Section *****

Account	Amount	Remaining Budget
F0010158-724525	241112.60	1465851.47
CITY FACILITIES ARPA	CAPITAL PROJECT PROF SERVICES	

Authorized By: _____ Date: _____

Signature

Bill To	Requisition 00270561-00 FY 2027
FINANCE DEPARTMENT 38300 SIERRA HWY STE D PALMDALE, CA 93550	Acct No: F0010158-724525 Review: Buyer: cmantell Status: Allocated

Vendor 36-4499338	Ship To
MERJAN ENTERPRISES INC 29399 AGOURA ROAD STE 103 AGOURA HILLS, CA 91301	INFORMATION SERVICES DEPT 38300 SIERRA HWY STE D PALMDALE, CA 93550

Date Ordered	Vendor Number	Date Required	Ship Via	Terms	Department
10/29/26	011813				INFORMATION SERVICES

LN	Description / Account	Qty	Unit Price	Net Price
001	PROCUREMENT OF SURVEILLANCE CAMERA SYSTEM COMPONENTS, VIDEO MANAGEMENT SOFTWARE LICENSES, NETWORK VIDEO RECORDING EQUIPMENT, AND ASSOCIATED COMMUNICATION CABLING FOR THE CHIMBOLE CENTER.	1.00 EA	428979.53000	428979.53

Additional Description Notes

PROCUREMENT OF SURVEILLANCE CAMERA HARDWARE, VIDEO MANAGEMENT SOFTWARE LICENSES, NETWORK VIDEO RECORDING EQUIPMENT, AND ASSOCIATED COMMUNICATION CABLING FOR THE CITY OF PALMDALE CHIMBOLE CENTER. PURCHASE IS BASED ON SOV SECURITY QUOTE #100326, UTILIZING CMAS AGREEMENTS 3-24-09-1024 AND 3-25-04-1002, WITH ADDITIONAL OPEN MARKET ITEMS.

THIS PURCHASE IS PENDING CITY COUNCIL APPROVAL ON NOVEMBER 9, 2026.

1 F0010158-724525 428979.53

Requisition Link

Requisition Total 428979.53

***** General Ledger Summary Section *****

Account		Amount	Remaining Budget
F0010158-724525		428979.53	1465851.47
CITY FACILITIES ARPA	CAPITAL PROJECT PROF SERVICES		

Authorized By: _____ Date: _____

Signature

City Council Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **ECONOMIC AND COMMUNITY DEVELOPMENT DEPARTMENT PLANNING DIVISION**

DISTRICT: **1**

SUBJECT: **RECEIVE AND FILE THE ANNUAL ACTIVITY REPORT FOR DEVELOPMENT AGREEMENT PERTAINING TO THE OASIS WELLNESS VILLAGE PROJECT LOCATED AT THE SOUTHEAST CORNER OF PALMDALE BOULEVARD AND TIERRA SUBIDA AVENUE**

RECOMMENDATION

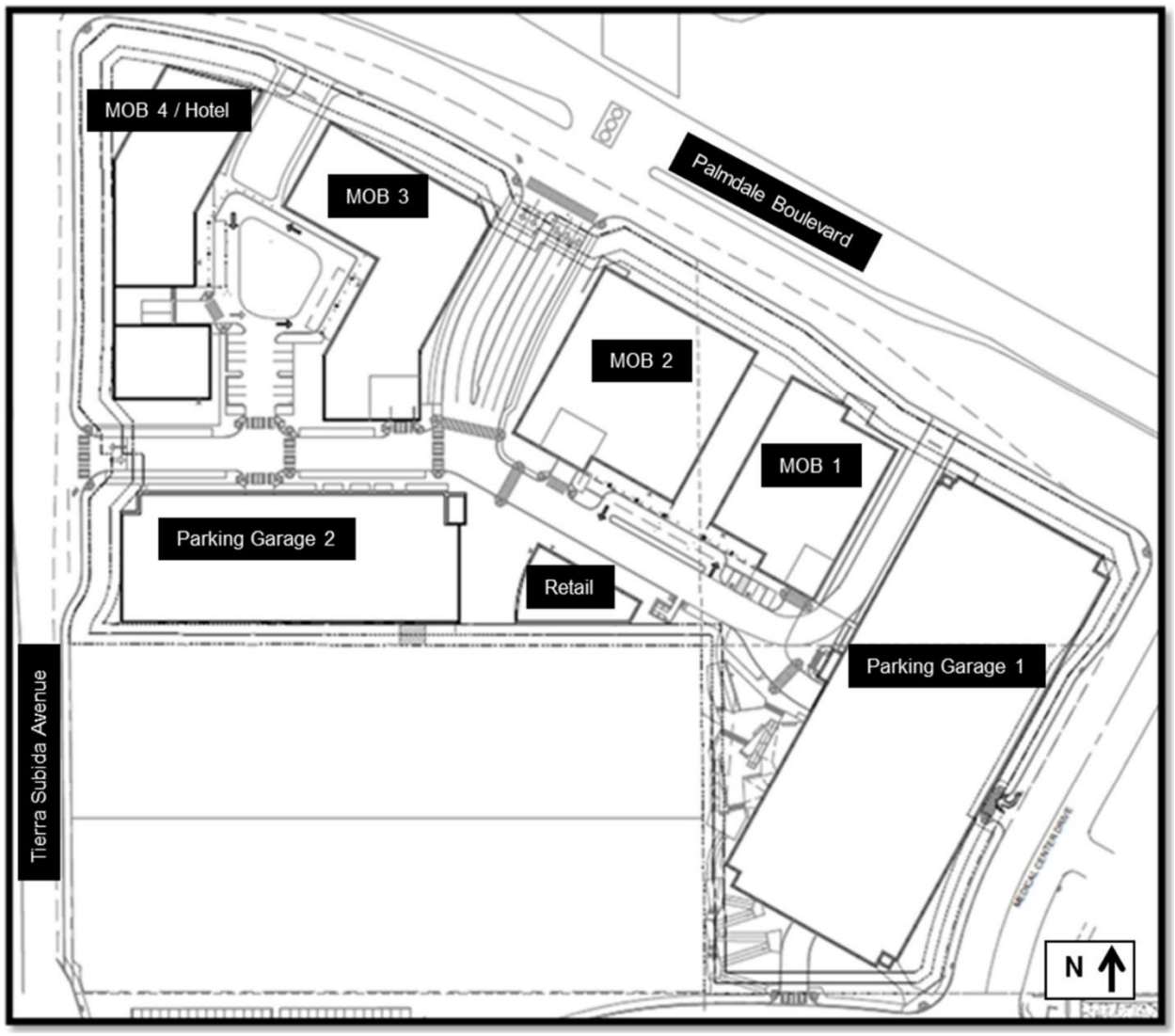
Staff recommend that the City Council:

1. Receive and file the annual activity report for Development Agreement (DA) No. A-5595 pertaining to the Oasis Wellness Village project located at the southeast corner of Palmdale Boulevard and Tierra Subida Avenue.

BACKGROUND

On October 5, 2016, the City Council approved General Plan Amendment 15-001, Zone Change 15-001, and DA No. A-5595 (Resolution No. CC 2016-083) and, subsequently, on January 12, 2017, the Planning Commission approved Planned Development 16-001, Tentative Parcel Map 73748, and Site Plan Review 15-006 (Resolution No. PC-2017-005) for the Oasis Wellness Village project. The development includes construction of a campus-style, mixed-use project composed of services and businesses centered on a theme of wellness and healthy living (Figure 1). The site is located at the southeast corner of Palmdale Boulevard and Tierra Subida Avenue.

FIGURE 1 – SITE PLAN



On November 4, 2025, the City Council reviewed the annual activity report for the DA and directed staff to work with the applicant to identify opportunities to support the advancement of the project. Since that time, staff has maintained ongoing communication with the applicant regarding the status of the project, including potential future tenants and developers.

This item was originally scheduled for consideration at the November 9, 2026, City Council meeting. However, due to a lack of quorum, the item was continued to December 1, 2026, City Council meeting.

DISCUSSION

In compliance with Section 9 of the DA and California Government Code Sections 65865.1, the City is required to review the DA at least once every 12 months. During the review period, the applicant or successor in interest must demonstrate good faith compliance with the terms and conditions of the agreement. If the City determines that the applicant or successor in interest has not complied with the terms and conditions of the agreement, the City may terminate or modify the agreement subject to the procedures in Section 11 of the DA.

Exhibits C and D of DA No. A-5595 (Attachment 1) require the developer to provide certain public benefits and pay fees to the City at specified times during the development process. No fees or public benefit payments were required during the review period (November 1, 2025, through November 1, 2026) because no development occurred. Therefore, the applicant is in compliance with the terms and conditions of the DA.

FISCAL IMPACT

$290; The applicant paid the processing fee specified within the City's fee resolution.

STRATEGIC PLAN

Goal II: Ensure long-term fiscal health of the City and maintain funding for services.

A. Management resources, costs, and liabilities to ensure the City's long-term fiscal health.

Prepared by:	Megan Taggart, Director of Economic and Community Development
Certified as to availability of Funds:	Janelle Samson, Deputy City Manager
Approved by:	Salvador Mendez, City Manager
Approved as to form:	Taylor Anderson, Deputy City Attorney

ATTACHMENT

Agrmt No. A-5595, Development Agreement with Oasis Wellness Village Project

This page is part of your document - DO NOT DISCARD

20170628795

Pages: 0036

Recorded/Filed in Official Records
Recorder's Office, Los Angeles County, California

06/07/17 AT 01:05PM

FEES:	0.00
TAXES:	0.00
OTHER:	0.00
PAID:	0.00

LEADSHEET

201706070670022

00013813990

008378368

SEQ:
01

DAR - Counter (Upfront Scan)

THIS FORM IS NOT TO BE DUPLICATED

E497906

7

06/07/2017

20170628795

RECORDED AT REQUEST OF
AND WHEN RECORDED RETURN TO:
City of Palmdale
38250 Sierra Highway
Palmdale, California 93550
Attn: City Manager

Fee Exempt – Gov't Code § 6103

(Space above for Recorder's Use)

DEVELOPMENT AGREEMENT

between

THE CITY OF PALMDALE,
a California municipal corporation

and

PALMDALE INVESTMENT COMPANY, LLC,
a California limited liability company

A-5595

A-5595

This Development Agreement (the "Agreement") is entered by and between the City of Palmdale, a California municipal corporation ("City"), and Palmdale Investment Company, LLC, a California limited liability company ("Owner"). City and Owner shall be referred to jointly within this Agreement as the "Parties."

RECITALS

A. To strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic risk of development, the Legislature of the State of California adopted the "Development Agreement Statute," Sections 65864 et seq., of the Government Code. City, a general law city, is authorized by the Development Agreement Statute to enter into development agreements with persons and entities having legal or equitable interests in real property for the purpose of establishing predictability for both City and the property owner in the development process.

B. Owner has requested that City enter into a development agreement for property with the City and more particularly described in Exhibit "A" and depicted on Exhibit "B" (the "Property"). City enters into this Agreement pursuant to the provisions of the California Government Code, the City's General Plan, the City Municipal Code, and applicable City policies.

C. Owner has a legal or equitable interest in the Property and desires to develop on the Property the Oasis Wellness Village (the "Project"), a collection of state-of-the-art continuum care facilities adjacent to the Palmdale Regional Medical Center which will bring critically-needed healthcare facilities within easy reach of the estimated 40-50% of the region's residents who now travel extended distances to obtain their medical care.

D. The City has a significant interest in enhancing the health and welfare of the community by creating opportunities for increased access to quality health care facilities.

E. Owner has filed with the City its request for approval of the following discretionary actions pertaining to the Property:

1. General Plan Amendment 15-001, a request to amend the General Plan land use designation for an approximately 9.9-acre portion of the Project site from CC (Community Commercial) to RC (Regional Commercial) (the "General Plan Amendment"); and

2. Zone Change 15-001, a request to change the zoning designation for an approximately 9.9-acre portion of the Project site from C-3 (General Commercial) to C-4 (Commercial Center) (the "Zone Change").

F. In addition to the General Plan Amendment and the Zone Change, Owner plans in the future to file with the City applications for approval of discretionary actions which more specifically will describe and implement the Project (the "Future Applications"). The Future Applications will include, but are not be limited to, applications for approval of:

1. The "Oasis Wellness Village Planned Development" pursuant to Section 28.05 of the City's Zoning Ordinance; and

2. Tentative Parcel Map No. 73748, a request to subdivide three contiguous parcels totaling approximately 12.13 acres (the "Tentative Parcel Map").

G. This Agreement assures that development of the Property will occur in accordance with City's General Plan, as amended by the General Plan Amendment. The development of the Property pursuant to this Agreement shall be referred to as the "Development Plan."

H. This Agreement constitutes a current exercise of City's police powers to provide predictability to both the City and Owner in the development approval process by vesting the permitted use(s), density, intensity of use, and timing and phasing of development consistent with the Development Plan, thus maximizing the opportunity to achieve the significant enhancement of the community's access to quality health which will result from implementation of the Development Plan (the "Public Benefits").

AGREEMENT

City and Owner agree as follows:

1. INTEREST OF OWNER. Owner represents that it has a legal or equitable interest in the Property and is authorized to enter into this Agreement.

2. PUBLIC HEARINGS. On September 22, 2016, after providing notice as required by law, the Planning Commission of the City held a public hearing on this Agreement and recommended to the City Council the adoption of this Agreement. On October 5, 2016, after providing notice as required by law, the City Council held a public hearing on this Agreement and made the findings set forth in Section 3.

3. CITY COUNCIL FINDINGS. The City Council finds that:

3.1 Subject to the approval of the General Plan Amendment becoming effective on or before the Effective Date, this Agreement is consistent with City's General Plan.

3.2 This Agreement strengthens the public planning process, encourages private participation in comprehensive planning, particularly with respect to the implementation of the City's General Plan, and reduces the economic costs of development and government.

3.3 The best interests of the residents of the City and their public health, safety, and welfare will be served by entering into this Agreement.

4. CONTINUING OBLIGATIONS. This Agreement binds the Parties now and in the future. By approving this Agreement, the City Council has elected to exercise certain governmental powers at the time of entering into this Agreement rather than deferring its actions to some undetermined future date. The terms and conditions of this Agreement have been reviewed by City staff and the City Council and have been found to be fair, just, and reasonable.

5. DEFINITIONS. In this Agreement, unless the context otherwise requires, the following terms and phrases shall have the following meanings:

5.1 "Administrative Fees" shall mean any fee routinely charged by the City to all development projects within the City for the time expended by full-time City employees in providing services related to the development of the Project. Administrative Fees do not, however, include "Development Fees" as defined in Section 5.11 below.

5.2 "Agreement" shall mean this Development Agreement between the City and Owner. The term "Agreement" shall include any amendment properly approved and executed pursuant to Section 7.5.

5.3 "Approval Date" means the date on which the City Council conducted the first reading of the ordinance adopting this Agreement. That date is October 5, 2016.

5.4 "City" shall mean the City of Palmdale, a California municipal corporation.

5.5 "City Council" shall mean the governing body of the City.

5.6 "City Municipal Code" shall mean the Palmdale Municipal Code. However, changes to the Palmdale Municipal Code occurring between the Approval Date and the Effective Date shall not be considered part of the City Municipal Code for purposes of this Agreement without Owner's prior written consent.

5.7 "Day" refers to a calendar day unless specifically stated as a "business day."

5.8 "Default" refers to the material and substantial failure by a Party to comply with one or more material provisions of this Agreement.

5.9 "Development" refers to the improvement of the Property for the purposes of completing all structures, improvements, and facilities comprising the Project.

5.10 "Development Approvals" refers to all permits and other entitlements approved or issued by the City for the use of, construction upon, and/or development of the Property. Development Approvals shall be deemed to include, but are not limited to, the following (and related amendments):

- This Agreement;
- Amendments to the General Plan;
- Master Plans;
- Tentative Maps, Final Maps, including parcel maps;
- Planned Developments, as set forth in Section 28.05 of the City's Zoning Ordinance;
- Conditional use permits, use permits, and site development permits;
- Variances;
- Grading and building permits;
- Certificates of compliance and/or lot line adjustments;
- Street, drainage, utility, storm water, and landscape permits;
- Occupancy permits; and
- Environmental review documents for the Project.

5.11 "Development Fees" refers to all fees established by the City for entitlement and construction activities which, but for this Agreement, could be imposed upon the Project. Development Fees include, but are not limited to, development impact fees, (for example, traffic and fire facility) that could be imposed pursuant to the Mitigation Fee Act (California Government Code Section 66000 et seq.). Other examples of Development Fees include, but are not limited to, fees for demolition, utility connections, site plan review, traffic review, application filing, inspections, plan check, geotechnical review, storm water management, permit issuance, insurance, school fees, occupancy, design review, flow test, and drainage.

5.12 "Development Plan" means Owner's plan for development of the Property consisting of the Existing Land Use Regulations, this Agreement, the Subsequent Land Use Regulations to which Owner has consented in writing, and Subsequent Development Approvals.

5.13 "Effective Date" shall mean the later of (i) date the ordinance adopting this Agreement becomes effective and (ii) the expiration of the period provided by

applicable law, including but not limited to Government Code Section 65009, for challenging the General Plan Amendment.

5.14 "Existing Land Use Regulations" means all Land Use Regulations in effect on the Effective Date, including, but not limited to, the General Plan as amended by the General Plan Amendment and the provisions of the City Municipal Code falling within the definition of "Land Use Regulations" (see Section 5.17 below), including, but not limited to, Title 16 (Subdivisions) and Title 17 (Zoning). However, changes to Land Use Regulations occurring between the Approval Date and the Effective Date shall be considered part of the Existing Land Use Regulations only with Owner's written consent. Owner has consented to the General Plan Amendment and the Zone Change, which shall be considered part of the Existing Land Use Regulations.

5.15 "General Plan" shall mean the general plan of the City.

5.16 "General Plan Amendment" shall refer to the amendment of the City's General Plan on October 5, 2016, for the Property.

5.17 "Land Use Regulations" shall mean all ordinances, resolutions, codes, rules, regulations and official policies of the City governing the development and use of land, including, without limitation, the permitted use of land, the density or intensity of use, subdivision requirements, timing and phasing of development, the maximum height and size of buildings, the provisions for reservation or dedication of land for public purposes, and the design, improvement, construction, and initial occupancy standards and specifications applicable to the Project. Land Use Regulations do not include any City ordinance, resolution, code, rule, regulation or official policy governing:

- The conduct or taxation of businesses, professions, and occupations applicable to all businesses, professions, and occupations in the City;

- Taxes and assessments of general application upon all residents of the City, provided that the taxes and assessments are not imposed for the purpose of taxing the right, power or privilege of developing or improving land (e.g., excise tax) or to directly finance the acquisition or dedication of open space or any other public improvement in respect of which the Owner is paying any fee (directly or through an assessment or similar financing district) or providing any improvement pursuant to this Agreement; or

- The control and abatement of nuisances.

"Land Use Regulations" also do not include any county, state, or federal ordinances, resolutions, codes, rules, regulations and official policies or any City ordinances, resolutions, codes, rules, regulations and official policies, the specific provisions of which are mandated (as opposed to permitted) by county, state, or federal law.

5.18 "Minor Changes" refers to any change to the Project that is otherwise consistent with the Development Plan and which does not result in a change in the type of use, an increase in density or intensity of use, significant new or increased environmental impacts that cannot be mitigated, or violations of any applicable health and safety regulations in effect on the Effective Date.

5.19 "Mortgage" refers to any mortgage, deed of trust, or other security device recorded against some or all of the Property or improvements to the Property for the purpose of securing a debt or other obligation.

5.20 "Mortgagee" refers to a mortgagee of a mortgage, a beneficiary under a deed of trust or any other security device, a lender, and their successors and assigns.

5.21 "Operating Memorandum" refers to the written memorialization of the Parties' mutual consent to adopting "Minor Changes" to the Project.

5.22 "Owner" refers to Palmdale Investment Company, LLC, a California limited liability company, and Owner's successors and assigns.

5.23 "Owner's Vested Right" refers to Owner's guaranteed right to develop the Property as set forth in this Agreement.

5.24 "Paragraph" means a lettered or numbered paragraph of an Exhibit to this Agreement, unless specifically stated to refer to another document or matter. A reference to a Paragraph includes all subparagraphs of that Paragraph.

5.25 "Parcel Map" means a Final Parcel Map approved by the City as a ministerial action.

5.26 "Parking District" refers to an anticipated parking district which will be formed by the City to provide bond financing as a means to fund the construction of the Parking Facilities.

5.27 "Parking Facilities" refers to the two parking structures which are part of the proposed Development Plan, all internal Project streets, each of which provides direct or indirect access to at least one of the parking structures, and all utilities and infrastructure installed and/or constructed beneath those streets.

5.28 "Parking Structures" refers to the two parking structures which are part of the Parking Facilities.

5.29 The "Parties" means the City and Owner. A "Party" refers to either the City or the Owner.

5.30 "Pass-Through Fees" means those fees assessed against the Project and/or the Development by other public agencies, but which are collected (as opposed to imposed) by the City and which, after collection, are "passed through" to the public agency which imposed the fee in the first instance.

5.31 "Project" means the development of the Property as set forth in the Development Plan.

5.32 "Property" means the real property described in Exhibit "A" and depicted on Exhibit "B".

5.33 "Public Benefits" refers to those benefits provided to the residents of the City and the surrounding community by the development of the health care facilities contemplated by the Development Plan. Some of the Public Benefits are listed on Exhibit "C".

5.34 "Reservation of Authority" means the rights and authority specifically reserved to City as described in Section 8.6.

5.35 "Section" refers to a numbered section of this Agreement, unless specifically stated to refer to another document or matter.

5.36 "Subsequent Development Approvals" means all Development Approvals approved, granted, or issued after the Effective Date for the Project which are required or permitted by the Existing Land Use Regulations, the Subsequent Land Use Regulations to which Owner has consented in writing, and this Agreement. Subsequent Development Approvals include, without limitation, all development review approvals required under the Subdivision Map Act, the City's subdivision ordinance and/or other provisions of the City Municipal Code, site development permits, excavation, grading, building, construction, encroachment or street improvement permits, occupancy certificates, utility connection authorizations, drainage, landscape, or other permits or approvals necessary for the grading, construction, marketing, use and occupancy of the Project.

5.37 "Subsequent Land Use Regulations" means those Land Use Regulations which are both adopted and effective after the Approval Date and which are not included within the definition of Existing Land Use Regulations. "Subsequent

Land Use Regulations" include any Land Use Regulations adopted by moratorium by initiative, City action, or otherwise

5.38 "Tentative Map" shall mean a tentative parcel map, as defined in the Subdivision Map Act and the City Municipal Code, for the Project.

5.39 "Term" means the term of this Agreement as set forth in Section 7.2 of this Agreement.

5.40 "Zone Change" means the amendment to the City's Municipal Code with respect to the zoning designation for the Property which was approved by the City Council on the Approval Date.

6. EXHIBITS. All exhibits attached to this Agreement are incorporated as a part of this Agreement. Those exhibits are:

Exhibit	Description
"A"	Legal Description of the Property
"B"	Depiction of the Property
"C"	Public Benefits
"D"	Fees

7. GENERAL PROVISIONS.

7.1 Binding Effect of Agreement. This Agreement shall be recorded against the Property and shall run with the land. The Development shall be carried out in accordance with the terms of this Agreement.

7.2 Term of Agreement. The Term shall commence on the Effective Date. The Term shall continue for a period of twenty-five years from the Effective Date, but shall be extended for periods equal to the time during which:

- Litigation is pending which challenges any matter, including compliance with CEQA or any other local, state, or federal law, related in any way to the approval or implementation of all or any part of the Development Plan. Any such extension shall be equal to the time between the filing of litigation, on the one hand, and the entry of final judgment or dismissal, on the other. All such extensions shall be cumulative.

- Any application by Owner for a regulatory permit and/or approval from an agency other than City which is required for the Project, but has been pending more than one year after its submittal, beginning on the 366th day following its submittal for approval.

- Any other delay occurs which is beyond the control of the Parties, as described in Section 13.10.

7.3 Termination. This Agreement shall be deemed terminated and of no further effect upon the earlier occurrence of any of the following events:

- Expiration of the Term as set forth in Section 7.2;

- Completion of the Project in accordance with the terms of this Agreement, including issuance of all required occupancy permits and acceptance, as required by state law, by City, or the applicable public agency, of all required dedications and the satisfaction of all of Owner's obligations under this Agreement; and

- As may be provided by other specific provisions of this Agreement.

7.4 Effect of Termination. Subject to Section 8.10, upon any termination of this Agreement, the only rights or obligations under this Agreement which either Party shall have are:

- The completion of obligations which were to have been performed prior to termination, subject to Section 11; and

- The performance and cure rights set forth in Section 11.

7.5 Amendment or Cancellation of Agreement. This Agreement may be amended from time to time or canceled only by the written consent of both City and Owner in the same manner as its adoption, as set forth in California Government Code Section 65868. Any amendment or cancellation shall be in a form suitable for recording in the Official Records of Los Angeles County, California. An amendment or other modification of this Agreement will continue to relate back to the Effective Date of this Agreement (as opposed to the effective date of the amendment or modification), unless the amendment or modification expressly states otherwise.

7.6 Release of Obligations With Respect to Individual Parcels Upon Certification of Occupancy. Notwithstanding any other provision of this Agreement:

7.6.1 When any individual parcel has been finally subdivided and sold, leased, or made available for lease to a member of the public or any other ultimate user, and a certificate of occupancy has been obtained for the building(s) on the lot, that lot and its owner shall have no further obligations under and shall be released from this Agreement.

7.6.2 Upon the conveyance of any lot, parcel, or other portion of the Property to a property owners' association or public or quasi-public entity, that lot, parcel, or portion of the Property and its owner shall have no further obligations under and shall be released from this Agreement.

No formal action by the City is required to effect this release, but, upon Owner's request, City shall sign an estoppel certificate or other document to evidence the release.

7.7 Minor Changes. The provisions of this Agreement require a close degree of cooperation between the Parties and "Minor Changes" to the Project may be required from time to time to accommodate design changes, engineering changes, and other refinements related to the details of the Parties' performance. "Minor Changes" shall mean changes to the Project that are otherwise consistent with the Development Plan, and which do not result in a change in the type of use, an increase in density or intensity of use, significant new or increased environmental impacts that cannot be mitigated, or violations of any applicable health and safety regulations in effect on the Effective Date.

Accordingly, the Parties may mutually consent to adopting "Minor Changes" through their signing of an "Operating Memorandum" reflecting the Minor Changes. Neither the Minor Changes nor any Operating Memorandum shall require public notice or hearing. The City Attorney and City Manager shall be authorized to determine whether proposed modifications and refinements are "Minor Changes" subject to this Section 7.7 or more significant changes requiring amendment of this Agreement. The City Manager may execute any Operating Memorandum without City Council action.

7.8 Term of Map(s) and Other Development Approvals.

7.8.1 Subdivision Maps. Pursuant to Government Code Section 66452.6, the term of all parcel maps that are approved for all or any portion of the Property shall be extended to a date coincident with the Term and, where not prohibited by State law, with any extension of the Term.

7.8.2 Site Development Permits. Site Development Permits for the Project shall have terms that coincide with the term of the subdivision or parcel map for the portion of the Property to which a particular Site Development Permit pertains.

7.8.3 Other Development Approvals. Pursuant to Government Code Section 65863.9, any and all other Development Approvals, including, but not limited to, those discretionary approvals listed in Recital E above, for any portion of the Project shall automatically be extended for a term ending concurrently with the applicable tentative maps for the Project. Pursuant to Section 7.8.1, those terms shall be the same as the Term of this Agreement.

7.8.4 Decisions of Planning Manager. Any decision of the Planning Manager with respect to Subsequent Development Approvals may be appealed to the City's Planning Commission pursuant to the procedures of the City's Municipal Code. Decisions of the Planning Commission on appeal may be appealed to the City Council pursuant to the procedures of the City's Municipal Code.

7.9 Relationship of City and Owner. The contractual relationship between City and Owner arising out of this Agreement is one of independent contractor and not agency. This Agreement does not create any third-party beneficiary rights.

7.10 Notices. All notices, demands, and correspondence required or permitted by this Agreement shall be in writing and delivered in person or mailed by first class or certified mail, postage prepaid, addressed as follows:

If to City, to:

City of Palmdale
38300 Sierra Highway
Palmdale, California 93550
Attn: City Manager

With a copy to:

City of Palmdale
38300 Sierra Highway, Suite A
Palmdale, CA 93550
Attn: City Attorney

If to Owner, to:

Palmdale Investment Company, LLC
1146 N. Central Ave., #441
Glendale, CA 91202-2502
Attn: John Thomas
john@thomaspartners.com

With a copy to:

Tim Paone
Cox, Castle & Nicholson
3121 Michelson Drive
Suite 200
Irvine, CA 92612
tpaone@coxcastle.com

City or Owner may change its address by giving notice in writing to each of the other names and addresses listed above. Thereafter, notices, demands, and correspondence shall be addressed and transmitted to the new address. Notice shall be deemed given upon personal delivery or, if mailed, two (2) business days following deposit in the United States mail.

8. DEVELOPMENT OF THE PROPERTY.

8.1 Owner's Vested Right. Owner shall have the vested right to complete Development of the Property in accordance with the Development Plan ("Owner's Vested Right").

8.2 Governing Land Use Regulations. The Land Use Regulations applicable to the Project and the Property shall be those contained in the Development Plan. An amendment or other modification of this Agreement will not change these applicable Land Use Regulations unless the amendment or modification expressly provides otherwise. Subsequent Land Use Regulations shall not apply to the Property unless the Parties mutually agree in writing that the Project will be subject to one or more Subsequent Land Use Regulations. Owner's application for a Subsequent Land Use Regulation and the City's approval of that application as submitted or as otherwise agreed to in writing by Owner shall be deemed an effective mutual written agreement of the Parties.

Nothing contained in this Agreement shall be deemed to authorize City to withhold any building permit, approval, and/or certificate of occupancy based on Owner's failure to comply with any Land Use Regulation that, as a result of this Agreement, is not applicable to the Project.

8.3 Permitted Uses. The permitted uses on the Property shall be as provided in the Development Plan.

8.4 Density and Intensity; Requirement for Reservation and Dedication of Land. The density and intensity of use for all Development on the Property, and the requirements for reservation and dedication of land, shall be as provided in the Development Plan.

8.5 Subdivision Map Processing.

8.5.1 *The Parcel Map*. Processing, filing, and recording of the Parcel Map shall be as provided within the Subdivision Map Act and subject only to the Existing Land Use Regulations.

8.5.2 *Phased Final Maps*. Pursuant to Section 66452.6(a)(1) of the California Subdivision Map Act, through this Agreement Owner has requested and City agrees to permit the filing of up to four "phased final maps," as that term is used in Section 66452.6(a)(1), for the Project. This request by Owner shall be deemed to be in effect at the approval of the Tentative Map.

8.6 Reservation of Authority. The following Land Use Regulations or Subsequent Land Use Regulations shall apply to the Property and the Project:

- Procedural regulations relating to hearing bodies, petitions, applications, notices, findings, records, hearings, reports, recommendations, appeals, and any other matter of procedure;

- Provided that they are uniformly applied to all development projects within the City and are not applied retroactively to any Development Approval issued before their adoption or amendment, uniform codes governing engineering and construction standards and specifications adopted by the City pursuant to state law (such codes include, without limitation, the City's adopted version of the Uniform Administrative Code, California Building Code, California Plumbing Code, California Mechanical Code, California Electrical Code, and California Fire Code); and

- Regulations which may be in conflict with this Agreement, but which are objectively required (and there are no available reasonable alternatives) to protect the public health and safety in the event of a sudden, unexpected occurrence involving a clear and imminent danger, and demanding immediate action to prevent or mitigate loss of, or damage to, life, health, property, or essential public services within the immediate community. Such regulations must be a valid exercise of the City's police power and must be applied and construed so as to provide Owner, to the maximum extent possible, with the rights and assurances provided in this Agreement. To apply to the Property, such regulations must be adopted after a public hearing and must be based upon findings of necessity established by a preponderance of the evidence. Any regulations, including moratoria, enacted by City and imposed on the Property to protect the public health and safety in the circumstances described above shall toll the Term and any time periods for performance by Owner and City set forth in this Agreement.

8.7 Assessment District or Other Public Financing. Subject to all procedural requirements of State and City law, City shall use its best efforts to conduct proceedings to consider and utilize one or more of a number of alternative public financing mechanisms authorized by state law, which may include, but are not limited to, Enhanced Infrastructure Financing Districts, Mello Roos Districts, Community Facilities Districts, Parking/ Public Improvement Districts, Landscaping and Lighting Assessment Districts, Utility Authority, other land based secured assessment districts, lease leaseback transaction structures, project specific tax revenue reimbursement, as well as other allowed financing mechanisms (collectively, "Public Financing Mechanisms"). These Public Financing Mechanisms may, at the City's sole and absolute discretion, be used to provide public financing for one or more of the following: (i) the acquisition of the land designated in the Development Plan for the construction of the two parking structures (the "Parking Structures") and all interior streets of the Project which provide direct or indirect access to at least one of those Parking Structures (collectively, the "Parking Facilities") (ii) the construction of the Parking Facilities, and (iii) the construction of infrastructure and other public amenities such as water, sewer and storm water facilities, parks, public pavilions, pedestrian areas, and any other projects authorized by state law governing the particular financing mechanism. It is anticipated that the City may consider creating and/or utilizing a Special Purpose Authority ("Authority"), and that a separate financing agreement(s) will be required by and between the City and/or the Authority and Owner.

8.7.1 *Owner's Financial Capacity*. Prior to any determination of public financing and/or funding of the Parking Facilities, City and, if applicable, Authority must be satisfied that the Owner has the ability and financial capacity to develop the Project and, therefore, provide the significant benefit of making high quality health care facilities reasonably accessible to residents of City and surrounding communities. Based on the foregoing determination in conjunction with an independent determination by special counsel that such financing complies with applicable federal and State regulations, the City or the Authority may authorize (i) construction and operation of the Parking Facilities by Owner and (ii) issuance and sale of future bonds, if any, that shall be based on prevailing municipal financing practices and criteria and sold in a mutually agreeable timeframe that would consider the timing as follows: (a) the first Parking Structure shall be complete and available for use prior to occupancy of the first non-parking building that is part of the Project and (b) the second Parking Structure shall be complete and available for use as agreed based on the future occupancy of the Project.

8.7.2 *Project Contingent on Public Financing Mechanism.* Owner recognizes that City cannot commit to a Public Financing Mechanism through this Agreement, and must comply with all aspects of local, state, and federal law relevant to the formation of a Public Financing Mechanism prior to making such a commitment. City, however, recognizes that Owner cannot commit to development of the Project unless City exercises its discretion to form/provide a Public Financing Mechanism to, at a minimum, finance the construction of the Parking Facilities.

8.7.3 *Project Contingent on Owner's Management of Parking Structures.* City recognizes that, subject to compliance with all state and federal regulations, Owner cannot commit to development of the Project unless City and Owner enter into an agreement for a term of no less than 75 years granting to Owner the right to (i) manage construction of the Parking Structures, (ii) when completed, manage and maintain the two Parking Structures at Owner's expense, and (iii) collect and retain the revenues from the Parking Structures.

8.7.4 *Project Contingent on Owner's Management of Parking Structures.* City recognizes that, subject to compliance with all state and federal regulations and any bond financing restrictions and/or covenants, Owner cannot commit to development of the Project unless City and Owner enter into an agreement granting to Owner an option for Owner to purchase at fair market value either one or both of the

Parking Structures (whether separately, jointly, or at different times) at any time during Owner's management of the Parking Structures.

8.8 Fees. Because of the City's desire for the development of the Property to provide reasonable access for the residents of the City and surrounding communities to high quality health care, Development Fees (see Section 5.11) and, Administrative Fees (see Section 5.1) shall be as set forth on Exhibit "D". In the case of any ambiguity or uncertainty as to whether a particular fee is an Administrative Fee or a Development Fee, it shall be treated as a Development Fee. As noted on Exhibit "D", Pass-Through Fees (see Section 5.30) shall not be capped or waived.

Owner is solely responsible for obtaining a determination by the Department of Industrial Relations regarding the adjustment of Development Fees pursuant to this Agreement or any public subsidy for the Project to determine whether it meets the exemption of "de minimis in the context of the project" as outlined in Section 1720(c)(3) of the California Labor Code.

8.9 Adequacy of Required Infrastructure. The City acknowledges and agrees that, upon Owner's completion of the Project pursuant to the City's conditions of approval, there will be sufficient capacity to accommodate the Project in the infrastructure and services owned, operated, outsourced, controlled, and/or provided by the City, including, without limitation, traffic circulation, storm drainage, trash collection, and flood control. Where City renders or outsources such services or owns such infrastructure, City shall serve the Project and there shall be no restrictions placed upon Owner concerning hookups or service for the Project, except for reasons beyond City's control.

8.10 Vested Rights Upon Termination. Termination of this Agreement shall not invalidate any Land Use Regulations or terminate any Subsequent Development Approvals obtained prior to the date of termination. Upon any termination of this Agreement, Owner's vested rights, if any, shall be determined by this Agreement to the extent development has occurred on the Property, and as to the remainder of the Project, by state and federal statutes and case law and then current factual state of the Development.

8.11 Staffing and Expedited Processing. City shall employ all lawful actions capable of being undertaken by City to (i) promptly receive and, when complete, accept all applications for Subsequent Development Approvals and related environmental analysis, if any (collectively, "Applications"), and (ii) expeditiously process and take action upon the Applications in accordance with applicable law.

8.12 Changes in Federal and State Law. The Property may be subject to subsequently enacted state or federal laws or regulations which preempt local regulations or mandate the adoption of local regulations that conflict with or impede implementation of the Development Plan. Upon discovery of such a subsequently enacted federal or state law, City or Owner shall provide the other Party with written notice, a copy of the state or federal law or regulation, and a written explanation of the legal or regulatory conflict created. Within ten (10) days thereafter, City and Owner shall meet and confer in good faith in a reasonable attempt to modify this Agreement, as necessary, to comply with such federal or state law or regulation. In such negotiations, City and Owner agree to preserve the terms of this Agreement and the rights of Owner and City as derived from this Agreement to the maximum feasible extent while resolving the conflict. City agrees to cooperate with Owner in resolving the conflict in a manner which minimizes any financial impact of the conflict upon Owner or City. City also agrees to process, in the same expedited manner as set forth for Applications in Section 8.11, Owner's proposed changes to the Development Plan as needed to comply with such federal or state law, and to process those changes in accordance with City procedures. Any delays caused by such changes in state or federal law shall toll the term of this Agreement and the time periods for performance by Owner and City set forth in this Agreement.

8.13 Timing of Development. Because the California Supreme Court held *in Pardee Construction Co. v. City of Camarillo*, 37 Cal. 3d 465 (1984), that the failure of the parties in that case to provide for the timing of development resulted in a later-adopted initiative restricting the timing of development to prevail over the parties' agreement, it is the specific intent of the Parties to provide for the timing of the Project in this Agreement. Therefore, subject to any State requirement related to the completion of construction for which a building permit has been issued, Owner shall have the right, but not the obligation, to complete the Project in such order, at such rate, at such times, and in as many development phases and sub-phases as Owner deems appropriate in its sole subjective business judgment.

8.14 Conditions, Covenants and Restrictions. Owner shall have the right, but not the obligation, to reserve and record such covenants, conditions, and restrictions (CC&Rs) against the Property as Owner deems appropriate, in its sole and absolute discretion.

9. ANNUAL REVIEW.

9.1 Timing of Annual Review. Pursuant to Government Code Section 65865.1, at least once during every twelve (12) month period of the Term, City shall review the good faith compliance of Owner with the terms of this Agreement ("Annual Review").

9.2 Standards for Annual Review. During the Annual Review, Owner shall demonstrate good faith compliance with the terms of this Agreement. "Good faith compliance" shall be established if Owner is in substantial compliance with the material terms and conditions of this Agreement.

9.3 Procedures for Annual Review. The Annual Review shall be conducted by the City Council or its designee. Owner shall be given a minimum of sixty (60) days' notice of any date scheduled for an Annual Review. Owner shall not be limited in the information it presents to the City Council for the Annual Review and may, if needed, provide information to the City Council in the first instance at the City Council hearing on the Annual Review. Should the City Council designate a party other than itself to conduct the Annual Review, these same notice and procedural requirements shall apply to the conduct by the designee of the Annual Review.

9.4 Certificate of Compliance. At any time during any year that the City Council or its designee finds that Owner is not in Default under this Agreement, City shall, upon written request by Owner, provide Owner with a written certificate of good faith compliance within fifteen (15) days of City's receipt of that request.

10. THIRD PARTY LITIGATION.

10.1 Third Party Litigation Concerning Agreement. Owner shall, at Owner's expense, indemnify and hold City, its officers, employees and independent contractors engaged in project planning or implementation, harmless from any third-party claim, action or proceeding against City, its agents, officers or employees to attack, set aside, void, or annul the approval of this Agreement (collectively, "Third-Party Claims"). City shall promptly notify Owner of any Third-Party Claim and City shall cooperate in the defense.

10.2 Duty to Defend. Owner shall defend City against all Third-Party Claims at Owner's expense with legal counsel selected by Owner. Owner shall advise City of its choice of counsel and consider, but not be obligated by, any input the City may provide regarding the retention of that counsel. With respect to any Third-Party Claim, if Owner asks City to participate in the defense of a Third-Party Claim, City shall participate. Even if not requested, City may elect to participate in the defense of any Third-Party Claim. Under either circumstance, (i) City may

select its own legal counsel to represent City in that defense and (ii) Owner shall reimburse City for the reasonable cost of that defense. For purposes of this Section 10.2, to "participate" in the defense of a Third-Party Claim shall mean that, whether through the City Attorney's office or outside counsel, the City shall appear in court hearings and trials, prepare and file briefs, and otherwise directly engage in litigation related to the Third-Party Claim.

10.3 Processing During Third Party Litigation. The filing of any third party lawsuit(s) against City or Owner relating to this Agreement, the General Plan, any Development Approvals, including Subsequent Development Approvals, or other development issues affecting the Property shall not delay or stop the development, processing, or construction of the Project, approval of Subsequent Development Approvals, or issuance of Development Approvals unless the third party obtains a court order preventing such activity. City shall not stipulate to the issuance of any such order without Owner's prior written consent.

11. DEFAULTS, REMEDIES, AND WAIVERS.

11.1 Notice. Before either Party may declare a Default under this Agreement this Agreement, the procedures of this Section must be followed. In the case of a Default arising from the conduct of an Annual Review, the procedures of this Section shall be strictly followed and shall constitute a second and independent review of the good faith compliance of Owner.

The Party asserting a Default (the "Non-Defaulting Party") may elect to do so by providing written notice to the Party alleged to be in Default (the "Defaulting Party") setting forth the nature of the Default and the actions, if any, required by the Defaulting Party to cure the Default. The Defaulting Party shall be deemed in Default if the Defaulting Party fails to cure the Default within thirty (30) business days after the date of such notice (for monetary defaults) or within sixty business (60) days after the date of such notice (for non-monetary defaults)("Cure Periods"). If the nature of the alleged Default is such that it cannot reasonably be cured within the applicable Cure Period, the Defaulting Party shall not be deemed to be in Default if it has commenced efforts to cure the Default within the applicable Cure Period and continues to diligently pursue completion of the cure.

11.2 Default Remedies. A Party who complies with the notice of Default and opportunity to cure requirements of this Section may, at its option, institute legal action to cure, correct, or remedy the alleged Default, enjoin any threatened or attempted violation, enforce the terms of this Agreement by specific performance, or pursue any other legal or equitable remedy, with the

exception of termination of this Agreement. These remedies shall be cumulative rather than exclusive, except as otherwise provided by law.

11.3 Standard of Review. Any determination that a Party is in Default shall be based upon the preponderance of evidence. In any legal action alleging or challenging a Party's determination of Default, the court shall conduct a de novo review of compliance based on the administrative record and determine if the preponderance of evidence supports the claim of Default.

11.4 Waiver; Remedies Cumulative. There are no implied waivers. All waivers of performance must be in a writing signed by the Party granting the waiver. Failure by either Party to insist upon the strict performance of any provision of this Agreement, irrespective of the length of time for which such failure continues, shall not constitute a waiver of the right to demand strict compliance with this Agreement in the future.

A written waiver affects only the performance specifically waived and defines the scope and duration of the waiver. Unless expressly stated in a written waiver, future performance of the same or any other condition is not waived.

A Party who complies with the notice and opportunity to cure requirements of this Agreement, where applicable, and pursues a legal or equitable remedy available under this Agreement does not waive its right to pursue any other remedy available under this Agreement, unless prohibited by statute, court rules, or judicial precedent.

Delays, tolling, and other actions arising under this Agreement shall not be considered waivers subject to this Section.

12. ENCUMBRANCES, ASSIGNMENTS, AND RELEASES.

12.1 Discretion to Encumber. This Agreement shall not prevent or limit Owner, in any manner, at Owner's sole discretion, from encumbering some or all of the Property or any improvement on the Property with a Mortgage (see Section 5.19).

12.2 Mortgagee Protection. City acknowledges that any lender(s) providing financing secured by the Property and/or its improvements may require Minor Changes. If requested by Owner or a lender, City shall meet with Owner and representatives of the lender(s) to negotiate in good faith any such Minor Changes. City will not unreasonably withhold or delay its consent to a requested Minor Change provided the Minor Change is consistent with the intent and purposes of this Agreement. The following terms and conditions apply to all Mortgages:

12.2.1 Neither entering into this Agreement nor a breach of this Agreement shall defeat, render invalid, diminish, or impair the lien of any Mortgage made in good faith and for value.

12.2.2 If City timely receives a request from a Mortgagee requesting a copy of any notice of Default given to Owner under the terms of this Agreement, City shall provide a copy of that notice to the Mortgagee within ten (10) days after receiving the Mortgagee's request. The Mortgagee shall have the right, but not the obligation, to cure the Default during the remaining cure period allowed Owner under this Agreement.

12.2.3 Except as otherwise provided within this Agreement, any Mortgagee who comes into possession of some or all of the Property pursuant to foreclosure of a Mortgage or deed in lieu of such foreclosure or otherwise, shall:

- Take the property acquired subject to the terms of this Agreement and as Owner's successor;
- Have the rights and obligations of an Assignee as set forth in Sections 12.3 and 12.4;
- Have the right to rely on the provisions of Section 8 of this Agreement, provided that any development proposed by the Mortgagee is in substantial conformance with the terms of this Agreement; and
- Not be liable for any Defaults, whether material or immaterial, or monetary obligations of Owner arising prior to acquisition of title to the Property by the Mortgagee, except that the Mortgagee may not pursue development pursuant to this Agreement until all delinquent and current fees and other monetary obligations, if any, due to the City under this Agreement for the portions of the Property acquired by the Mortgagee have been paid to City.

12.3 Assignments of Interest in Agreement. Owner shall have the right to sell, transfer, or assign some or all of the Property at any time during the Term (a "Property Conveyance"). Any sale, transfer, or assignment of Owner's rights and obligations under this Agreement (collectively, an "Assignment") in connection with a Property Conveyance, however, shall be subject to the requirements outlined below.

12.3.1 *Assignments Requiring City's Consent.* The qualifications and identity of Owner are of particular concern to the City. It is because of those qualifications and identity that the City has entered into this Agreement with Owner. The City has negotiated the terms of this Agreement in contemplation of the construction of the Parking Facilities. Accordingly, from the Effective Date until the issuance of a Release of Construction Covenants for the Parking Facilities, all Assignments by Owner shall be subject to the terms of this Section 12.3.

12.3.2 *Assignments Permitted Without City's Consent.* Notwithstanding any other provision of this Agreement, Assignments related to the following Property Conveyances and other transactions shall not require City consent:

- The conveyance or dedication of any portion of the Property to a public agency, including the City.
- The granting of easements or permits to facilitate construction of the Parking Facilities.
- The granting of easements or permits for utility purposes.
- Transactions for financing purposes, including the grant of a deed of trust to secure the funds necessary for land acquisition, construction, and/or permanent financing of any portion of the Project.
- The acquisition of some or all of the Property by a Mortgagee in its capacity as a Mortgagee, such as through foreclosure or a deed in lieu of foreclosure.
- If Owner is a publicly held corporation, real estate investment trust or publicly held partnership, a transfer of stock or other shares, provided there is no material change in the actual management and control of Owner.
- Transactions with an Owner affiliate, provided that, following the transaction, Owner shall (i) retain an ownership and operational interest in the Project (directly or indirectly) and (ii) Owner's current representatives shall remain the primary Owner representative(s) for purposes of communication with the City.

- Transactions which have the effect of merging Owner's interest in the Property with current or acquired interests of other entities, provided that, following the transaction, Owner shall (i) retain an ownership and operational interest in the Project (directly or indirectly) and (ii) Owner's current representatives shall remain the primary Owner representative(s) for purposes of communication with the City.

- Entering into reciprocal easement agreements and CC&Rs with tenants and end users, related to some or all of the Project.

12.3.3 *City Consideration of Requested Assignment.* The City agrees that it will not unreasonably withhold, condition, or delay approval of a request for approval of an Assignment made pursuant to this Section 12.3 which requires the City's approval, provided the Owner delivers written notice to the City requesting such approval. Such notice shall be accompanied by evidence regarding the proposed assignee's development and/or operational qualifications and experience and its financial commitments and resources in sufficient detail to enable the City to evaluate the proposed assignee pursuant to the criteria set forth in this Section 12.3. The City may, in considering any such request, take into consideration such factors as, without limitation, the assignee's experience and expertise, the assignee's past performance as developer or operator of similar developments, and the assignee's current financial condition and capabilities.

12.3.4 *Assignment and Assumption Agreement.* Prior to any Assignment (whether or not an Assignment requiring the City's consent), Owner shall give written notice to City of the Assignment and satisfactory evidence that the assignee has assumed in writing through an assignment and assumption agreement all of the Owner's obligations set forth in this Agreement (an "Assignment and Assumption Agreement"). The Assignment and Assumption Agreement shall be in a form reasonably satisfactory to the City's legal counsel.

12.3.5 *City's Action on Request for Consent.* Within fifteen (15) days after the receipt of the Owner's written Notice requesting City approval of an Assignment, the City shall either approve or disapprove the proposed assignment or shall respond in writing by stating what further information, if any, the City reasonably requires in order to determine the request complete and determine whether or not to grant the requested approval. Upon receipt of such a response, the Owner shall promptly provide to the City the requested information. Within fifteen

(15) days after the receipt of such information, the City shall approve or disapprove the requested Assignment. Upon the effective date of an assignment approved by the City, Owner shall be released from all obligations to the City under this Agreement with respect to the portion of the Property which is the subject of the Assignment.

12.4 Effect of Assignment. Unless otherwise stated within the Assignment, upon an Assignment:

- The Assignee shall be liable for the performance of all remaining obligations of Owner with respect to those portion of the Property which are conveyed pursuant to the Property Conveyance (the "Transferred Property"), but shall have no obligations with respect to any portions of the Property not conveyed (the "Retained Property").

- The owner of the Retained Property shall be liable for the performance of all obligations of Owner with respect to the Retained Property, but shall have no further obligations with respect to the Transferred Property.

- The Assignee's exercise, use, and enjoyment of the Transferred Property shall be subject to the terms of this Agreement to the same extent as if the Assignee were the Owner.

13. MISCELLANEOUS PROVISIONS.

13.1 Rules of Construction. The singular includes the plural; the masculine gender includes the feminine; "shall" is mandatory; "may" is permissive.

13.2 Entire Agreement. This Agreement constitutes the entire understanding and agreement of City and Owner with respect to the matters set forth in this Agreement. This Agreement supersedes all negotiations or previous agreements between City and Owner respecting the subject matter of this Agreement.

13.3 Recorded Statement Upon Termination. Upon the completion of performance of this Agreement or its cancellation or termination, a statement evidencing completion, cancellation, or termination signed by the appropriate agents of the Parties shall be recorded in the Official Records of Los Angeles County, California.

13.4 Project as a Private Undertaking. It is specifically understood by the Parties that (i) the Project is a private development, (ii) City has no responsibility to third parties concerning any improvements to the Property unless City accepts the improvements pursuant to the provisions of this Agreement or in connection with subdivision map approvals, and (iii) Owner shall have exclusive control of the Property.

13.5 Incorporation of Recitals. Each of the Recitals set forth at the beginning of this Agreement are part of this Agreement.

13.6 Captions. The captions of this Agreement are for convenience and reference only and shall not define, explain, modify or aid in the interpretation, construction, or meaning of any of the provisions of this Agreement.

13.7 Consent. Where the consent or approval of City or Owner is needed to implement Development under this Agreement, the consent or approval shall not be unreasonably withheld, delayed, or conditioned.

13.8 Covenant of Cooperation. The Parties shall cooperate and act in good faith to assist each other in the performance of the provisions of this Agreement.

13.9 Execution and Recording. The City Clerk shall cause a copy of this Agreement to be signed by the appropriate representatives of the City and recorded with the Office of the County Recorder of Los Angeles County, California, within ten (10) days following the effective date of the ordinance adopting this Agreement. The failure of the City to sign and/or record this Agreement shall not affect the validity of this Agreement.

13.10 Delay for Events Beyond the Parties' Control. Performance by either Party of its obligations under this Agreement shall be excused, and the Term shall be extended, for periods equal to the time during which (1) litigation is pending which challenges any matter, including compliance with CEQA or any other local, state, or federal law, related in any way to the approval or implementation of all or any part of the Development Plan or (2) a delay caused by any event beyond the control of the performing Party prevents or delays performance by that Party of an obligation under this Agreement. All such extensions shall be cumulative. Such events shall include, by way of example and not limitation, acts of nature, enactment of new federal or state laws or regulations, judicial actions such as the issuance of restraining orders and injunctions, delay in the issuance of bonds or formation of the Parking District, riots, strikes, and damage to work in process by reason of fire, mud, rain, floods, earthquake, or other such casualties. With respect to litigation, any such extension shall be equal to the time between the filing of litigation, on the one hand, and the entry of final judgment or dismissal, on the other.

If either Party seeks excuse from performance, it shall provide written notice of such delay to the other Party within thirty (30) days after the commencement of such delay. Any disagreement between the Parties with respect to whether this Section applies to a particular delay or default is subject to the filing by either Party of an action for judicial review of the matter, including requests for declaratory and/or injunctive relief.

13.11 Interpretation and Governing Law. In any dispute regarding this Agreement, the Agreement shall be governed and interpreted in accordance with the laws of the State of California. Venue for any litigation concerning this Agreement shall be in Los Angeles County, California.

13.12 Time of Essence. Time is of the essence in the performance of the provisions of this Agreement as to which time is an element.

13.13 Estoppel Certificate. Within ten (10) business days following a written request by either of the Parties, the other Party shall execute and deliver to the requesting Party a statement certifying that (i) either this Agreement is unmodified and in full force and effect or there have been specified (date and nature) modifications to the Agreement, but it remains in full force and effect as modified; and (ii) either there are no known current uncured Defaults under this Agreement or the responding Party alleges that specified (date and nature) Defaults exist. The statement shall also provide any other reasonable information requested. The failure to timely deliver this statement shall constitute a conclusive presumption that this Agreement is in full force and effect without modification, except as may be represented by the requesting Party and that there are no uncured Defaults in the performance of the requesting Party, except as may be represented by the requesting Party. Owner shall pay to City all reasonable administrative costs incurred by City in connection with the issuance of estoppel certificates under this Section prior to City's issuance of such certificates.

13.14 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

13.15 Future Litigation Expenses.

13.15.1 Payment to Prevailing Party. If either Party brings a legal or equitable proceeding against the other Party which arises in any way out of this Agreement, the prevailing Party shall be entitled to recover its reasonable attorneys' fees and all other reasonable costs and expenses incurred in that proceeding.

13.15.2 Scope of Fees. Attorneys' fees under this Section shall include attorneys' fees on any appeal and in any post-judgment proceedings to collect or enforce the judgment. This provision is separate and several and shall survive the termination of this Agreement.

13.15.3 Limitation of Liability. Owner's obligations under this Agreement are solely those of Owner. In no event shall any present, past or future officer, director, shareholder, member, employee, partner, affiliate,

manager, representative or agent of Owner (a "Related Party") have any personal liability, directly or indirectly, under this Agreement. Recourse in any way connected with or arising from this Agreement shall not be available against any Related Party

Owner and City have executed this Agreement on the dates set forth below.

CITY

City of Palmdale

By: _____
James C. Ledford, Jr.
Mayor

DATE:

OWNER

Palmdale Investment Company, LLC,
a California limited liability company

By: _____
George E. Thomas
Its: Managing Member

DATE:

ATTEST:

_____
Rebecca Smith,
City Clerk

APPROVED AS TO FORM:

By: _____
Wm. Matthew Ditzhazy
City Attorney

DATE:

A-5595

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

STATE OF CALIFORNIA)
) ss:
COUNTY OF Los Angeles)

On 2-11-17, 2017 before me, SHABBIR AZAM NOTARY PUBLIC
(insert name and title of the officer),

personally appeared George Edward Thomas, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

[Seal]

SHABBIR AZAM
COMM. # 2147421
NOTARY PUBLIC - CALIFORNIA
LOS ANGELES COUNTY
MY COMM. EXP. APR. 21, 2020

A-5595

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

STATE OF CALIFORNIA)
) ss:
COUNTY OF Los Angeles)

On May 25, 2017 before me, Lisa Roxanne Faber, Notary Public
(insert name and title of the officer),

personally appeared James C. Ledford, JR., who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity~~(ies)~~, and that by his/~~her/their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: Lisa Roxanne Faber

[Seal]

LISA ROXANNE FABER
Notary Public - California
Los Angeles County
Commission # 2179363
My Comm. Expires Feb 9, 2021

A-5595

EXHIBIT "A"

LEGAL DESCRIPTION

IN THE CITY OF PALMDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA BEING THAT PORTION OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 27 TOWNSHIP 6 NORTH, RANGE 12 WEST, SAN BERNARDINO MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 27; THENCE, ALONG THE SOUTHERLY LINE OF SAID NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 27, SOUTH 89°53'26" EAST, 50.00 FEET TO A POINT ON THE EASTERLY LINE OF THE EASEMENT DESCRIBED IN PART A OF THE ROAD DEED RECORDED FEBRUARY 3, 1967 AS INSTRUMENT NO. 1895, OFFICIAL RECORDS OF SAID COUNTY, SAID POINT BEING THE **TRUE POINT OF BEGINNING**; THENCE, ALONG SAID EASTERLY LINE THE FOLLOWING FOUR (4) COURSES:

1. NORTH 00°32'20" WEST, 71.77 FEET;
2. NORTH 01°22'13" EAST, 300.17 FEET;
3. NORTH 00°32'20" WEST, 218.53 FEET TO THE BEGINNING OF A CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 27.00 FEET;
4. NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 96°11'04" AN ARC LENGTH OF 45.33 FEET TO THE BEGINNING OF A COMPOUND CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 950.00 FEET, A RADIAL LINE FROM SAID BEGINNING OF CURVE BEARS SOUTH 05°38'44" WEST, SAID COMPOUND CURVE BEING THE SOUTHERLY LINE OF THE EASEMENT DESCRIBED IN THE ROAD DEED RECORDED FEBRUARY 1, 1957 IN BOOK 53536, PAGE 146, OFFICIAL RECORDS OF SAID COUNTY.

THENCE, ALONG SAID SOUTHERLY LINE, THE FOLLOWING TWO (2) COURSES:

1. EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 23°13'29" AN ARC LENGTH OF 385.08 FEET;
2. SOUTH 61°07'47" EAST, 432.47 FEET TO THE SOUTHWESTERLY LINE OF THE EASEMENT DESCRIBED IN THE DOCUMENT ENTITLED "AMENDED FINAL ORDER OF CONDEMNATION" RECORDED MAY 17, 2011 AS INSTRUMENT NO. 20110695447, OFFICIAL RECORDS OF SAID COUNTY;

THENCE, ALONG THE SOUTHWESTERLY, WESTERLY AND NORTHWESTERLY LINES OF THE PARCELS DESCRIBED IN SAID DOCUMENT, THE FOLLOWING SIX (6) COURSES:

1. SOUTH 51°38'47" EAST, 254.92 FEET;
2. SOUTH 61°07'47" EAST, 64.35 FEET;
3. SOUTH 16°06'22" EAST, 34.40 FEET;
4. SOUTH 29°03'41" WEST, 290.26 FEET TO THE BEGINNING OF A CURVE, CONCAVE EASTERLY, HAVING A RADIUS OF 466.50 FEET;

5. SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 18°42'32" AN ARC LENGTH OF 152.33 FEET;

6. SOUTH 54°17'21" WEST, 23.09 FEET TO THE SOUTHERLY LINE OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 27;

THENCE, ALONG SAID LINE, NORTH 89°55'37" WEST, 209.72 FEET TO THE EASTERLY LINE OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 27;

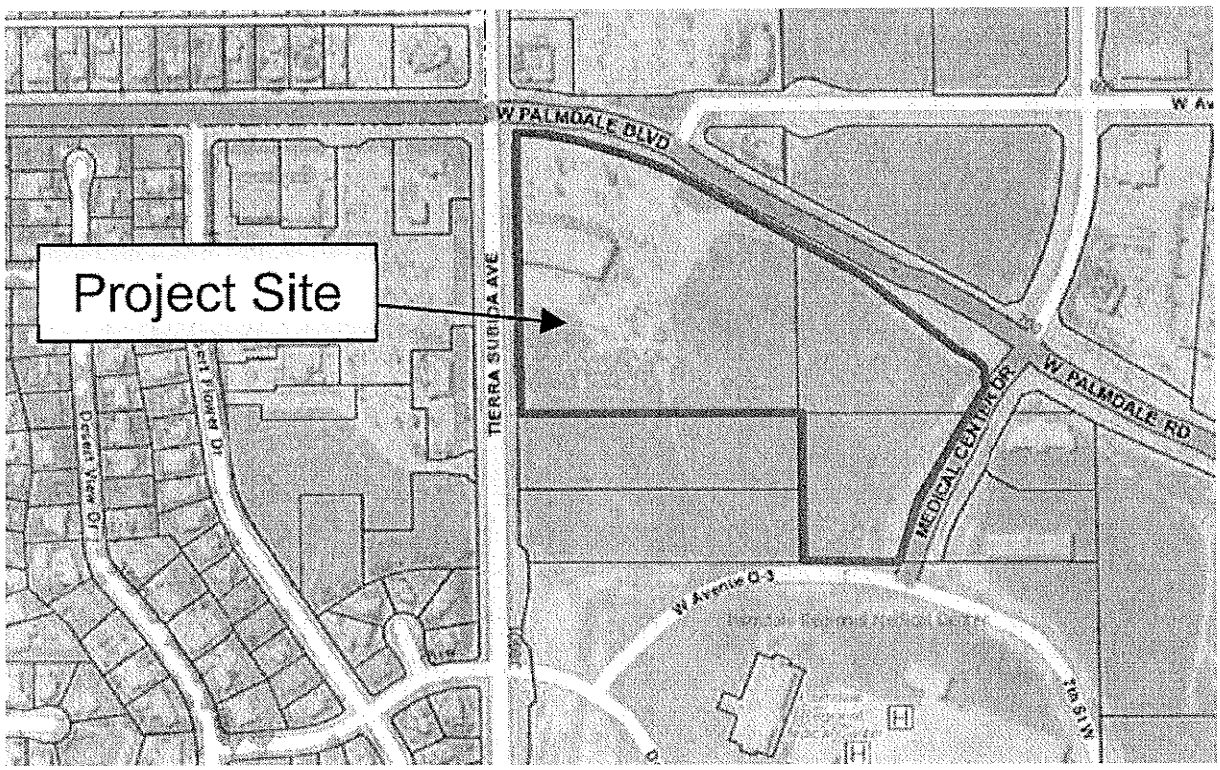
THENCE, ALONG SAID LINE, NORTH 00°37'42" WEST, 335.60 FEET TO SAID SOUTHERLY LINE OF SAID NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 27; THENCE, ALONG SAID SOUTHERLY LINE, NORTH 89°53'26" WEST, 619.58 FEET TO THE **TRUE POINT OF BEGINNING.**

THE ABOVE DESCRIBED PARCEL CONTAINS 12.13 ACRES, MORE OR LESS.

A-5595

EXHIBIT "B"

DEPICTION OF THE PROPERTY



A-5595

EXHIBIT "C"

ADDITIONAL PUBLIC BENEFITS

	Public Benefit	Description	Timing
1	**Donation to Palmdale Community Foundation**	Owner shall pay Seventeen Thousand Five Hundred Dollars ($17,500.00) to the Palmdale Community Foundation to be used to support community activities related to healthy lifestyle.	$7,500 upon occupancy of second medical office building within the Project, with $2,500 per year paid on the four anniversary dates of that first payment.
2	**Sustainability**	The Project will comply with all mandatory provisions of the California Green Building Standards Code.	At the times required under applicable regulations.
3	**Charging Stations**	The Project's parking structures shall include up to 10% (as determined by Owner), more charging stations than otherwise required by applicable regulations.	As built.
4	**Public Spaces**	Owner shall provide the City with criteria for the use of public spaces within the Project area for activities such as health fairs, education seminars, marathons, festivals, special health screenings, and other healthy-living themed events.	Prior to occupancy of the third medical office building within the Project.
5	**Non-Profit Health Care Provider Leases**	Owner shall develop a program to facilitate short-term, below-market leases to local non-profit health care providers for up to a cumulative total of 2,000 sf of office space.	After completion of the Project and occupancy of all buildings within the Project.
6	**Hiring**	To the extent within its control, commercially feasible and reasonable, and consistent with all applicable laws, Owner shall encourage the hiring of local, women-owned, and minority-owned firms or local residents, women and minority individuals (i) for Project construction and (ii) by future tenants of the Project.[1]	As applicable.
7	**Shuttle Access**	Developer shall use its best efforts to develop a commercially feasible and reasonable program for a service to transport seniors within the City to the Project.	After the Project is complete and fully leased.

[1] Where applicable, one example of how this provision may be satisfied with respect to tenants is that, prior to the occupancy of space by a tenant, Owner may provide a written statement to the tenant which includes words to the effect of *"Owner encourages Tenant to hire or contract with local, women-owned, or minority-owned firms or local residents, women, and minorities as part of its business practices."*

EXHIBIT "D"

FEES

	Fee Category	Disposition	Timing of Payment
1	**Development Fees (See Section 5.11)**	Development Fees shall be paid for those Development Fees in effect on the Effective Date at the rates in effect on the Effective Date. If, after the Effective Date, the City cumulatively decreases the rate of any Development Fee by 50% or more, the Project shall be subject only to the reduced rate. Under no circumstance shall Owner be required to pay more than Three Million Dollars ($3,000,000) toward the combined amount of (the "Combined Fee Cap"): • Development Fees (including the full amount of all Development Fees paid through the Parking District with respect to the Parking Facilities); and • Administrative Fees (see Item 2 below).	Subject to the Combined Fee Cap, Development Fees incurred before completion of construction of the second parking structure for the Project shall be paid upon completion of that construction and the certification by the City that the second parking structure is available for use. Development Fees incurred after that date shall be paid when due under applicable City regulation.
2	**Administrative Fees (See Section 5.1)**	Owner shall pay all Administrative Fees which would normally be charged for all projects within the City under City regulations in effect at the time payment is due. Under no circumstance shall Owner be required to pay more than the Combined Fee Cap toward: • Development Fees (including the full amount of all Development Fees paid through the Parking District with respect to the Parking Facilities); and • Administrative Fees.	Subject to the Combined Fee Cap, Administrative Fees shall be paid at the time those fees would normally be paid for all projects within the City under City regulations in effect when that payment is normally due.
3	**Pass-Through Fees (See Section 5.30)**	Owner shall pay all Pass-Through Fees which are collected, but not imposed, by the City.	Pass-Through Fees shall be paid at the time those fees would normally be paid for all projects within the City, provided that no Pass-Through Fees shall be collected from the Project more than thirty (30) days before those fees are required to be delivered to the pass-through agencies.

City Council Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **ECONOMIC AND COMMUNITY DEVELOPMENT DEPARTMENT HOUSING DIVISION**

DISTRICT: **ALL**

SUBJECT: **APPROVE FIRST AMENDMENT TO AGREEMENT WITH AVANT GARDE, INC., FOR AN INTERIM HOUSING MANAGER AND HOUSING DIVISION SUPPORT SERVICES, INCREASING THE AGREEMENT AMOUNT BY $100,000 FOR A TOTAL AMOUNT NOT TO EXCEED AMOUNT OF $225,000, AND EXTENDING THE TERM THROUGH JUNE 30, 2027**

RECOMMENDATION

Staff recommend that the City Council:

1. Approve First Amendment to Agreement No. A-9872 with Avant-Garde, Inc., for an interim Housing Manager and Housing Division support services, increasing the Agreement amount by $100,000 for a total not to exceed amount of $225,000, and extending the term through June 30, 2027; and,

2. Authorize the City Manager or his designee to execute Amendment No. A-9872, including minimal and/or non-substantive changes.

BACKGROUND

Avant-Garde, Inc., provides interim management and operational support for the Housing Division, including program administration, financial oversight, and compliance reporting. The current agreement expires December 31, 2026.

DISCUSSION

Staff recommend extending services through June 30, 2027, to maintain continuity of Housing Division operations while the City recruits and onboards a permanent Housing Manager. Avant-Garde will continue to provide interim management and operational support, including program administration, budgeting, project management, agreements, and required reporting.

Once the new Housing Manager is onboarded, Avant-Garde will provide transition assistance, knowledge transfer, and technical support to help ensure a smooth transition and continuity of operations.

This amendment would increase the agreement by $100,000, from $125,000 to a total not-to-exceed amount of $225,000, and extend the term through June 30, 2027. The scope of work and fee schedule would remain unchanged.

FISCAL IMPACT

$100,000; Funding is budgeted and available within the Housing Division budget using Housing Asset Funds (Fund 293).

STRATEGIC PLAN

Goal II: Ensure long-term fiscal health of the City and maintain funding for services.

A. Manage resources, costs, and liabilities to ensure the City's long-term fiscal health.

Prepared by:	Megan Taggart, Director of Economic and Community Development
Certified as to availability of Funds:	Janelle Samson, Deputy City Manager
Approved by:	Salvador Mendez, City Manager
Approved as to form:	Taylor Anderson, Deputy City Attorney

ATTACHMENTS

Agrmt No. A-9872 First Amendment with Avant-Garde, Inc.
Agrmt No. A-9872 with Avant-Garde, Inc.

FIRST AMENDMENT TO AGREEMENT A- 9872
BETWEEN THE CITY OF PALMDALE AND ADVANCED AVANT-GARDE, INC.

This First Amendment to Agreement No. A-9872 (“Agreement”) is made and entered into by and between the City of Palmdale (hereinafter called “CITY”) and ADVANCED AVANT-GARDE, INC. (hereinafter called "CONSULTANT"). This Contract shall become effective on the date of the last signatory.

WHEREAS, on July 8, 2026 ("Original Agreement") the CITY and CONSULTANT entered into an agreement to provide:

services for an Interim Housing Manager to support the City’s Economic and Community Development Department, Housing Division in the administration and oversight of its housing programs.

WHEREAS, the parties desire to amend the Original Agreement to:

Correct the consultant's name and extend the term of services through June 30, 2027, and provide for continued support to the City's Housing Division in the event the City hires a permanent Housing Manager during the extended contract term.

NOW THEREFORE, the parties agree as follows:

A. Section 2.1 of the Original Agreement is supplemented to add #10 to the key responsibilities as follows:

10. If CITY hires a permanent Housing Manager during the term, CONTRACTOR shall transition from interim management to providing Housing Division support services for the permanent Housing Manager and City staff, as directed by the City Project Manager. Such services shall include transition assistance, transfer of knowledge concerning ongoing programs and projects, staff guidance and training, and technical and operational support for program administration, budgets, agreements, and funding and reporting requirements. Services shall remain within the scope of the Original Agreement, as supplemented herein, and the Contract Price.

B. Section 6 (Price) is amended to increase the contract price to not exceed $225,000.

Original Agreement.....$125,000
Amendment #1.....$100,000
Revised Not to Exceed Amount.....$225,000

C. Section 4 (Contract Term) is amended to extend the termination date to June 30, 2027.

Original Argeement Expiration.....12/16/2026
Amendment #1.....additional 6 months
Revised Expiration.....6/30/2027

D. Consultant's name is corrected in the Original Agreement to Advanced Avant-Garde Inc to reflect the Consultant's business name.

All other terms and conditions of the Original Agreement not amended herein, remain in full force and effect.

In Witness Whereof, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE:

Salvador Mendez
City Manager

Megan Taggart
Nov 17, 2026, 7:40 AM PST

ADDRESS FOR NOTICE:
CITY OF PALMDALE
38250 Sierry Highway
Palmdale, CA 93550

APPROVE AS TO FORM:

Nov 16, 2026, 6:25 PM PST

Taylor Anderson
City Attorney

ATTEST:

Rochelle Scott
City Clerk

ADVANCED AVANT-GARDE, INC.:

Lissette Montoya
Nov 18, 2026, 10:26 AM PST

Lissette Montoya
Avant-Garde Program Director

ADDRESS FOR NOTICE:
ADVANCED AVANT-GARDE, INC.
807 S. Lemon Avenue
Diamond Bar, CA 91789

---------- INTERNAL USE ONLY ----------

■Certificate(s) and Endorsement(s) attached
■Confirmed business name on contract with certificate(s)

■Original contract and previous amendment(s) (if any) are attached
■Attached Agreement Checklist and met all requirements
■Attach Quotes, Solicitation Docs, City's Best Interest, Government Code, etc.

Record of Signing

For City of Palmdale
Name Taylor Anderson
Title Deputy City Attorney



Signed on Nov 16, 2026 6:25 PM PST

Secured by Concord™
DocumentID: 034yuf9ss8bsPw17X4RbFD
SigningID: 034yuf9WkCdcPZfsYG9p0q
UTC Signing time: 2026-11-17 02:25:30 UTC
IP Address: 20.237.142.185
Email: tanderson@chwlaw.us

For City of Palmdale
Name Megan Taggart
Title



Signed on Nov 17, 2026 7:40 AM PST

Secured by Concord™
DocumentID: 034yuf9ss8bsPw17X4RbFD
SigningID: 034zEAiyLPC9mNBQzQJDlB
UTC Signing time: 2026-11-17 15:40:28 UTC
IP Address: 172.56.120.233
Email: mtaggart@cityofpalmdaleca.gov

For lmontoya@agi.com.co
Name Lissette Montoya
Title Vice President



Signed on Nov 18, 2026 10:26 AM PST

Secured by Concord™
DocumentID: 034yuf9ss8bsPw17X4RbFD
SigningID: 034zrZsGwMeKHXZQk3JZaA
UTC Signing time: 2026-11-18 18:26:10 UTC
IP Address: 35.149.9.37
Email: lmontoya@agi.com.co

concord™
Where agreements happen.

Signed with https://www.concord.app/

AGREEMENT NO. A-9872
CONTRACT FOR SERVICES
BETWEEN THE CITY OF PALMDALE AND AVANT-GARDE, INC.

This CONTRACT for services ("Contract" herein) is made and entered into by and between the City of Palmdale, a public body corporate and politic, (hereinafter called "CITY"), and AVANT-GARDE, INC., a California corporation, (hereinafter called "CONTRACTOR"). This Contract shall become effective on the date of the last signatory.

RECITALS

WHEREAS, CONTRACTOR represents that CONTRACTOR has the expertise and is qualified to perform the services described in this Contract.

NOW THEREFORE, CITY and CONTRACTOR, in consideration of the mutual covenants hereinafter set forth, agree as follows:

1 City Project Manager

To provide the services required by this Contract, CONTRACTOR shall act under the authority and approval of Megan Taggart Director/designee, who shall oversee this Contract, the work performed by CONTRACTOR, assist CONTRACTOR with any necessary information, audit billings, and approve payments. The CONTRACTOR shall channel all contacts and requests through the City project manager.

2 Description Of Work

2.1 CONTRACTOR shall provide the following services in a manner satisfactory to CITY:

AVANT-GARDE will provide an Interim Housing Manager to support the City's Economic and Community Development Department, Housing Division in the administration and oversight of its housing programs. The Interim Housing Manager will ensure effective program implementation, compliance with funding requirements, and alignment with the City's housing goals and objectives.

Key responsibilities include:

1. Support the transition of the Housing Division into the Economic and Community Development Department, including review of current projects, evaluation of staffing structure and workload distribution, and the development and implementation of recommendations to improve operational efficiency and service delivery.

2. Assist with funding transitions and program structure changes, including discontinuance of Measure H and implementation of Measure A, evaluation of program design, development of a coordinated regional framework for receiving, allocating, and managing housing-related funding, and support strengthening partnerships with external agencies and service providers.

3. Provide interim operational support to maintain continuity of Housing Division services during the staffing vacancy and ensure uninterrupted delivery of programs to the community.

4. Provide guidance, training, and technical support to City staff, based on prior experience with housing programs and State funding administration, as needed to support continuity of operations and program delivery during the interim period.

5. Oversee daily program operations and complete all required reporting for Housing Division programs.

6. Provide in-person support and coordination to Housing staff, including assistance with City Council materials and other administrative duties as assigned by the City.

7. Monitor program activities to ensure compliance with all applicable federal, state, and local regulations.

8. Budget and financial oversight support across multiple funding sources, including review of the Housing Division budget, monitoring of expenditures, and support for compliance and program performance tracking.

9. Project management and technical assistance related to Housing Division programs, agreements, and related activities.

Work Schedule: The Interim Housing Manager will provide services for 40 hours per week, including on-site support at City Hall three (3) days per week (Monday, Tuesday, and Wednesday), with the remaining hours performed remotely. The schedule may be adjusted as needed in coordination with City staff.

2.2 CONTRACTOR shall have no claim for compensation for any services or work, which has not been authorized by CITY’s Authorization to Proceed.

2.3 CONTRACTOR shall not accept any change of scope, or change in contract provisions, to this Contract unless issued in writing, as a contract change order or amendment and signed by CITY. Any extensions of time must be mutually agreed upon in writing and executed by both parties.

2.4 CONTRACTOR shall maintain in current status all Federal, State, and local licenses and permits required for the operation of the business conducted by the CONTRACTOR as applicable to this contract.

2.5 All work supplied under this Contract shall be fully guaranteed by CONTRACTOR for a minimum period of 90 days from the date of acceptance by CITY. Any defects of design, workmanship, or materials that would result in non-compliance with the Contract specifications shall be fully corrected by CONTRACTOR (including parts and labor) without cost to CITY. The written warranty shall be included with the delivered products to the using Department.

2.6 CITY shall provide to CONTRACTOR, without charge, all data, program information, including reports, records, maps, and other information, now in CITY's possession, which may facilitate the timely performance of the work.

3 Contractor's Key Personnel

3.1 **Key Staff.** CITY reserves the right to review and approve CONTRACTOR'S staff including all subcontractors to be assigned to any project by CONTRACTOR during the term of this Contract.

This Contract has been awarded to CONTRACTOR based partially on the key personnel proposed to perform the services required herein. CONTRACTOR shall not change nor substitute any of these key staff for work on this Contract without prior written approval by CITY.

CONTRACTOR's Team and Key Personnel are as follows:

Ana LeNoue, Firm Principal, will serve as Interim Housing Manager and will be supported by Avant-Garde's experienced team, as noted on the attached proposal.

This Services Contract has been awarded to CONTRACTOR based on its representation that those personnel and subcontractors submitted as part of its bid and listed above will perform the portions of the work listed above.

CONTRACTOR shall not deviate nor substitute any of these team members without prior written approval by CITY.

3.2 **Subcontractors.** During the performance of the Agreement, CONTRACTOR may engage such additional SUBCONTRACTORS as may be required for the timely completion of this Agreement. In the event of subcontracting, the sole responsibility for fulfillment of all terms and conditions of this Agreement rests with CONTRACTOR.

CONTRACTOR shall not enter into any Subcontract under this Contract for the performance of this Contract without the advance written approval of CITY. The subcontract shall incorporate by reference the terms and conditions of this Contract.

3.3 **Direct Responsibility.** All services required under this Contract shall be performed by CONTRACTOR, or under CONTRACTOR's direct supervision, and all personnel shall possess the qualifications, permits and licenses required by State and local law to perform such services.

3.3.1 CONTRACTOR shall be solely responsible for the satisfactory work performance of all personnel engaged in performing services required by this Contract, and compliance with all reasonable performance standards established by CITY.

3.3.2 CONTRACTOR shall be responsible for payment of all CONTRACTOR's employees' and subcontractor's wages and benefits and shall comply with all requirements pertaining to the employer's liability, workers' compensation, unemployment insurance, and Social Security.

3.3.3 CONTRACTOR shall indemnify and hold harmless CITY, and its respective officers, agents and employees from and against all claims, demands, damages or costs arising from CONTRACTOR's acts or omissions with respect to any liability, damages, claims, costs and expenses of any nature arising from alleged violations of personnel practices.

3.4 Standards of Performance. CONTRACTOR shall be responsible for the completeness and accuracy of its services and work and documents resulting there from, and CITY shall not be responsible for discovering deficiencies therein. CONTRACTOR shall correct any such deficiencies or errors without additional compensation and without cost to CITY, except to the extent any such deficiency is directly attributable to deficiencies in CITY-furnished information.

4 Contract Term

The term of this Contract is six (6) Months, commencing on the effective date and expiring December 31, 2026.

5 Acceptance And Documentation

Each task shall be reviewed and approved by the Contract Project Manager to determine acceptable completion.

5.1 **Records**. The CONTRACTOR shall retain and shall contractually require each SUBCONTRACTOR to retain all data and other "records" relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract.

5.2 **Property of CITY.** All materials, including reports, computer programs and other deliverables, supplied or created under this Contract are the sole property of CITY. CONTRACTOR is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. CONTRACTOR shall not use or release these materials without the prior written consent of CITY.

5.3 **Products.** All equipment, materials, parts, and other components incorporated in the work or services performed pursuant to this Contract shall be new, or the latest model and of the most suitable grade for the purpose intended. All work shall be performed in a skilled and workmanlike manner.

6 Price

CITY shall pay to CONTRACTOR an amount not to exceed One Hundred and Twenty-Five Thousand dollars ($125000) for the completion of all the work and services described in Section 2, which sum shall include all costs or expenses incurred by CONTRACTOR, payable as follows:

Program Director..... $170
Interim Housing Manager.....$155
Program Manager..... $140
Senior Program Coordinator.....$125

Program Coordinator.....$110
Program Assistant..... $100

6.1 An application for payment form must be submitted to CITY which shall include the following: a clear, detailed invoice reflecting work being billed for, a summary sheet showing percentage of work completed to date, amount/percent billed to date and current status of all tasks within a project; any/all backup documentation supporting the above items. Work schedule updates must also be included with the payment requests.

6.2 CONTRACTOR shall maintain adequate records and shall permit inspection and audit by CITY of CONTRACTOR's charges under this Contract. CONTRACTOR shall make such records available to CITY during normal business hours upon reasonable notice. Nothing herein shall convert such records into public records, and they will be available only to CITY and any specified public agencies. Such records shall be maintained by CONTRACTOR for one (1) year following completion of the work under this Contract unless a longer period of time is required by state or federal law, in which event CONTRACTOR shall retain its records for the time required by such laws.

6.3 **Payment.** A separate invoice shall be issued for each shipment of material or service performed, and no payment will be issued prior to receipt of material and/or completion of specified services and receipt of a correct invoice.

7 Taxes

7.1 CONTRACTOR shall pay all sales, consumer, use, and other similar taxes required to be paid by CONTRACTOR in accordance with state and local laws.

7.2 CONTRACTOR is an independent contractor and shall have no power or authority to incur any debt, obligation, or liability on behalf of CITY. No person employed by CONTRACTOR or acting on its behalf, in connection with this Contract shall be considered the Agent or employee of CITY.

7.3 CONTRACTOR shall be required to obtain a current City of Palmdale business license, as required by the Palmdale Municipal Code, before an Authorization to Proceed is issued.

7.4 When equipment, materials or supplies generally taxable to CONTRACTOR are eligible for a tax exemption due to the nature of the work, CONTRACTOR shall assist the City in applying for and obtaining such tax credits and exemptions, which shall be paid or credited to the City.

8 Patent Fees And Royalties

CONTRACTOR shall pay all license fees and royalties and assume all costs incident to the use, in the performance of the work or the incorporation in the work of any invention, design, process, program, product or device which is the subject of patent rights or copyrights held by others. If a particular invention, design, process, program, product or device is specified in the contract documents for use in the performance of the work and if, to the actual knowledge of CITY, its use is subject to patent rights or

copyrights calling for the payment of any license fee or royalty to others, the existence of such rights shall be disclosed by CITY in the contract documents. CONTRACTOR shall indemnify and hold harmless CITY and anyone directly or indirectly employed by CITY from and against all claims, damages, losses and expenses (including attorneys' fees) arising out of any infringement of patent rights or copyrights incident to the use in the performance of the work, or resulting from the incorporation in the work of any invention, design, process, program, product or device not specified in the contract documents, and shall defend all such claims in connection with any alleged infringement of such rights.

9 Indemnification

To the fullest extent permitted by law, CONTRACTOR and any subcontractors working on its behalf agree to indemnify CITY, its officers, employees, agents and elected and appointed boards (hereinafter “Indemnified Parties”) for any loss, claim, demand, cause of action, cost, expense, damage, obligation or liability which arises out of or is in any way connected with the performance of any work under this agreement, including any acts or omissions, willful misconduct or negligent conduct, whether active or passive, on the part of CONTRACTOR, or its subcontractors, and regardless of any acts, omissions or negligence (whether active or passive) of any person or entity indemnified hereunder. At their own expense, CONTRACTOR and, as applicable, any subcontractors working on its behalf, shall defend any suit, claim or action against the Indemnified Parties founded upon such loss, claim, demand, cause of action, cost, expense, damage, obligation or liability. CONTRACTOR shall ensure that the contract of any subcontractor working under this agreement contain an indemnity agreement, requiring the subcontractor to indemnify and defend the Indemnified Parties pursuant the terms set forth above. CONTRACTOR shall indemnify the Indemnified Parties, and save it harmless from any and all loss, damage, costs, expenses and attorney's fees suffered or incurred on account of any breach of the aforesaid obligations and covenants, and any other provision or covenant of this agreement.

10 Insurance

10.1 CONTRACTOR, at its expense, shall maintain in effect at all times during the performance of work under this Contract not less than the following coverage and limits of insurance, which shall be maintained with insurers listed “A” or better in the Best’s Insurance Guide and authorized to do business in the State of California. **Proof of Insurance, as identified in Section 10.8, must be reviewed and accepted by the City Attorney**.

10.1.1 Workers’ Compensation and Employer’s Liability
Workers’ Compensation -- coverage as required by the State of California
Employer’s Liability
$1,000,000 each accident
$1,000,000.00 policy limit bodily injury
$1,000,000.00 each employee bodily injury by disease

10.1.2 Commercial General Liability
$1,000,000.00 limit on a per occurrence basis

$2,000,000.00 general aggregate limit

10.1.3 Commercial Automobile Liability
$1,000,000.00 combined single limit including owned, non-owned and hired automobile coverage

10.1.4 Professional Liability (Errors & Omissions)*
$1,000,000.00 per occurrence

10.2 All of CONTRACTOR's policies shall contain an endorsement providing that written notice shall be given to CITY at least thirty (30) calendar days prior to termination, cancellation, or reduction of coverage in the policy.

10.3 Policies providing for bodily injury and property damage coverage shall contain the following:

A. An endorsement extending coverage to the City as an additional insured, as respects liability arising out of the performance of any work under the Contract. Such insurance shall be primary insurance, as respects the interest of the City, and any other insurance maintained by the City shall be considered excess coverage and not contributing insurance with the insurance required hereunder. The certificates shall state: "The City of Palmdale, Successor Agency to the Community Redevelopment Agency of the City of Palmdale, Housing Authority, Industrial Development Authority, Airport Authority, their officers, agents, employees and volunteers are named as additional insured".

B. "Severability of Interest" Clause.

10.4 Promptly upon execution of this Contract, and prior to commencement of any work, CONTRACTOR shall deliver to CITY certificates of insurance and endorsements to all required policies demonstrating that CONTRACTOR has the required coverage and showing the required named insured. Within five (5) days of written request from CITY, CONTRACTOR shall deliver to CITY full and complete copies of all insurance policies required by this Contract.

10.5 The requirements as to the types and limits of insurance to be maintained by CONTRACTOR are not intended to and shall not in any manner limit or qualify CONTRACTOR's liabilities and obligations under this Contract.

10.6 Any policy or policies of insurance that CONTRACTOR elects to carry as insurance against loss or damage to its equipment and tools or other personal property used in the performance of this Contract shall include a provision waiving the insurer's right of subrogation against CITY.

10.7 All insurance coverage must be maintained throughout the duration of this Contract.

10.8 Acceptable Proof of Insurance:

10.8.1 ACORD Certificate of Insurance listing all coverage, limits, deductibles and insured; and endorsements for all applicable coverage if agent has authority to issue

it; or additional insured Form CG20100704 and CG20370704 or equivalent must be provided for general liability coverage. Additional insured form CA0001 must be provided for automobile liability coverage.

10.8.2 Binders of insurance for all coverage. Agents must confirm that policy endorsements have been ordered from the respective insurance companies. Upon issuance, policy endorsements and a corresponding Certificate of Insurance listing all insurers and coverage must be submitted to the City Attorney.

10.8.3 *When professional (E&O) liability coverage is provided on a “claims made basis”, CONSULTANT will continue to renew the insurance for a period of five (5) years after this Agreement expires or is terminated. Such insurance will have the same coverage and limits as the policy that was in effect during the term of this Agreement, and will cover CONSULTANT, or its officers, employees, or agents during the time this Agreement was in effect.

10.9 Notwithstanding any other provision of this Contract, CITY may immediately terminate this Contract if, at any time CONTRACTOR fails to maintain the required insurance for any period of time or fails to comply with any of the insurance requirements listed above.

10.10 CONTRACTOR shall require any and all subcontractors working on its behalf to provide insurance coverages and limits that are based on the scope of work and nature of risk being performed by the subcontractor. Any and all subcontractors working on behalf of CONTRACTOR shall be subject to all other insurance requirements that are stated herein.

Any deviation in this requirement will be CONTRACTOR's sole risk. CONTRACTOR's insurance requirements in Section 10 will not be impacted and/or limited by such deviation.

11 Termination Without Cause

City reserves the right to terminate this Contract or any part thereof for its sole convenience with fifteen (15) days written notice. In the event of such termination, CONTRACTOR shall immediately stop all work hereunder, and shall immediately cause any of its suppliers and subcontractors to cease such work. CONTRACTOR shall also surrender to CITY all finished or unfinished documents, processes, programs and other supplies and materials, which shall be City’s property. As compensation in full for services performed to the date of such termination, the CONTRACTOR shall receive an amount equal to the value of the work completed as of the termination date in accordance with the fee schedule or as negotiated between the parties. In no event shall the amount payable upon termination exceed the total maximum compensation provided for in this Contract.

12 Termination For Cause

If CITY determines that CONTRACTOR has failed to supply an adequate working force, or to provide services of proper quality, or has failed in any other respect to satisfactorily perform the services specified in this Contract, CITY shall give written

notice to CONTRACTOR specifying all defaults to be remedied within thirty (30) days. Such notice shall set forth the basis for CITY's dissatisfaction and suggest corrective measures. If, after thirty days, CONTRACTOR has failed to implement appropriate corrective measures, CITY may elect to terminate this Contract in whole or in part.

12.1 In the event CITY terminates this Contract, in whole or in part, for cause, CITY may procure, upon such terms and in such manner, as it may deem appropriate, services similar to those terminated.

12.2 CONTRACTOR shall provide all finished or unfinished documents, data, studies, software, drawings, programs, processes, maps, photographs, reports, etc., prepared by CONTRACTOR within fifteen (15) working days after notice of termination. Upon such termination, CONTRACTOR shall be paid an amount equal to the value of the services provided and work performed as of the date of termination, taking into consideration the costs associated with hiring another CONTRACTOR to complete the services. In ascertaining the value of the work performed up to the date of termination, consideration shall be given to both completed work and work in progress, to complete and incomplete documents when such are delivered to CITY, and to authorized reimbursement expenses. The above is in addition to any other remedies available by law or equity to CITY.

12.3 If, after notice of termination of the Contract under the provisions of this Section 12, it is determined, for any reason, that CONTRACTOR was not in default, or that the default was excusable, then the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Section 11.

13 Dispute Resolution

All claims, disputes, and other matters in question between CITY and CONTRACTOR arising out of or relating to this Contract or the breach thereof shall, to the extent reasonably feasible, be resolved through good faith negotiations between the parties.

14 Ownership And Delivery Of Work Product

All documents, data, reports, studies, analyses, field notes, investigations, plans, specifications, software, programs, manuals, instructions, and other materials of any nature, whether complete or incomplete, that are prepared, developed, or produced by CONTRACTOR or Contractor's subcontractors in the performance of this Agreement (collectively, "Work Product") shall be the exclusive property of the CITY.

All Work Product shall be delivered to or left with the CITY upon completion, expiration, or termination of this Agreement. Upon request, CONTRACTOR shall provide the CITY with originals and reproducible and electronic copies of all Work Product. Electronic copies shall be provided in an unprotected format that allows the CITY to copy, reproduce, modify, and use the Work Product without restriction.

15 Ownership Of Intellectual Property

The Work Product and all intellectual property rights therein shall be deemed "works made for hire" under the United States Copyright Act (17 U.S.C. § 101 et seq.), and the CITY shall be deemed the author and exclusive owner thereof, in perpetuity and worldwide.

To the extent any Work Product does not qualify as a work made for hire, CONTRACTOR hereby irrevocably assigns, transfers, and conveys to the CITY all right, title, and interest in and to such Work Product, including all copyrights, trademarks, patents, and other proprietary rights. CONTRACTOR consents to the use of CONTRACTOR's name in conjunction with the sale, use, performance, and distribution of Work Product, for any purpose and in any medium.

CONTRACTOR agrees to execute any documents and take any actions reasonably requested by the CITY to confirm or perfect the CITY'S ownership of such rights.

CONTRACTOR waives any and all moral rights or similar rights under California Civil Code section 980 or any other applicable law to the extent permitted by law.

16 Delegation And Assignment

16.1 CONTRACTOR shall not delegate or assign its duties or rights hereunder, either in whole or in part, without the prior written consent of CITY; provided, however, that claims for money due or to become due to CONTRACTOR from CITY under this Contract may be assigned to a bank, trust company or other financial institution without such approval.

16.2 Any assignment, delegation or subcontract shall be made in the name of CONTRACTOR and shall not bind or purport to bind CITY and shall not release CONTRACTOR from any obligations under this Contract including, but not limited to, the duty to properly supervise and coordinate the work of employees, assignees, delegates and subcontractors. No such assignment, delegation or subcontract shall result in any increase in the amount of total compensation payable to CONTRACTOR under this Contract.

17 Non-Discrimination And Equal Employment Opportunity

17.1 In performance of this Contract, CONTRACTOR shall not discriminate against any employee, subcontractor, or applicant for employment because of sex, color, race, religion, ancestry, national origin, disability, medical condition including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sexual orientation, age, gender, gender identity, gender expression, genetic information, or military and veteran status. CONTRACTOR will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their sex, color, race, religion, ancestry, national origin, disability, medical condition including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sexual orientation, age, gender, gender identity, gender expression, genetic information, or military and veteran status . Affirmative action relating to employment shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

18 SB 1383 Compliance

CONTRACTOR shall comply with all applicable requirements of California Senate Bill 1383 (SB 1383) and related regulations concerning the reduction of organic waste, diversion from landfills, and edible food recovery.

19 Financial Interest Certification

19.1 CONTRACTOR warrants that no person has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee; and that no officer or employee of the CITY has any interest, financially or otherwise, in CONTRACTOR's firm.

19.2 For breach or violation of this warranty, CITY shall have the right to annul this Contract without liability or at its discretion to deduct from the Contract Price or consideration, the full amount of such commission, percentage, brokerage or contingent fee.

20 Conflict Of Interest

20.1 CONTRACTOR stipulates that its officers and employees do not now have a conflict of interest and it further agrees for itself, its officers and its employees that it will not contract for or accept employment for the performance of any work or services with any individual business, corporation or government unit that would create a conflict of interest in the performance of its obligations pursuant to this Contract or which would cause CONTRACTOR to be "financial interested" (as provided in California Government Code Section 1090 et seq. or 87100 et seq.) in any contract or decision made by CITY on any matter.

20.2 CONTRACTOR shall not employ any City official or employee to perform any work required pursuant to this Contract.

20.3 To the extent required by the City Manager or his designee, CONTRACTOR shall complete and file with the City Clerk a Form 700 Statement of Economic Interests disclosing any reportable property interests, income, gifts, investments, or business positions.

21 Compliance With Law

21.1 CONTRACTOR shall comply with all state and federal laws, including but not limited to, the requirement to hire only those persons authorized by federal law to work in the United States. If CONTRACTOR uses any subcontractors to complete this Contract, this same requirement shall be included in all subcontracts and strictly enforced by CONTRACTOR.

21.2 The law of the state of California shall govern this Contract. The venue of any legal action, either formal or informal, shall be the County of Los Angeles.

21.3 If applicable, CONTRACTOR acknowledges and understands it must comply with the prevailing wage requirements as set forth in Exhibit "A" attached hereto and incorporated herein by reference, as well as the execution of a Worker's Compensation Certificate attached hereto as Exhibit "B" and incorporated herein by reference.

22 Health And Safety Provisions

A. CONTRACTOR and all subcontractors shall abide by all health and safety mandates issued by federal, state, county, City of Palmdale, and/or public health officers, and worksite-specific mandates. If multiple mandates exist, the CONTRACTOR and subcontractors shall abide by the most restrictive mandate.

B. Costs associated with adhering to health and safety mandates are the responsibility of the CONTRACTOR. CONTRACTOR is responsible for the tracking and compliance of health and safety mandates and may be audited upon request.

23 Notification And Access Revocation

The CONTRACTOR shall notify the CITY in writing prior to or no later than twenty-four (24) hours after, the termination, expiration, suspension, reassignment, or removal of any Contractor Personnel with access to the Project or Owner Resources. For Contractor Personnel with Information Technology access, notification must be immediate, or the CITY may consider the CONTRACTOR to be in breach of contract. Notice shall include the individual's name, role, effective date and time of termination or removal, and systems or resources accessed.

The CITY reserves the right, in its sole discretion, to immediately suspend or revoke access for any Contractor Personnel upon receipt of notice or upon CITY'S determination that such access is no longer required or appropriate.

24 Force Majeure

Neither Party shall be liable for any failure or delay in performing its obligations under this Agreement (other than payment obligations) if such failure or delay is caused by an event or circumstance beyond the reasonable control of the affected Party ("Force Majeure Event"). Force Majeure Events include, but are not limited to, acts of God; flood; fire; earthquake; explosion; war; terrorism; civil disturbance; epidemic or pandemic; quarantine; governmental actions or orders; or other similar events beyond the control of the affected Party.

The affected Party shall provide written notice to the other Party within ten (10) calendar days of the occurrence of the Force Majeure Event, describing the nature, expected duration, and anticipated impact on performance. The Party shall use all diligent efforts to mitigate the effects of the event and resume performance as soon as practicable.

When CONTRACTOR is the sole cause of the delay to the commissioning and substantial completion and delay is not caused by an event of Force Majeure or by the CITY'S failure to make payments in accordance with the Contract or to provide required information to CONTRACTOR when contemplated in the Contract, CITY shall be entitled to liquidated damages in the sum at the daily rate of $1,000.00, beginning at zero (0) days from written notice given by CITY up to a maximum liquidated damage aggregate of ten percent (10%) of the contract price of the equipment delayed.

25 Notices

Any notice required under this Contract shall be in writing, addressed to the appropriate party at its address on the signature page and given personally or by registered or certified mail postage prepaid, or by a commercial courier service. All notices shall be effective upon the date of receipt.

26 Entire Agreement And Amendments

26.1 This Contract is the complete Agreement between the parties and supersedes all prior proposals, agreements, and understandings between the parties and may not be modified or terminated orally.

26.2 No attempted waiver of any of the provisions hereof, nor any modification in the nature, extent or duration of the work to be performed by CONTRACTOR hereunder, shall be binding unless in writing and signed by the party against whom the same is sought to be enforced.

26.3 The failure of any party to enforce against another party any provision of this Contract shall not constitute a waiver of that party's right to enforce such a provision at a later time, and shall not serve to vary the terms of this Contract.

27 Attorney's Fees

If any action at law or in equity is brought to enforce or interpret any provisions of this Contract, the prevailing party in such action shall be entitled to reasonable attorney's fees, costs and necessary disbursements, in addition to such other relief as may be sought and awarded.

In Witness Whereof, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE:

Salvador Mendez
Jun 29, 2026, 11:17 AM PDT

Salvador Mendez
City Manager

Megan Taggart
Jun 25, 2026, 7:49 AM PDT

AVANT-GARDE, INC.:

Lissette Montoya
Jun 25, 2026, 11:24 AM PDT

Lissette Montoya
Avant-Garde Program Director

ADDRESS FOR NOTICE:
CITY OF PALMDALE
38250 Sierry Highway
Palmdale, CA 93550

ADDRESS FOR NOTICE:
AVANT-GARDE, INC.
807 S. Lemon Avenue
Diamond Bar, CA 91789

APPROVE AS TO FORM:

Alexandra Severino
Jun 26, 2026, 9:22 AM PDT

Alexandra Severino
City Attorney

ATTEST:

Rochelle Scott
Jul 8, 2026, 3:59 PM PDT

Rochelle Scott
City Clerk

---------- INTERNAL USE ONLY ----------

■Certificate(s) and Endorsement(s) attached
■Confirmed business name on contract with certificate(s)
■Attached Agreement Checklist and met all requirements

Record of Signing

For City of Palmdale
Name Megan Taggart
Title



Signed on Jun 25, 2026 7:49 AM PDT

Secured by Concord™
DocumentID: 033eYkpR5BiMgiSI3JHh90
SigningID: 033eYkp0TF2WU5HO8J31rV
UTC Signing time: 2026-06-25 14:49:13 UTC
IP Address: 199.27.32.167
Email: mtaggart@cityofpalmdaleca.gov

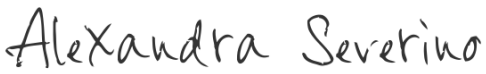
For lmontoya@agi.com.co
Name Lissette Montoya
Title Vice President



Signed on Jun 25, 2026 11:24 AM PDT

Secured by Concord™
DocumentID: 033eYkpR5BiMgiSI3JHh90
SigningID: 033ee2NXHcHCg9gs6THuqI
UTC Signing time: 2026-06-25 18:24:30 UTC
IP Address: 47.41.2.188
Email: lmontoya@agi.com.co

For City of Palmdale
Name Alexandra Severino
Title



Signed on Jun 26, 2026 9:22 AM PDT

Secured by Concord™
DocumentID: 033eYkpR5BiMgiSI3JHh90
SigningID: 033fAN9anXNAsTNBfeTxBN
UTC Signing time: 2026-06-26 16:22:05 UTC
IP Address: 75.237.245.161
Email: aseverino@harperburns.com

For smendez@cityofpalmdaleca.gov
Name Salvador Mendez
Title



Signed on Jun 29, 2026 11:17 AM PDT

Secured by Concord™
DocumentID: 033eYkpR5BiMgiSI3JHh90
SigningID: 033gvEC4dfxHRsH0KmklsY
UTC Signing time: 2026-06-29 18:17:45 UTC
IP Address: 45.62.177.244
Email: smendez@cityofpalmdaleca.gov

For City of Palmdale
Name Rochelle Scott
Title City Clerk



Signed on Jul 8, 2026 3:59 PM PDT

Secured by Concord™
DocumentID: 033eYkpR5BiMgiSI3JHh90
SigningID: 033mACLVZFLf7svTGxLgJO
UTC Signing time: 2026-07-08 22:59:40 UTC
IP Address: 45.62.177.244
Email: rscott@cityofpalmdale.org

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Signed with https://www.concord.app/

City Council Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **ECONOMIC & COMMUNITY DEVELOPMENT DEPARTMENT ECONOMIC DEVELOPMENT DIVISION**

DISTRICT: **1**

SUBJECT: **APPROVE AGREEMENT NO. A-10116 WITH CONVERGE STRATEGIES, LLC, FOR PLANNING AND ENGINEERING SERVICES TO SUPPORT THE U.S. AIR FORCE PLANT 42 (PLANT 42) INSTALLATION READINESS PROJECT FOR A TOTAL NOT TO EXCEED AMOUNT OF $724,199 FOR A TERM OF 18 MONTHS FROM THE DATE OF THE NOTICE TO PROCEED**

RECOMMENDATION

Staff recommend that the City Council:

1. Approve Agreement No. A-10116 with Converge Strategies, LLC, for technical planning and engineering consulting services, for a total not to exceed amount of $724,199 for a term of 18 months from the date of the Notice to Proceed; and,

2. Authorize the City Manager or his designee to execute Agreement No. A-10116 with Converge Strategies, LLC, including minimal and/or non-substantive changes.

BACKGROUND

The City of Palmdale is home to Plant 42, an Air Force-owned, contractor-operated installation that serves as a major aerospace and defense manufacturing and flight test facility. Plant 42 supports thousands of jobs and is a significant economic driver for Palmdale and the Antelope Valley. As surrounding communities grow, maintaining compatibility between military operations and adjacent land uses is increasingly important. The U.S. Department of Defense Office of Local Defense Community Cooperation (OLDCC) Installation Readiness Program provides funding to help defense communities address these challenges through coordinated planning and regional partnerships.

The City was awarded funding under this competitive federal program to advance collaborative planning efforts in partnership with Plant 42, Wright-Patterson Air Force Base, and the U.S. Installation Readiness Program administered through OLDCC. On

August 4, 2026, City Council adopted Resolution No. CC 2026-051 authorizing the City Manager to accept, execute, and administer the grant.

This item was originally scheduled for consideration at the November 9, 2026, City Council meeting. However, due to a lack of quorum, the item was continued to the December 1, 2026, City Council meeting.

DISCUSSION

A consultant will provide professional planning, engineering, project management, and facilitation services to support the City's Plant 42 Installation Readiness Project.

Primary responsibilities include:

1. **Project Management and Coordination:** Manage project activities, coordinate with City staff and stakeholders, and oversee project deliverables.
2. **Land Use Compatibility Planning:** Evaluate potential encroachment and land use conflicts surrounding Plant 42 and recommend mitigation strategies and planning policies, including integration with the City's General Plan.
3. **Infrastructure and Engineering Studies:** Assess utility and drainage infrastructure to identify existing constraints and future needs affecting Plant 42 and surrounding development.
4. **Stakeholder Engagement and Tabletop Exercise Facilitation:** Coordinate regional stakeholder engagement and plan and facilitate a multiagency tabletop exercise addressing installation compatibility and infrastructure challenges.

These services will help the City develop strategies to protect Plant 42's operational readiness while supporting compatible development and economic growth.

Request for Proposals and Consultant Evaluation

The City conducted a competitive Request for Proposals (RFP) process, advertising the opportunity through PlanetBids for 30 days. Three proposals were received and evaluated by a committee representing the Economic and Community Development and Public Works departments. Proposals were evaluated using the criteria established in the RFP, including relevant experience, technical approach, project management capabilities, and ability to complete the work within the grant period.

Evaluation Criteria	**Available Points**
Expertise, Experience & Training Plus Prior Contracting History	30
Project Approach	30
Project Understanding	20
Compliance with RFP	10
Cost Proposal	10
Total	**100**

Each evaluator scored the RFP independently, and the firms were ranked as follows:

Rank	Consultant	Headquarter Location
1	Converge Strategies, LLC	Washington, DC
2	HR Green	Cedar Rapids, IA, with offices in Corona and Palm Desert, CA.
3	FEI Associates Consulting Engineering	Chino, CA

Converge Strategies, LLC was the highest-ranked proposer and is recommended for contract award. The firm has extensive experience supporting military installation readiness, including work with 110 military installations and nine OLDCC-funded installation readiness projects. Relevant experience also includes prior work with Edwards Air Force Base. References were checked for all applicants; references for Converge were exceptional.

FISCAL IMPACT

$724,199; The proposed agreement with Converge Strategies, LLC will be reimbursed with OLDCC funding budgeted in the grant award. No additional General Fund appropriation is requested.

The City was awarded $944,402 for the OLDCC Installation Readiness Project, consisting of $849,925 in federal funding and a required $94,477 local match provided through City staff time.

STRATEGIC PLAN

Goal II: Ensure long-term fiscal health of the City and maintain funding for services.

D. Pursue alternative financing opportunities for continued infrastructure improvements and qualify community programs.

Prepared by:	Megan Taggart, Director of Economic & Community Development
Certified as to availability of Funds:	Janelle Samson, Deputy City Manager
Approved by:	Salvador Mendez, City Manager
Approved as to form:	Taylor Anderson, Deputy City Attorney

ATTACHMENTS

Agrmt No. A-10116 with Converge Strategies, LLC

AGREEMENT NO. A-10116
CONTRACT FOR CONSULTANT SERVICES
BETWEEN THE CITY OF PALMDALE AND CONVERGE STRATEGIES, LLC (CSL)

THIS CONTRACT FOR CONSULTANT SERVICES ("Contract" herein) is made and entered into by and between the City of Palmdale a public body corporate and politic, (hereinafter called "CITY") and CONVERGE STRATEGIES, LLC (CSL) (hereinafter called "CONSULTANT"). This Contract shall become effective on the date of the last signatory ("Effective Date").

RECITALS

WHEREAS**,** City desires to engage CONSULTANT to provide certain consultant services; and

WHEREAS, CONSULTANT represents that CONSULTANT has the expertise and is qualified to perform the services described in this Contract. And, if required, is duly registered under the laws of the State of California; and

WHEREAS, CONSULTANT desires to accept such engagement.

NOW, THEREFORE, the parties agree as follows:

1 Description Of Work

1.1 The City hereby engages CONSULTANT, and CONSULTANT accepts such engagement, to provide the following services:

Multidisciplinary planning, engineering, infrastructure assessment, GIS, stakeholder coordination, and related professional services for the Air Force Plant 42 Readiness Project, as more fully described in Attachment A, Scope of Work, which is attached hereto and incorporated herein by reference.

CONSULTANT shall perform and complete all such work and services in a manner satisfactory to CITY.

1.2 Project deliverables shall be reviewed and approved by CITY to determine acceptable completion. CITY shall have the right to review and inspect the work during the course of its performance at such times as may be specified by CITY.

1.3 CONSULTANT shall not accept any change of scope, or change in contract provisions, unless issued in writing, as a contract change order or amendment and signed by CITY. Any extensions of time must be mutually agreed upon in writing and executed by both parties.

1.4 CITY shall provide to CONSULTANT, without charge, all data, program information, including reports, records, maps, and other information, now in CITY's possession, which may facilitate the timely performance of the work.

2 City Project Manager

To provide the services required by this Contract, CONSULTANT shall act under the authority and approval of a Project Manager appointed by CITY. The City Project Manager will oversee the work under this Contract, assist CONSULTANT with any necessary information, audit billings, and approve payments. CONSULTANT shall channel reports, deliverables, and special requests through the City Project Manager.

3 Consultant's Key Personnel

CONSULTANT's Team and Key Personnel are as follows:

Claire Reynolds - Technical Lead and Senior Project Manager, Sofia Mongeon – Project Manager, Erica Blevins – Infrastructure Analysis Lead, Jack Graul – Stakeholder Coordination, Alex Pina – Project Advisor, Meredith Pringle – Project Advisor, Braxton Duncan – Project Advisor

This Consultant Services Contract has been awarded to CONSULTANT based on its representation that those personnel and subcontractors listed above will perform the portions of the work listed herein. CONSULTANT shall not deviate nor substitute any of these team members without prior written approval by CITY.

4 Contract Term

The term of this contract is eighteen months (18) Months, commencing on the effective date, with CITY reserving the option to extend the Contract for 1 additional terms of one year each.

5 Taxes

5.1 CONSULTANT shall pay all sales, consumer, use, and other similar taxes required to be paid by CONSULTANT in accordance with state and local laws.

5.2 CONSULTANT is, and shall at all times remain as to CITY, a wholly independent contractor. CONSULTANT shall have no power to incur any debt, obligation, or liability on behalf of CITY or otherwise to act on behalf of CITY as an agent. CONSULTANT, its officers, employees and agents shall not have any power to bind or commit the CITY to any decision or course of action, and CONSULTANT, its officers, employees and agents shall not represent to any person or party that it or they are acting as agents of the CITY or that it or they have the power to bind or commit the CITY. Neither CITY nor any of its agents shall have control over the conduct of CONSULTANT or any of CONSULTANT's employees, except as set forth in this Contract. CONSULTANT shall not represent that it is, or that any of its agents or employees are, in any manner employees of CITY.

Under no circumstances shall CONSULTANT look to the CITY as its employer. CONSULTANT shall not be entitled to any benefits. CITY makes no representation as to the effect of this independent contractor relationship on CONSULTANT's previously earned California Public Employees Retirement System ("CalPERS") retirement benefits, if any, and CONSULTANT specifically assumes the responsibility for making such a determination. CONSULTANT shall be responsible for all reports and obligations including, but not limited to: social security taxes, income tax

withholding, unemployment insurance, disability insurance, workers' compensation, and other applicable federal and state taxes.

5.3 CONSULTANT shall be required to obtain a current City of Palmdale business license, as required by the Palmdale Municipal Code, before an Authorization to Proceed is issued.

6 Patent Fees And Royalties

CONSULTANT shall pay all license fees and royalties and assume all costs incident to the use, in the performance of the work or the incorporation in the work of any invention, design, process, product or device which is the subject of patent rights or copyrights held by others. If a particular invention, design, process, product or device is specified by CITY for use in the performance of the work and if, to the actual knowledge of CITY, its use is subject to patent rights or copyrights calling for the payment of any license fee or royalty to others, the existence of such rights shall be disclosed by CITY in the contract documents. CONSULTANT shall indemnify and hold harmless CITY and anyone directly or indirectly employed by CITY from and against all claims, damages, losses and expenses (including attorneys' fees) arising out of any infringement of patent rights or copyrights incident to the use in the performance of the work, or resulting from the incorporation in the work of any invention, design, process, product or device not specified by CITY, and shall defend all such claims in connection with any alleged infringement of such rights.

7 Standards Of Performance

CONSULTANT shall be responsible for the completeness and accuracy of its services and work and documents resulting there from, and CITY shall not be responsible for discovering deficiencies therein. CONSULTANT shall correct any such deficiencies or errors without additional compensation and without cost to CITY, except to the extent any such deficiency is directly attributable to deficiencies in CITY -furnished information.

8 Consultant's Personnel

8.1 All services required under this Contract shall be performed by CONSULTANT, or under CONSULTANT'S direct supervision, and all personnel shall possess the qualifications, permits and licenses required by State and local law to perform such services.

8.2 CONSULTANT shall be solely responsible for the satisfactory work performance of all personnel engaged in performing services required by this Contract, and compliance with all reasonable performance standards established by CITY.

8.3 CONSULTANT shall be responsible for payment of all CONSULTANT's employees' and subcontractor's wages and benefits and shall comply with all requirements pertaining to the employer's liability, workers' compensation, unemployment insurance, and Social Security.

8.4 CONSULTANT shall indemnify and hold harmless CITY, and its respective officers, agents and employees from and against all claims, demands, damages or costs arising from CONSULTANT's acts or omissions with respect to any liability, damages, claims, costs and expenses of any nature arising from alleged violations of personnel practices.

9 Compensation

9.1 For all of work and services including the various phases of tasks as described in Section 1, CITY shall pay to CONSULTANT an amount not to exceed the sum of Seven-Hundred and Twenty-Four Thousand and One-Hundred and Ninety-Nine dollars ($724199), payable as follows:

In accordance with Attachment B, Approved Fee Schedule, which is attached hereto and incorporated herein by reference.

CONSULTANT shall submit to CITY an invoice, on a monthly basis or less frequently, for services performed pursuant to this Agreement. Each invoice shall identify the maximum amount payable above, the services rendered during the billing period, the amount due for the invoice, and the total amount previously invoiced. All labor charges shall be itemized by employee name and classification/position with the firm, the corresponding hourly rate, the hours worked, a description of each labor charge, and the total amount due for labor charges. CITY shall not withhold applicable taxes or other payroll deductions from payments made to CONSULTANT except as otherwise required by law. CONSULTANT shall include a copy of each subconsultant invoice for which reimbursement is sought in the invoice. Final payment shall be made upon completion of all services and City acceptance of all deliverables, not-to-exceed the Contract Price.

9.2 CONSULTANT shall perform no work in excess of the total contract price without prior written approval of CITY. Total contract price includes expenses related to travel to and from CITY to meet with City and to appear, if so required, before City Council or any other board or commission of CITY.

9.3 CONSULTANT shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to CITY under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to CONSULTANT under this Agreement. All such documents shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of CITY. CITY shall further have the right to make transcripts therefrom and to inspect all program data, documents, proceedings, and activities. In addition, pursuant to Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds ten thousand dollars, all such documents and this Agreement shall be subject to the examination and audit of the State Auditor, at the request of CITY or as part of any audit of CITY, for a period of three (3) years after final payment under the Agreement.

9.4 No payment made hereunder by CITY to CONSULTANT, shall be construed as an acceptance by CITY of any work or materials, nor as evidence of satisfactory performance by CONSULTANT of its obligations under this Contract.

9.5 Funding Contingency; Suspension or Termination. Notwithstanding any other provision of this Contract, the parties acknowledge that performance under this Contract is contingent upon the availability and continued appropriation of sufficient funding. In the event that anticipated, allocated, or appropriated funding is reduced, delayed, or not received in whole or in part ("Funding Shortfall"), the affected party may, upon written notice to the other party, suspend performance of its obligations under this Agreement to the extent reasonably necessary.
If the Funding Shortfall continues for a period of 0 days following such notice, the affected party may terminate this Contract, in whole or in part, without penalty or further liability, upon additional written notice. Any suspension or termination pursuant to this section shall not constitute a breach of this Contract.

In the event of suspension or termination due to a Funding Shortfall, the parties shall equitably adjust compensation to reflect services properly performed and authorized expenses incurred prior to the effective date of suspension or termination. The affected party shall use reasonable efforts to provide prompt notice of any Funding Shortfall and to mitigate any adverse impact on the other party.

10 Indemnification

To the fullest extent permitted by law, CONSULTANT and any contractors or subcontractors working on its behalf agree to indemnify CITY, its officers, employees, agents and elected and appointed boards (hereinafter "Indemnified Parties") for any loss, claim, demand, cause of action, cost, expense, damage, obligation or liability which arises out of or is in any way connected with the performance of any work under this agreement, including any acts or omissions, willful misconduct or negligent conduct, whether active or passive, on the part of CONSULTANT, its contractors or subcontractors, and regardless of any acts, omissions or negligence (whether active or passive) of any person or entity indemnified hereunder. At their own expense, CONSULTANT and, as applicable, any contractors or subcontractors working on its behalf, shall defend any suit, claim or action against the Indemnified Parties founded upon such loss, claim, demand, cause of action, cost, expense, damage, obligation or liability. CONSULTANT shall ensure that the contract of any contractor or subcontractor working under this agreement contain an indemnity agreement, requiring the contractor or subcontractor to indemnify and defend the Indemnified Parties pursuant the terms set forth above. CONSULTANT shall indemnify the Indemnified Parties, and save it harmless from any and all loss, damage, costs, expenses and attorney's fees suffered or incurred on account of any breach of the aforesaid obligations and covenants, and any other provision or covenant of this agreement.

In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement claims or is determined by a court of competent jurisdiction or CalPERS to be eligible for enrollment in CalPERS as an employee of the City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for CalPERS benefits on

behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Notwithstanding any federal, state, or local policy, rule, regulation, law or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in CalPERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for CalPERS benefits.

11 Insurance

11.1 CONSULTANT, at its expense, shall maintain in effect at all times during the performance of work under this Contract not less than the following coverage and limits of insurance, which shall be maintained with insurers listed "A" or better in the Best's Insurance Guide and authorized to do business in the State of California. **Proof of Insurance, as identified in Section 11.8, must be reviewed and accepted by the City Attorney**.

11.1.1 Workers' Compensation and Employer's Liability
Workers' Compensation—coverage as required by the State of California
Employer's Liability:
$1,000,000.00 each accident
$1,000,000.00 policy limit bodily injury
$1,000,000.00 each employee bodily injury by disease

11.1.2 Professional Liability (Errors & Omissions) Insurance*
$2,000,000 limit on a per occurrence basis

11.1.3 Commercial General Liability
$1,000,000.00 limit on a per occurrence basis
$2,000,000.00 general aggregate limit

11.1.4 Commercial Automobile Liability
$1,000,000.00 combined single limit including owned, non-owned and hired automobile coverage

11.2 All of CONSULTANT's policies shall contain an endorsement providing that written notice shall be given to CITY at least thirty- (30) calendar days prior to termination, cancellation or reduction of coverage in the policy.

11.3 Policies providing for bodily injury and property damage coverage shall contain the following:

A. An endorsement extending coverage to the City as an additional insured, in the same manner as the named insured, as respects liability arising out of the performance of any work under the Contract. Such insurance shall be primary insurance, as respects the interest of the City, and any other insurance

maintained by the City shall be considered excess coverage and not contributing insurance with the insurance required hereunder. The certificate and endorsements shall state: “The City of Palmdale, the Successor Agency of the Community Redevelopment Agency of the City of Palmdale, Palmdale Civic Authority, Industrial Development Authority of the City of Palmdale, Palmdale Airport Authority, their officers, agents, employees and volunteers are named as additional insured’s.”

B. “Severability of Interest” clause.

The insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer’s liability.

The inclusion of the City and its officers, employees, agents, and volunteers as additional insureds shall not affect any rights the Contractor has under the policy, nor shall it limit the insurer’s ability to deny coverage to any insured based on that insured’s own acts or omissions.

11.4 Promptly on execution of this Contract, and prior to commencement of any work, CONSULTANT shall deliver to CITY certificates of insurance and endorsements to all required policies demonstrating that CONSULTANT has the required coverage and showing the required named insureds. Within five (5) days of written request from CITY, CONSULTANT shall deliver to CITY full and complete copies of all insurance policies required by this Contract.

11.5 The requirements as to the types and limits of insurance to be maintained by CONSULTANT are not intended to and shall not in any manner limit or qualify CONSULTANT’s liabilities and obligations under this Contract.

11.6 Any policy or policies of insurance that CONSULTANT elects to carry as insurance against loss or damage to its equipment and tools or other personal property used in the performance of this Contract shall include a provision waiving the insurer’s right of subrogation against CITY.

11.7 All insurance coverage must be maintained throughout the duration of this Contract.

11.8 Acceptable Proof of Insurance:

11.8.1 ACORD Certificate of Insurance listing all coverages, limits, deductibles and insureds; and endorsements for all applicable coverages if agent has authority to issue it; Additional insured Form CG20101185 or CG20100707 and CG20370704 or equivalent must be provided for general liability coverage. Additional insured form CA0001 must be provided for automobile liability coverage.

11.8.2 Agents must confirm that policy endorsements have been ordered from the respective insurance companies. Upon issuance, policy endorsements listing all insurers must be submitted to the City Attorney.

11.8.3 When professional (E&O) liability coverage is provided on a “claims made basis”, CONSULTANT will continue to renew the insurance for a period of five (5) years after this Contract expires or is terminated. Such insurance will have the same coverage and limits as the policy that was in effect during the term of this Contract, and will cover CONSULTANT, or its officers, employees, or agents during the time this Contract was in effect.

11.9 Notwithstanding any other provision of this Contract, CITY may immediately terminate this Contract if, at any time CONSULTANT fails to maintain the required insurance for any period of time or fails to comply with any of the insurance requirements listed above.

11.10 CONSULTANT shall require any and all subcontractor's working on its behalf to provide insurance coverages and limits that are based on the scope of work and nature of risk being performed by the subcontractor. Any and all subcontractors working on behalf of CONSULTANT shall be subject to all other insurance requirements that are stated herein.

Any deviation in this requirement will be CONSULTANT's sole risk. CONSULTANT's insurance requirements in Section 11 will not be impacted and/or limited by such deviation.

12 Termination Without Cause

CITY reserves the right to terminate this Contract or any part thereof for its sole convenience with fifteen (15) days written notice. In the event of such termination, CONSULTANT shall immediately stop all work hereunder, and shall immediately cause any of its suppliers and sub-consultants to cease such work. CONSULTANT shall also surrender to CITY all finished or unfinished documents or programs and other materials, which shall be City’s property. As compensation in full for services performed to the date of such termination, the CONSULTANT shall receive an amount equal to the value of the work completed as of the termination date in accordance with the fee schedule or as negotiated between the parties. In no event shall the amount payable upon termination exceed the total maximum compensation provided for in this Contract.

13 Termination For Cause

13.1 If the City determines that the CONSULTANT has failed to supply an adequate working force, or to provide services of proper quality, or has failed in any other respect to satisfactorily perform the services specified in this Contract, the City shall give written notice to the CONSULTANT specifying all defaults to be remedied within thirty (30) days. Such notice shall set forth the basis for the City’s dissatisfaction and suggest corrective measures. If, after thirty days, the CONSULTANT has failed to implement the corrective measures, the City may elect to terminate this Contract, in whole or in part.

13.2 In the event the City terminates this Contract in whole or in part as provided herein above, the City may procure, upon such terms and in such manner, as it may deem appropriate, services similar to those terminated.

13.3 If this Contract is terminated as provided above, the City may require the CONSULTANT to provide all finished or unfinished documents, data, studies, software, drawings, maps, photographs, reports, etc., prepared by the CONSULTANT. Upon such termination, the CONSULTANT shall be paid an amount equal to the value of the services provided and work performed as of the date of termination. Such payment by the City may take into consideration the costs associated with hiring another CONSULTANT to complete the services. In the event no new CONSULTANT is employed, the CONSULTANT shall be paid an amount equal to the value of the work performed. In ascertaining the value of the work performed up to the date of termination, consideration shall be given to both completed work and work in progress, to complete and incomplete documents when such are delivered to CITY, and to authorized reimbursement expenses.

The above is in addition to any other remedies available by law or equity to the City.

13.4 If, after notice of termination of the Contract under the provisions of this Section 13, it is determined, for any reason, that CONSULTANT was not in default, or that the default was excusable, then the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Section 12.

14 Dispute Resolution

All claims, disputes, and other matters in question between CITY and CONSULTANT arising out of, or relating to this Contract, or the breach thereof shall, to the extent reasonably feasible, be resolved through good faith negotiations between the parties.

15 Ownership And Delivery Of Work Product

All documents, data, reports, studies, analyses, field notes, investigations, plans, specifications, software, programs, manuals, instructions, and other materials of any nature, whether complete or incomplete, that are prepared, developed, or produced by CONSULTANT or Consultant's subcontractors in the performance of this Contract (collectively, "Work Product") shall be the exclusive property of the CITY.
All Work Product shall be delivered to or left with the CITY upon completion, expiration, or termination of this Contract. Upon request, CONSULTANT shall provide the CITY with originals and reproducible and electronic copies of all Work Product. Electronic copies shall be provided in an unprotected format that allows the CITY to copy, reproduce, modify, and use the Work Product without restriction.

All Work Product developed or received by CONSULTANT or provided for performance of this Contract are deemed confidential and shall not be disclosed by CONSULTANT without prior written consent by CITY. CITY shall grant such consent if disclosure is legally required. Upon request, all CITY data shall be returned to CITY upon the termination or expiration of this Contract**.**

16 Ownership Of Intellectual Property

The Work Product and all intellectual property rights therein shall be deemed "works made for hire" under the United States Copyright Act (17 U.S.C. § 101 et seq.), and

the CITY shall be deemed the author and exclusive owner thereof, in perpetuity and worldwide.
To the extent any Work Product does not qualify as a work made for hire, CONSULTANT hereby irrevocably assigns, transfers, and conveys to the CITY all right, title, and interest in and to such Work Product, including all copyrights, trademarks, patents, and other proprietary rights. CONSULTANT consents to the use of CONSULTANT's name in conjunction with the sale, use, performance, and distribution of Work Product, for any purpose and in any medium.

CONSULTANT agrees to execute any documents and take any actions reasonably requested by the CITY to confirm or perfect the CITY'S ownership of such rights.

CONSULTANT waives any and all moral rights or similar rights under California Civil Code section 980 or any other applicable law to the extent permitted by law.

17 Subcontracting, Delegation And Assignment

17.1 CONSULTANT shall not delegate, subcontract or assign its duties or rights hereunder, either in whole or in part, without the prior written consent of CITY; provided, however, that claims for money due or to become due to CONSULTANT from CITY under this Contract may be assigned to a bank, trust company or other financial institution without such approval. Any proposed delegation, assignment or subcontract shall provide a description of the services covered, identification of the proposed assignee, delegates or subcontractor, and an explanation of why and how the same was selected, including the degree of competition involved. Any proposed agreement with an assignee, delegates or subcontractor shall include the following:

A. The amount involved, together with CONSULTANT's analysis of such cost or price; and

B. A provision requiring that any subsequent modification or amendment shall be subject to the prior written consent of CITY.

C. The requirement to hire only those persons authorized by federal law to work in the United States.

17.2 Any assignment, delegation or subcontract shall be made in the name of CONSULTANT and shall not bind or purport to bind CITY and shall not release CONSULTANT from any obligations under this Contract including, but not limited to, the duty to properly supervise and coordinate the work of employees, assignees, delegates and subcontractors. No such assignment, delegation or subcontract shall result in any increase in the amount of total compensation payable to CONSULTANT under this Contract.

18 Non-Discrimination And Equal Employment Opportunity

18.1 In performance of this Contract, CONSULTANT shall not discriminate against any employee, subcontractor, or applicant for employment because of sex, color, race, religion, ancestry, national origin, disability, medical condition, marital status, sexual orientation, or age. CONSULTANT will take affirmative action to ensure that

applicants are employed, and that employees are treated during employment, without regard to their sex, color, race, religion, ancestry, national origin, disability, medical condition, marital status, sexual orientation or age. Affirmative action relating to employment shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

19 SB 1383 Compliance

CONSULTANT shall comply with all applicable requirements of California Senate Bill 1383 (SB 1383) and related regulations concerning the reduction of organic waste, diversion from landfills, and edible food recovery.

20 WCAG 2.1AA Compliance

Information and communication technology means information technology and other equipment, systems, technologies, or processes, for which the principal function is the creation, manipulation, storage, display, receipt, or transmission of electronic data and information, as well as any associated content. Examples include computers and peripheral equipment; information kiosks and transaction machines; telecommunications equipment; customer premises equipment; multifunction office machines; software; applications; Web sites; videos; and electronic documents.

Each information and communication technology (hereinafter referred to as "ICT") product or service furnished to the City under this Contract shall be accessible to and usable by individuals with disabilities in accordance with the Americans with Disabilities Act, as amended, (hereinafter referred to as the "ADA") and other applicable Federal laws, including Section 508 of the Rehabilitation Act, as amended, and State laws and implementing regulations. For purposes of this clause, Consultant shall be considered in compliance with the ADA and other Federal and State laws if it satisfies the requirements (including exceptions) specified in the regulations 36 CFR Part 1194 implementing Section 508 of the Rehabilitation Act, including the Web Content Accessibility Guidelines (WCAG) 2.1 Level A and Level AA Success Criteria and Conformance Requirements (2008), which are incorporated by reference, and the functional performance criteria.

Consultant shall maintain and retain, subject to review by the City, full documentation of the measures taken to ensure compliance with the applicable requirements and functional performance criteria, including records of any testing or simulations conducted. For each ICT subject to the Contract, the documentation shall include a description of conformance with applicable federal and state laws by means of either a Voluntary Product Accessibility Template (VPAT) or other comparable document, upon request.

If Consultant claims its products or services satisfy the applicable requirements and standards specified above and it is later determined by the City that any furnished product or service is not in compliance with such requirements and standards, the City will promptly inform the Consultant in writing of the noncompliance. The Consultant shall, at no cost to the City, repair or replace the non-compliant products or services within the period specified by the City. If the repair or replacement is not completed within the specified time, the City may cancel the Contract or have any

necessary changes made or repairs performed by employees of the City or by another consultant, and Consultant shall reimburse the City for any expenses incurred thereby. Consultant shall indemnify and hold the City harmless in the event of claims arising from inaccessibility.

20 Financial Interest Certification

20.1 CONSULTANT warrants that no person has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee; and that no officer or employee of the CITY has any interest, financially or otherwise, in CONSULTANT's firm.

20.2 For breach or violation of this warranty, CITY shall have the right to annul this Contract without liability, or at its discretion to deduct from the Contract Price or consideration, the full amount of such commission, percentage, brokerage or contingent fee.

21 Conflict Of Interest

21.1 CONSULTANT stipulates that its officers and employees do not now have a conflict of interest and it further agrees for itself, its officers and its employees that it will not contract for or accept employment for the performance of any work or services with any individual business, corporation or government unit that would create a conflict of interest in the performance of its obligations pursuant to this Contract or which would cause CONSULTANT to be "financial interested" (as provided in California Government Code Section 1090 et seq. or 87100 et seq.) in any contract or decision made by CITY on any matter.

21.2 CONSULTANT shall not employ any City official or employee to perform any work required pursuant to this Contract.

21.3 If CONSULTANT is a registered professional engineer or licensed land surveyor and the scope of work requires CONSULTANT'S recommendation of the actual formula to spread the costs of an assessment district's improvements, then CONSULTANT shall not participate in making that recommendation if the additional elements set forth in Government Code section 87100.1(c) apply. Those additional elements are: (1) CONSULTANT has received income of $250 or more for professional services in connection with any parcel included in the benefit assessment district within 12 months prior to the creation of the district; and (2) the district includes other parcels in addition to those parcels for which CONSULTANT received the income. In the event a conflict of interest does arise in that context, City shall select a different CONSULTANT to recommend the actual formula to spread the costs of the assessment district's improvements and the costs of such services shall be deducted from the compensation to be paid to CONSULTANT.

21.4 To the extent required by the City Manager/designee, CONSULTANT shall complete and file with the City Clerk a Form 700 Statement of Economic Interests disclosing any reportable property interests, income, gifts, investments, or business positions.

22 Compliance With Law

22.1 CONSULTANT shall comply with all state and federal laws, including but not limited to, the requirement to hire only those persons authorized by federal law to work in the United States. If CONSULTANT uses any subcontractors to complete this Contract, this same requirement shall be included in all subcontracts and strictly enforced by CONSULTANT.

22.2 The law of the state of California shall govern this Contract. The venue of any legal action, either formal or informal, shall be the County of Los Angeles.

22.3 This Agreement is subject to prevailing wage law, for all work performed under the Agreement for which the payment of prevailing wages is required under the California Labor Code. In particular, CONSULTANT acknowledges that prevailing wage determinations are available for the performance of inspection and survey work.

23 Health And Safety Provisions

A. CONSULTANT and all subcontractors shall abide by all health and safety mandates issued by federal, state, county, City of Palmdale, and/or public health officers, and worksite-specific mandates. If multiple mandates exist, the CONSULTANT and subcontractors shall abide by the most restrictive mandate.
B. Costs associated with adhering to health and safety mandates are the responsibility of the CONSULTANT. CONSULTANT is responsible for the tracking and compliance of health and safety mandates and may be audited upon request.

24 Notification And Access Revocation

The CONSULTANT shall notify the CITY in writing prior to or no later than twenty-four (24) hours after, the termination, expiration, suspension, reassignment, or removal of any Consultant Personnel with access to the Project or Owner Resources. For Consultant Personnel with Information Technology access, notification must be immediate, or the CITY may consider the CONSULTANT to be in breach of contract. Notice shall include the individual’s name, role, effective date and time of termination or removal, and systems or resources accessed.

The CITY reserves the right, in its sole discretion, to immediately suspend or revoke access for any Consultant Personnel upon receipt of notice or upon CITY'S determination that such access is no longer required or appropriate.

25 Force Majeure

Neither Party shall be liable for any failure or delay in performing its obligations under this Contract (other than payment obligations) if such failure or delay is caused by an event or circumstance beyond the reasonable control of the affected Party (“Force Majeure Event”). Force Majeure Events include, but are not limited to, acts of God; flood; fire; earthquake; explosion; war; terrorism; civil disturbance; epidemic or pandemic; quarantine; governmental actions or orders; or other similar events beyond the control of the affected Party.

The affected Party shall provide written notice to the other Party within ten (10) calendar days of the occurrence of the Force Majeure Event, describing the nature, expected duration, and anticipated impact on performance. The Party shall use all diligent efforts to mitigate the effects of the event and resume performance as soon as practicable.

When CONSULTANT is the sole cause of the delay to the commissioning and substantial completion and delay is not caused by an event of Force Majeure or by the CITY'S failure to make payments in accordance with the Contract or to provide required information to CONSULTANT when contemplated in the Contract, CITY shall be entitled to liquidated damages in the sum at the daily rate of $200 per day, beginning at zero (0) days from written notice given by CITY.

26 Notices

Any notice required under this Contract shall be in writing, addressed to the appropriate party at its address on the signature page and given personally or by registered or certified mail postage prepaid, or by a commercial courier service. All notices shall be effective upon the date of receipt.

27 Entire Contract And Amendments

27.1 All documents referenced as exhibits in this Contract are hereby incorporated into this Contract. In the event of any material discrepancy between the provisions of this Contract and those of any document incorporated herein by reference, the provisions of this Contract shall prevail. This instrument contains the entire Contract between CITY and CONTRACTOR with respect to the transactions contemplated herein. No other prior oral or written Contracts are binding upon the parties. Amendments hereto or deviations herefrom shall be effective and binding only if made in writing and executed on behalf of the CITY and CONTRACTOR. This Contract is the complete agreement between the parties and supersedes all prior proposals, agreements, and understandings between the parties and may not be modified or terminated orally.

27.2 No attempted waiver of any of the provisions hereof, nor any modification in the nature, extent or duration of the work to be performed by CONSULTANT hereunder, shall be binding unless in writing and signed by the party against whom the same is sought to be enforced.

27.3 The failure of any party to enforce against another party any provision of this Contract shall not constitute a waiver of that party’s right to enforce such a provision at a later time, and shall not serve to vary the terms of this Contract.

28 Attorney’s Fees

If any action at law or in equity is brought to enforce or interpret any provisions of this Contract, the prevailing party in such action shall be entitled to reasonable attorney’s fees, costs and necessary disbursements, in addition to such other relief as may be sought and awarded.

In Witness Whereof, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE:

Salvador Mendez
Cit Manager

Megan Taggart
Nov 5, 2026, 2:32 PM PST

ADDRESS FOR NOTICE:
CITY OF PALMDALE
38300 Sierra Highway, Suite A
Palmdale, CA 93550

APPROVE AS TO FORM:

Nov 5, 2026, 2:24 PM PST

Aleks Giragosian
City Attorney

ATTEST:

Rochelle Scott
City Clerk

CONVERGE STRATEGIES, LLC (CSL):

Michael Wu
Nov 5, 2026, 2:55 PM PST

Michael Wu
CEO

ADDRESS FOR NOTICE:
CONVERGE STRATEGIES, LLC (CSL)
1301 K Street NW
Washington, DC 20005

---------- INTERNAL USE ONLY ----------

■Certificate(s) and Endorsement(s) attached
■Confirmed business name on contract with certificate(s)
■Attached Agreement Checklist and met all requirements
■Attach Quotes, Solicitation Docs, City's Best Interest, Government Code, etc.

Record of Signing

For City of Palmdale
Name Taylor Anderson
Title Deputy City Attorney



Signed on Nov 5, 2026 2:24 PM PST

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DocumentID: 034sY1QAZC9M5RFnWLkRPh
SigningID: 034sY1POzpwhbP5XCIU0yF
UTC Signing time: 2026-11-05 22:24:37 UTC
IP Address: 20.237.142.185
Email: tanderson@chwlaw.us

For City of Palmdale
Name Megan Taggart
Title



Signed on Nov 5, 2026 2:32 PM PST

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SigningID: 034sYD4T7h1DVkMUiPHHg4
UTC Signing time: 2026-11-05 22:32:17 UTC
IP Address: 172.56.121.109
Email: mtaggart@cityofpalmdaleca.gov

For Converge Strategies, LLC
Name Michael Wu
Title CEO



Signed on Nov 5, 2026 2:55 PM PST

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SigningID: 034sYmfzU1uV7UUpLplHIH
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IP Address: 73.53.20.34
Email: mwu@convergestrategies.com

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City Council Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **PARKS AND RECREATION DEPARTMENT**

DISTRICT: **ALL**

SUBJECT: **APPROVE FOURTH AMENDMENT TO AGREEMENT WITH PACIFIC WEST SOUND, INC., TO PROVIDE AUDIO PRODUCTION AND EQUIPMENT SERVICES AT THE PALMDALE AMPHITHEATER INCREASINGTHE AMOUNT BY $28,000, FOR A TOTAL AMOUNT NOT TO EXCEED $1,116,475 FOR A TERM THROUGH JUNE 30, 2027**

RECOMMENDATION

Staff recommend that the City Council:

1. Approve Fourth Amendment to Agreement No. A-7866 with Pacific West Sound, Inc., to provide audio production and equipment services for the Palmdale Amphitheater, increasing the amount of the agreement by $28,000, for a total amount not to exceed $1,116,475 for a term through June 30, 2027.

BACKGROUND

The Palmdale Amphitheater hosts concerts and community events that require professional audio production services and equipment. Because the venue does not have permanent audio equipment, the City contracts for these services to meet the technical requirements of each event and artist performance agreement.

Pacific West Sound, Inc., has provided these services at the Amphitheater since June 2022 under Agreement No. A-7866. The agreement is in its final extension year and expires June 30, 2027.

DISCUSSION

The 2026 concert season included more performances than previous seasons, along with artists requiring more complex audio equipment and production support. These requirements resulted in higher-than-anticipated costs for specialized equipment, additional production labor, and artist-specific needs.

The proposed Fourth Amendment to Agreement No. A-7866 increases the agreement amount by $28,000 to cover these additional expenses. Sufficient funding is available within the City's approved budget, and no additional appropriation is required. The amendment only increases the agreement's not-to-exceed amount.

The current agreement expires June 30, 2027. The City plans to issue a competitive Request for Proposals (RFP) in spring 2027 to select a provider for future audiovisual production and equipment services. This will allow the City to reassess its needs and obtain competitive proposals for future events.

FISCAL IMPACT

$28,000; Funds are budgeted and available in FY 2026-27 in the Events and Culture concert account.

STRATEGIC PLAN

Goal IV: Maintain a desirable community where everyone wants to live, work and play.

D. Develop and maintain diverse programs and events that inspire growth, pride, and lifelong learning.

Prepared by:	Keri Smith, Director of Parks and Recreation
Certified as to availability of Funds:	Janelle Samson, Deputy City Manager
Approved by:	Salvador Mendez, City Manager
Approved as to form:	Taylor Anderson, Deputy City Attorney

ATTACHMENTS

Agrmt No. A-7866 Fourth Amendment with Pacific West Sound, Inc.
Agrmt No. A-7866 Third Amendment with Pacific West Sound, Inc.
Agrmt No. A-7866 Second Amendment with Pacific West Sound, Inc.
Agrmt No. A-7866 First Amendment with Pacific West Sound, Inc.
Agrmt No. A-7866 with Pacific West Sound, Inc.

4TH AMENDMENT TO AGREEMENT A- 7866
BETWEEN THE CITY OF PALMDALE AND PACIFIC WEST SOUND INC.

This 4th Amendment to Agreement No. A-7866 (“Agreement”) is made and entered into by and between the City of Palmdale (hereinafter called “CITY”) and PACIFIC WEST SOUND INC. (hereinafter called "CONTRACTOR"). This Contract shall become effective on the date of the last signatory.

WHEREAS, on July 1, 2022 ("Original Agreement") the CITY and CONTRACTOR entered into an agreement to provide:

Professional audio and design services to support sound production at the Palmdale Amphitheater for City special events and rentals.

WHEREAS, the parties desire to amend the Original Agreement to:

Amend Contract Price

NOW THEREFORE, the parties agree as follows:

1. Section 5 of the Agreement, PRICE, is hereby increased by Twenty-Five Thousand dollars ($25,000.00) to provide additional equipment and to service performance services, bringing the total amount of the contract to One Million One Hundred Thirteen Thousand Four Hundred Seventy-Five dollars ($1,113,475.00).

Original Value.....$242,000.00
Amendment #1.....$24,200.00
Amendment #2..... $680,300.00
Amendment #3.....$141,975.00
Amendment #4.....$28,000.00
Revised Not-To-Exceed Amount.....$1,116,475.00

All other terms and conditions of the Original Agreement not amended herein, remain in full force and effect.

In Witness Whereof, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE:

Salvador Mendez
City Manager

Keri Smith
Nov 4, 2026, 1:55 PM PST

ADDRESS FOR NOTICE:
CITY OF PALMDALE
827 East Avenue Q-9
Palmdale, CA 93550

APPROVE AS TO FORM:

Nov 4, 2026, 1:49 PM PST

Aleks Giragosian
City Attorney

ATTEST:

Rochelle Scott
City Clerk

PACIFIC WEST SOUND INC.:

Nov 4, 2026, 2:06 PM PST

Brent Milton
President

ADDRESS FOR NOTICE:
PACIFIC WEST SOUND INC.
521 East 21st Street
Bakersfield, CA 93305

---------- INTERNAL USE ONLY ----------

□Certificate(s) and Endorsement(s) attached
□Confirmed business name on contract with certificate(s)
□Original contract and previous amendment(s) (if any) are attached
□Attached Agreement Checklist and met all requirements
■Attach Quotes, Solicitation Docs, City's Best Interest, Government Code, etc.

Record of Signing

For City of Palmdale
Name Taylor Anderson
Title Deputy City Attorney



Signed on Nov 4, 2026 1:49 PM PST

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DocumentID: 034rxp79gCdedmOTPZSONX
SigningID: 034rxp6iHu8nuQxI2mVF44
UTC Signing time: 2026-11-04 21:49:36 UTC
IP Address: 20.237.142.185
Email: tanderson@chwlaw.us

For City of Palmdale
Name Keri Smith
Title



Signed on Nov 4, 2026 1:55 PM PST

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DocumentID: 034rxp79gCdedmOTPZSONX
SigningID: 034rxxNff07YQzbHvlxRj3
UTC Signing time: 2026-11-04 21:55:02 UTC
IP Address: 45.62.177.244
Email: ksmith@cityofpalmdaleca.gov

For Pacific West Sound
Name Brent t Milton
Title Principal



Signed on Nov 4, 2026 2:06 PM PST

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DocumentID: 034rxp79gCdedmOTPZSONX
SigningID: 034ryEoSGYyfx74RuYwtcQ
UTC Signing time: 2026-11-04 22:06:29 UTC
IP Address: 24.199.37.6
Email: brentm@pacificwestsound.com

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3RD AMENDMENT TO AGREEMENT A- 7866
BETWEEN THE CITY OF PALMDALE AND PACIFIC WEST SOUND INC.

This 3rd Amendment to Agreement No. A-7866 (“Agreement”) is made and entered into by and between the City of Palmdale (hereinafter called “CITY”) and PACIFIC WEST SOUND INC. (hereinafter called "CONTRACTOR"). This Contract shall become effective on the date of the last signatory.

WHEREAS, on July 1, 2022 ("Original Agreement") the CITY and CONTRACTOR entered into an agreement to provide:

Professional audio and design services to support sound production at the Palmdale Amphitheater for City special events and rentals.

WHEREAS, the parties desire to amend the Original Agreement to:

Amend contract Price, Description of Work, Term and Insurance

NOW THEREFORE, the parties agree as follows:

1. Section 5 of the Agreement, PRICE, is hereby increased by One Hundred Forty-One Thousand Nine Hundred Seventy-Five dollars ($141,975.00) to provide additional equipment and to service performance services, bringing the total amount of the contract to One Million Eighty-Eight Thousand Four Hundred Seventy-Five dollars ($1,088,475.00).

Original Value.....$242,000.00
Amendment #1.....$24,200.00
Amendment #2..... $680,300.00
Amendment #3.....$141,975.00
Revised Not-To-Exceed Amount.....$1,088,475.00

2. Section 2 of the Agreement, DESCRIPTION OF WORK, is hereby amended to include:

* CONTRACTOR agrees to provide Rigging Services specializing in rigging services, equipment, and motor package to support sound, lighting and video production for City special events.

*All rigging installation and supervision, including the direction of any assisting personnel, shall be performed exclusively by Pacific West Sound's Inc. certified rigger.

*Flexibility to meet City event schedules, as necessary. Additional equipment may be required for rental events help at the Palmdale Amphitheater and/or other various city events.

*EQUIPMENT PROTECTION DUE TO WEATHER: Contractor shall be solely

responsible to protect all equipment from inclement weather conditions.

REQUIREMENTS:
*Ten (10) years' experience in theatrical rigging for outdoor events on a 40'deep x 60' wide x 4.5 high with two towers approximately 30' tall.
*Certified rigging personnel and technicians.
*Head Rigger who is certified ETCP (The Entertainment Technician Certification Program) or certified in other similar rigging certification programs to meet industry standards and training.
*Down Rigger
*Ability to inspect, maintain and repair all equipment to meet high safety standards.
*Ability to meet a variety of artist sound and lighting specifications.

EQUIPMENT:
CONTRACTOR will provide:
*Motors to support sound and lighting production for the general house hand to include:
*(2) CM chain hoist motors, one ton are used to operate the truss to fly the sound.
*(1) CM chain hoist motor, 1000lbs. - used for stacking cases
*(1) Control and cable package motor controller operates (8) of the motors and the 9th motor connects to the house motor controller.
*(9) Motors
*Six 3 Phase Motor - 1 Ton - 65' Chain
*One 3 Phase Motor - 1 Ton - 65' Chain
*Two Skjonberg 3 Phase Motor Control w/Pendant - 8 CH
*One Steel Package
*Two 18" Truss - 10', 5-Chord
*Eight Standard Truss Bolts - 5/8"
*One 18" Truss - 5', 5-Chord
*Four Standard Truss Bolts - 5/8"

3. Term of the Agreement is hereby amended for one additional year, commencing on July 1, 2026.

4. Section #9, of this Agreement INSURANCE, is hereby amended to add Professional Liability (E&O) of $1,000,000.00 limit on a per occurrence basis.

Price Sheet - Truss and Rigging

Qty	Description	Rate	Price	Notes
6	3 Phase Motor - 1 Ton 65' Chain	Day Rate	100.00	
1	3 Phase Motor - 1 Ton 65' Chain	Day Rate	0.00	

2	Skjonberg 3 Phase Motor Control w/ Pendant - 8CH	Day Rate	175.00	
1	Steel Package	Day Rate	300.00	
2	18" Truss-10'5, 5-Chord	Day Rate	100.00	
8	Standard Truss Bolts - 5/8"	Day Rate	0.00	
1	18" Truss-5', 5-Chord	Day Rate	50.00	
4	Standard Truss Bolts - 5/8"	Day Rate	0.00	
1	Head Rigger	Day Rate	1300.00	ETCP Certified Rigger w/ Osha 30 Load In, Load Out
2	Down RIgger	Day Rate	850.00	
95	Palmdale Area Delivery - 95 miles x 2	Day Rate	4.75	

All other terms and conditions of the Original Agreement not amended herein, remain in full force and effect.

In Witness Whereof, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE:

Salvador Mendez
Jun 23, 2026, 5:11 PM PDT

Salvador Mendez
City Manager

Keri Smith
Jun 17, 2026, 5:58 PM PDT

ADDRESS FOR NOTICE:
CITY OF PALMDALE
827 East Avenue Q-9
Palmdale, CA 93550

PACIFIC WEST SOUND INC.:

Jun 19, 2026, 9:31 AM PDT

Brent Milton
President

ADDRESS FOR NOTICE:
PACIFIC WEST SOUND INC.
521 East 21st Street
Bakersfield, CA 93305

APPROVE AS TO FORM:

Alexandra Severino
Jun 23, 2026, 12:23 PM PDT

Alexandra Severino
City Attorney

ATTEST:

Rochelle Scott
Jun 24, 2026, 4:45 PM PDT

Rochelle Scott
City Clerk

---------- INTERNAL USE ONLY ----------

■Certificate(s) and Endorsement(s) attached
■Confirmed business name on contract with certificate(s)
■Original contract and previous amendment(s) (if any) are attached
■Attached Agreement Checklist and met all requirements

Record of Signing

For City of Palmdale
Name Keri Smith
Title



Signed on Jun 17, 2026 5:58 PM PDT

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DocumentID: 033aF063PtuLEfmcR0RB1B
SigningID: 033aF05sOxHJeWKLAZwref
UTC Signing time: 2026-06-18 00:58:45 UTC
IP Address: 149.20.203.222
Email: ksmith@cityofpalmdaleca.gov

For Pacific West Sound
Name Brent t Milton
Title Principal



Signed on Jun 19, 2026 9:31 AM PDT

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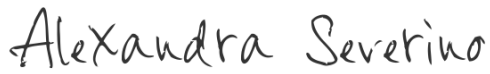
DocumentID: 033aF063PtuLEfmcR0RB1B
SigningID: 033bBDyuGWIu0DwkbkXfy1
UTC Signing time: 2026-06-19 16:31:16 UTC
IP Address: 108.147.175.15
Email: brentm@pacificwestsound.com

For City of Palmdale
Name Alexandra Severino
Title



Signed on Jun 23, 2026 12:23 PM PDT

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SigningID: 033dWnxO75pAHEAlR2lQ89
UTC Signing time: 2026-06-23 19:23:24 UTC
IP Address: 75.237.245.161
Email: aseverino@harperburns.com

For smendez@cityofpalmdaleca.gov
Name Salvador Mendez
Title



Signed on Jun 23, 2026 5:11 PM PDT

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SigningID: 033ddsSuih73IdOvf3tRI4
UTC Signing time: 2026-06-24 00:11:36 UTC
IP Address: 199.27.32.164
Email: smendez@cityofpalmdaleca.gov

For City of Palmdale
Name Rochelle Scott
Title City Clerk



Signed on Jun 24, 2026 4:45 PM PDT

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DocumentID: 033aF063PtuLEfmcR0RB1B
SigningID: 033eCZvNXnUM0kTDeddJz3
UTC Signing time: 2026-06-24 23:45:35 UTC
IP Address: 199.27.32.167
Email: rscott@cityofpalmdale.org

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2ND AMENDMENT TO AGREEMENT A-7866
BETWEEN THE CITY OF PALMDALE AND PACIFIC WEST SOUND INC.

This 2ND Amendment to Agreement No. A-7866 (“Agreement”) is made and entered into by and between the City of Palmdale (hereinafter called “CITY”) and PACIFIC WEST SOUND INC. (hereinafter called "Pacific West Sound Inc."). This Contract shall become effective on the date of the last signatory.

WHEREAS, on July 1, 2022 ("Original Agreement") the CITY and Pacific West Sound Inc. entered into an agreement to provide:

Professional audio and design services to support sound production at the Palmdale Amphitheater for City special events and rentals.

WHEREAS, the parties desire to amend the Original Agreement to:

Amend increase contract price, and amend fee schedule breakdown of services.

NOW THEREFORE, the parties agree as follows:

1. Section 5 of the Agreement, PRICE, is hereby increased by an additional Six-Hundred Eighty Thousand Three-Hundred Dollars ($680,300.00) and bringing the total amount of the contract to Nine Hundred Forty-Six Thousand Five-Hundred Dollars ($946,500.00).

2. Section 5 of the Agreement, PRICE, is hereby amended to the below fee schedule breakdown and is payable as follows:

City Concert and Amphitheater Rentals Package (Complete Line Array)
• Active ADA Compliant Assisted Listening Devices

Package Pricing
YEAR 4: $20,500.00/Per Event
YEAR 5: $23,500.00/Per Event

Backline
Year 3: Up to $4,500.00/Per Event
Year 4: Up to $4,500.00/Per Event
Year 5: Up to $4,500.00/Per Event

Extra Labor
Year 3: Up to $2,000.00/Per Event
Year 4: Up to $2,000.00/Per Event
Year 5: Up to $2,000.00/Per Event

City Concert and Amphitheater Rentals Package (Racks and Stacks / Complete Line Array Package)
• Active ADA Compliant Assisted Listening Devices

Package Pricing

YEAR 4: $15,720.00/Per Event
YEAR 5: $17,020.00/Per Event

Extra Labor
Year 3: Up to $1,980.00/Per Event
Year 4: Up to $1,980.00/Per Event
Year 5: Up to $1,980.00/Per Event

Kaleidoscope Package (Ground Stack)
• Active ADA Compliant Assisted Listening Devices
• 3 Engineers

Package Pricing - 1 Day Event
YEAR 4: $31,000.00/Per Event
YEAR 5: $34,000.00/Per Event

Package Pricing - 2 Day Event (Consecutive Days)
YEAR 3: $34,000.00/for 2 Day Event
YEAR 4: $37,000.00/for 2 Day Event
YEAR 5: $41,000.00/for 2 Day Event

LED Video Wall with Production and Operatin (optional add on to existing sound production)
• Upstage LED Wall (20' x 12' Minimum)
• Maximum 3.9mm panels
• All power and data cabling
• LED Wall Programming Laptop
• LED Wall Rigging (Spanset, GacFlex, Sling Link, Steel Shackle, Truss Bolts, Utility Truss)
• Video Village (Streaming Video Switcher, MacBook Pro, Cabling)
• Complete video directing capability inclusive of gear and technician
• Sample gear to include; Video HD streaming console, MacBook Pro, Medi Player, and any other nexessary components for processing
• Minimum of one video engineer through the duration of each event that consists of one day from 8am-11pm

Package Pricing
YEAR 3: $9,500.00
YEAR 4: $10,500.00
YEAR 5: $11,700.00

3. All other terms and conditions remain in full force and effect.

All other terms and conditions of the Original Agreement not amended herein, remain in full force and effect.

In Witness Whereof, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE:

Ronda Perez
City Manager

KS
Signed: 4/9/2024

ADDRESS FOR NOTICE:
CITY OF PALMDALE
827 East Avenue Q-9
Palmdale, CA 93550

APPROVE AS TO FORM:

William P. Curley, III
City Attorney

ATTEST:

Roxanne Faber
Acting City Clerk

PACIFIC WEST SOUND INC.:

Signed: 4/9/2024

Brent Milton
President

ADDRESS FOR NOTICE:
PACIFIC WEST SOUND INC.
521 East 21st Street
Bakersfield, CA 93305

---------- INTERNAL USE ONLY ----------

■Certificate(s) and Endorsement(s) attached
■Confirmed business name on contract with certificate(s)
■Original contract and previous amendment(s) (if any) are attached
■Attached Agreement Checklist and met all requirements

Record of Signing

For
Name
Title



Signed on 2024-04-09 21:28:40 GMT

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DocumentID: 02wEjxN8JZsdseRKD9R7WD
SigningID: 02wEjxN87US9VmoJ0ZFPZz
Signing date: 4/9/2024
IP Address: 206.171.111.149
Email: ksmith@cityofpalmdale.org

For
Name
Title



Signed on 2024-04-09 22:09:23 GMT

Secured by Concord™
DocumentID: 02wEjxN8JZsdseRKD9R7WD
SigningID: 02wEkxLQssqXtdpevRumFP
Signing date: 4/9/2024
IP Address: 76.176.11.77
Email: brentm@pacificwestsound.com

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1ST AMENDMENT TO AGREEMENT A-7866
BETWEEN THE CITY OF PALMDALE AND PACIFIC WEST SOUND INC.

This 1st Amendment to Agreement No. A-7866 ("Agreement") between the City of Palmdale and PACIFIC WEST SOUND INC. is made and entered into by and between the City of Palmdale (hereinafter called "CITY") and PACIFIC WEST SOUND INC. (hereinafter called "CONTRACTOR"). This Contract shall become effective on the date of the last signatory.

WHEREAS, on July 1, 2022 ("Original Agreement") the CITY and CONTRACTOR entered into an agreement to provide:

Professional audio and design services to support sound production at the Palmdale Amphitheater for City special events and rentals.

WHEREAS, CONTRACTOR desire to amend the Original Agreement to:

Amend description of work, increase contract price and amend fee schedule breakdown of services.

NOW THEREFORE, the parties agree as follows:

1. Section 2 of the Agreement, DESCRIPTION OF WORK, is hereby amended to include:

- Equipment Protection due to Weather: Contractor shall be solely responsible to protect all sound equipment from inclement weather conditions.

- Labor and/or Overtime Fees: Any additional labor and/or overtime fees must be mutually agreed upon in writing prior to service.

2. Section 5 of the Agreement, PRICE, is hereby increased by an additional Twenty-Four Thousand Two-Hundred Dollars ($24,200) and bringing the total amount of the contract to Two-Hundred Sixty-Six Thousand Two-Hundred Dollars ($266,200).

3. Section 5 of the Agreement, PRICE, is hereby amended to the below fee schedule breakdown and is payable as follows:

City Concert and Amphitheater Rentals Package (Complete Line Array)
• 12 L-Acoustics K2 Per Side
• 6 L-Acoustics KS28 Per Side
• 6 L- Acoustics Kara (Front Fills)
• 6 L- Acoustics LA Rack II (Amplifiers)
• Stage Power
• Control Package (Yamaha Consoles)
• Monitor Package (L-Acoustics HiQ 15)
• Stage Package (Stands, Mics, Cabling)
• Other equipment and services must be mutually agreed upon in writing prior to service
• 2 Technicians

• 2 Engineers
• 2 Utility Technicians
• Trucking
• Crew Transport

Package Pricing
YEAR 1: $15,000/Per Event
YEAR 2: $16,500/Per Event
YEAR 3: $18,000/Per Event

City Concert and Amphitheater Rentals Package (Stacked Audio Complete System)
• 4 L-Acoustics K2 Per Side
• 3 L-Acoustics KS28 Per Side
• 4 L- Acoustics Kara (Front Fills)
• 4 L- Acoustics LA Rack II (Amplifiers)
• Stage Power
• Control Package (Yamaha Consoles)
• Monitor Package (L-Acoustics HiQ 15)
• Stage Package (Stands, Mics, Cabling)
• Other equipment and services must be mutually agreed upon in writing prior to service
• 2 Technicians
• 2 Engineers
• Trucking
• Crew Transport

Package Pricing
YEAR 1: $9,000/Per Event
YEAR 2: $9,900/Per Event
YEAR 3: $10,800/Per Event

City Concert and Amphitheater Rentals Package (Racks and Stacks / Complete Line Array Package)
• 12 L-Acoustics K2 Per Side
• 6 L-Acoustics KS28 Per Side
• 6 L- Acoustics Kara (Front Fills)
• 6 L- Acoustics LA Rack II (Amplifiers)
• Stage Power
• Other equipment and services must be mutually agreed upon in writing prior to service
• 2 Technicians
• 2 Engineers
• Trucking
• Crew Transport

Package Pricing
YEAR 1: $12,000/Per Event
YEAR 2: $13,200/Per Event
YEAR 3: $14,520/Per Event

City Concert and Amphitheater Rentals Package (“Racks and Stacks” / Stacked Package)
• 4 L-Acoustics K2 Per Side
• 3 L-Acoustics KS28 Per Side
• 4 L- Acoustics Kara (Front Fills)
• 4 L- Acoustics LA Rack II (Amplifiers)
• Stage Power
• Other equipment and services must be mutually agreed upon in writing prior to service
• 2 Technicians
• 2 Engineers
• Trucking
• Crew Transport

Package Pricing
YEAR 1: $6,300/Per Event
YEAR 2: $6,930/Per Event
YEAR 3: $7,623/Per Event

Kaleidoscope Package (Ground Stack)
• FOH Audio Package
• FOH Control Package (AVID Consoles)
• Monitor Package (L-Acoustics X-15 Hi-Qs)
• Stage Package (Stands, Mics, Cabling)
• Stage Power
• LED Wall (20x12)
• LED Wall Cabling
• LED Wall Programming Laptop (HP ProBook 6470b)
• LED Wall Rigging (Spanset, GacFlex, Sling Link, Steel Shackle, Truss Bolts, Utility Truss)
• Video Village (Streaming Video Switcher, MacBook Pro, Cabling)
• Other equipment and services must be mutually agreed upon in writing prior to service
• 2 Engineers
• 1 Technician
• 1 Utility Technician
• Trucking
• Crew Transport

Package Pricing
YEAR 1: $24,504.40/Per Event
YEAR 2: $26,945.84/Per Event
YEAR 3: $29,650.32/Per Event

Any additional labor and/or overtime fees, such as the below, must be mutually agreed upon in writing prior to service:

Technicians:
$750/10hr min
$112.5/ hr (11th-12th hour)

$150/hr (13th+ hours)

Stage Hands:
$450/10hr min
$67.50/hr (11th-12th hour)
$90/hr (13th+ hours)

See exhibit A for other individual itemized product fees.

4. All other terms and conditions remain in full force and effect.

All other terms and conditions of the Original Agreement not amended herein, remain in full force and effect.

In Witness Whereof, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE:

Ronda Perez
Signed: 4/4/2023

Ronda Perez
City Manager

KS
Signed: 4/3/2023

ADDRESS FOR NOTICE:
CITY OF PALMDALE
827 East Avenue Q-9
Palmdale, CA 93550

PACIFIC WEST SOUND INC.:


Signed: 4/4/2023

Brent Milton
President

ADDRESS FOR NOTICE:
PACIFIC WEST SOUND INC.
521 East 21st Street
Bakersfield, CA 93305

APPROVE AS TO FORM:

William Patrick Curley III
Signed: 4/4/2023

William P. Curley, III
Interim City Attorney

ATTEST:

Roxanne Faber
Signed: 4/4/2023

Roxanne Faber
Acting City Clerk

---------- INTERNAL USE ONLY ----------

■Certificate(s) and Endorsement(s) attached
■Confirmed business name on contract with certificate(s)
■Original contract and previous amendment(s) (if any) are attached
■Attached Agreement Checklist and met all requirements

Record of Signing

For
Name
Title

KS

Signed: 4/3/2023
Signed on 2023-04-03 23:48:40 GMT

Secured by Concord™
DocumentID: NDE5MGRiZWMtN2
SigningID: MzY2M2RkZTYtZD
Signing date: 4/3/2023
IP Address: 206.171.111.149
Email: ksmith@cityofpalmdale.org

For
Name
Title



Signed: 4/4/2023
Signed on 2023-04-04 15:54:37 GMT

Secured by Concord™
DocumentID: NDE5MGRiZWMtN2
SigningID: ZDZhNmIxOTYtNz
Signing date: 4/4/2023
IP Address: 24.199.37.6
Email: brentm@pacificwestsound.com

For
Name
Title

William Patrick Curley III

Signed: 4/4/2023
Signed on 2023-04-04 15:59:24 GMT

Secured by Concord™
DocumentID: NDE5MGRiZWMtN2
SigningID: MDg3Yjk4ZTgtND
Signing date: 4/4/2023
IP Address: 107.131.11.226
Email: wcurley@harperburns.com

For
Name
Title

Ronda Perez

Signed: 4/4/2023
Signed on 2023-04-04 16:33:34 GMT

Secured by Concord™
DocumentID: NDE5MGRiZWMtN2
SigningID: YzgzMjliNjMtNT
Signing date: 4/4/2023
IP Address: 206.171.111.149
Email: rperez@cityofpalmdale.org

For
Name
Title

Roxanne Faber

Signed: 4/4/2023
Signed on 2023-04-04 18:20:51 GMT

Secured by Concord™
DocumentID: NDE5MGRiZWMtN2
SigningID: ZmE3YjgwNzQtMD
Signing date: 4/4/2023
IP Address: 206.171.111.149
Email: rfaber@cityofpalmdale.org

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ORIGINAL

AGREEMENT NO. A-7866
CONTRACT FOR SERVICES
BETWEEN THE CITY OF PALMDALE AND PACIFIC WEST SOUND INC.

This CONTRACT for services ("Contract" herein) is made and entered into this 1 day of July, 2022, by and between the City of Palmdale, a public body corporate and politic, (hereinafter called "CITY"), and PACIFIC WEST SOUND INC., a a professional audio and design company, (hereinafter called "CONTRACTOR"). The term of this Contract is THREE (3) YEARS, commencing on July 1, 2022, with CITY reserving the option to extend the agreement for 2 additional terms of one year each.

RECITALS

WHEREAS, CONTRACTOR represents that CONTRACTOR has the expertise and is qualified to perform the services described in this Contract.

NOW THEREFORE, CITY and CONTRACTOR, in consideration of the mutual covenants hereinafter set forth, agree as follows:

1 CITY PROJECT MANAGER

To provide the services required by this Contract, CONTRACTOR shall act under the authority and approval of Keri Smith Director/designee, who shall oversee this Contract, the work performed by CONTRACTOR, assist CONTRACTOR with any necessary information, audit billings, and approve payments. The CONTRACTOR shall channel all contacts and requests through the City project manager.

2 DESCRIPTION OF WORK

2.1 CONTRACTOR shall provide the following services in a manner satisfactory to CITY:

Service & Rentals

The Palmdale Amphitheater is home to the Summer Concert Series (and other concert events. Contractor will provide professional sound equipment for five to six (5-6) live headliner concerts that meet or exceed artist's rider requirements and meets City sound specifications as follows in the below sound requirements section of the scope of work.

The Palmdale Amphitheater is rented throughout the year for an undetermined number of live headliner concerts and community events that require quality sound production services and equipment. These live concerts may vary in scale from medium to grand use. Contractor will use the "standard required house package" as indicated below as a base to enhance equipment and cost as necessary to the renter. Payment for services for rentals with be submitted by renter. City sound specifications are as follows in the below requirements.

Sound Requirements

All sound equipment provided by the Contractor shall be of the highest quality. A line array sound system is required. The control of sound within the venue is essential and the City's acceptable sound level shall not exceed 95 decibels "A" weighted at the mixer location during sound check and performance. Contract shall provide the following:

- Line Array System – Concert Grade (JBL Vertech or V'Dosc) complete system with a minimum of 16 cabinets flown and 8 sub-cabinets.
- Stacked Audio System – Concert grade. Capable of reaching lower-level grass area of the Amphitheater.
- Bid one cost for Line Array System and one cost for Stacked Audio System
- Main and Monitor Amps – Acceptable brands: Crest, Crown, Ashly & Q.S.C.
- House Mixing Console – Acceptable brands: Yamaha: 4K or 5D as required by artist.
- Monitor Console – Yamaha: 4K or 5D as required by artist.
- Monitors – speakers and in-ears as required by artist.
- All necessary outboard gear, processing and insertable.
- All cables needed – Microphone, power cable, snakes (52 channel) sub snakes, etc.
- Complete Power Distribution
- All microphones needed – Includes all necessary microphones, direct boxes, stands and booms per artist's requirements.
- All components, plus CD, playback, etc.
- Clear-Com Communication System or equal system
- Technicians – Standard number of qualified audio engineers experienced in large concert systems needed to set-up and operate system. (Standard number of techs used to properly/efficiently handle load in and load out of all equipment, techs located at sound pad and on-stage during performance to run equipment properly and troubleshoot audio issues without disruption to the show).

Artist Backline

- Ability to meet artist backline requirements as necessary and negotiate backline as City budget allows.

Additional Company/Contractor Required Qualifications

- Contractor shall be a full-service sound company, recognized in the industry featuring a large inventory of state-of-the-art sound equipment.
- Contractor shall specialize in sound installs at outdoor venues for live headliner concerts.
- Contractor shall provide sound and stage equipment that is UL or CSA Certified per OSHA regulations and requirements.
- Contractor shall have the ability to provide a variety of quality sound packages for different types of live concerts ranging from 1,000 to 10,000 people.
- Contractor shall provide quality sound systems that meet the highest industry standards and required City specifications.
- Contractor shall provide technical expertise, superior service and highly skilled production crews to be on-site for duration of event.

- Technicians shall provide an expertly balanced and tuned system per show with the ability to address sound quality problems in a timely manner.

Additional Costs
The Contractor event fees shall include the equipment, fuel, transportation, delivery, set-up, teardown, two spot operators and professional labor necessary to ensure efficient load-in and load-out of own equipment and artist band gear per performance.

Notice of Event Change

Events change throughout the year and may not apply each year. Scheduling of technicians: The contractor agrees to provide technicians for each event on an "as-needed" basis. The City will make every effort to give reasonable notification for its Sound Production requests.

2.2 CONTRACTOR shall have no claim for compensation for any services or work, which has not been authorized by CITY's Authorization to Proceed.

2.3 CONTRACTOR shall not accept any change of scope, or change in contract provisions, to this Contract unless issued in writing, as a contract change order or amendment and signed by CITY. Any extensions of time must be mutually agreed upon in writing and executed by both parties.

2.4 CONTRACTOR shall maintain in current status all Federal, State, and local licenses and permits required for the operation of the business conducted by the CONTRACTOR as applicable to this contract.

2.5 All work supplied under this Contract shall be fully guaranteed by CONTRACTOR for a minimum period of 60 days from the date of acceptance by CITY. Any defects of design, workmanship, or materials that would result in non-compliance with the Contract specifications shall be fully corrected by CONTRACTOR (including parts and labor) without cost to CITY. The written warranty shall be included with the delivered products to the using Department.

2.6 CITY shall provide to CONTRACTOR, without charge, all data, program information, including reports, records, maps, and other information, now in CITY's possession, which may facilitate the timely performance of the work.

3 CONTRACTOR'S KEY PERSONNEL

3.1 **Key Staff.** CITY reserves the right to review and approve CONTRACTOR'S staff including all subcontractors to be assigned to any project by CONTRACTOR during the term of this Contract.

This Contract has been awarded to CONTRACTOR based partially on the key personnel proposed to perform the services required herein. CONTRACTOR shall not change nor substitute any of these key staff for work on this Contract without prior written approval by CITY.

CONTRACTOR's Team and Key Personnel are as follows:

Brent Milton, President
Steve Grider, VP Business Development
Efrain Flores, Production Manager

661/395-1448

This Services Contract has been awarded to CONTRACTOR based on its representation that those personnel and subcontractors submitted as part of its bid and listed above will perform the portions of the work listed above.

CONTRACTOR shall not deviate nor substitute any of these team members without prior written approval by CITY.

3.2 **Subcontractors.** During the performance of the Agreement, CONTRACTOR may engage such additional SUBCONTRACTORS as may be required for the timely completion of this Agreement. In the event of subcontracting, the sole responsibility for fulfillment of all terms and conditions of this Agreement rests with CONTRACTOR.

CONTRACTOR shall not enter into any Subcontract under this Contract for the performance of this Contract without the advance written approval of CITY. The subcontract shall incorporate by reference the terms and conditions of this Contract.

3.3 **Direct Responsibility.** All services required under this Contract shall be performed by CONTRACTOR, or under CONTRACTOR's direct supervision, and all personnel shall possess the qualifications, permits and licenses required by State and local law to perform such services.

3.3.1 CONTRACTOR shall be solely responsible for the satisfactory work performance of all personnel engaged in performing services required by this Contract, and compliance with all reasonable performance standards established by CITY.

3.3.2 CONTRACTOR shall be responsible for payment of all CONTRACTOR's employees' and subcontractor's wages and benefits and shall comply with all requirements pertaining to the employer's liability, workers' compensation, unemployment insurance, and Social Security.

3.3.3 CONTRACTOR shall indemnify and hold harmless CITY, and its respective officers, agents and employees from and against all claims, demands, damages or costs arising from CONTRACTOR's acts or omissions with respect to any liability, damages, claims, costs and expenses of any nature arising from alleged violations of personnel practices.

4 ACCEPTANCE AND DOCUMENTATION

Each task shall be reviewed and approved by the Contract Project Manager to determine acceptable completion.

4.1 **Records**. The CONTRACTOR shall retain and shall contractually require each SUBCONTRACTOR to retain all data and other "records" relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract.

4.2 **Property of CITY.** All materials, including reports, computer programs and other deliverables, supplied or created under this Contract are the sole property of CITY. CONTRACTOR is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. CONTRACTOR shall not use or release these materials without the prior written consent of CITY.

4.3 **Products.** All equipment, materials, parts, and other components incorporated in the work or services performed pursuant to this Contract shall be new, or the latest model and of the most suitable grade for the purpose intended. All work shall be performed in a skilled and workmanlike manner.

5 PRICE

CITY shall pay to CONTRACTOR an amount not to exceed Two-Hundred and Forty-Two Thousand dollars ($242000.00) for the completion of all the work and services described in Section 2, which sum shall include all costs or expenses incurred by CONTRACTOR, payable as follows:

City Concert/Amphitheater Rentals (House Package) Per Artist:
- Line Array Complete System
  YEAR 1: $12,000.00
  YEAR 2: $13,200.00
  YEAR 3: $14,520.00
- Stacked Audio Complete System
  YEAR 1: $6,300.00
  YEAR 2: $6,930.00
  YEAR 3: $7,623.00

Amphitheater (Grant Use Package) Per Artist:
- Line Array Complete System
  YEAR 1: $15,000.00
  YEAR 2: $16,500.00
  YEAR 3: $18,000.00
- Stacked Audio Complete System
  YEAR 1: $9,000.00
  YEAR 2: $9,900.00
  YEAR 3: $10,800.00

5.1 An application for payment form must be submitted to CITY which shall include the following: a clear, detailed invoice reflecting work being billed for, a summary sheet showing percentage of work completed to date, amount/percent billed to date and current status of all tasks within a project; any/all backup documentation supporting the above items. Work schedule updates must also be included with the payment requests.

5.2 CONTRACTOR shall maintain adequate records and shall permit inspection and audit by CITY of CONTRACTOR's charges under this Contract. CONTRACTOR shall make such records available to CITY during normal business hours upon reasonable notice. Nothing herein shall convert such records into public records, and they will be available only to CITY and any specified public agencies. Such records shall be maintained by CONTRACTOR for one (1) year following completion of the work under this Contract unless a longer period of time is required by state or federal law, in which event CONTRACTOR shall retain its records for the time required by such laws.

5.3 **Payment.** A separate invoice shall be issued for each shipment of material or service performed, and no payment will be issued prior to receipt of material and/or completion of specified services and receipt of a correct invoice.

6 TAXES

6.1 CONTRACTOR shall pay all sales, consumer, use, and other similar taxes required to be paid by CONTRACTOR in accordance with state and local laws.

6.2 CONTRACTOR is an independent contractor and shall have no power or authority to incur any debt, obligation, or liability on behalf of CITY. No person employed by CONTRACTOR or acting on its behalf, in connection with this Contract shall be considered the Agent or employee of CITY.

6.3 CONTRACTOR shall be required to obtain a current City of Palmdale business license, as required by the Palmdale Municipal Code, before an Authorization to Proceed is issued.

6.4 When equipment, materials or supplies generally taxable to CONTRACTOR are eligible for a tax exemption due to the nature of the work, CONTRACTOR shall assist the City in applying for and obtaining such tax credits and exemptions, which shall be paid or credited to the City.

7 PATENT FEES AND ROYALTIES

CONTRACTOR shall pay all license fees and royalties and assume all costs incident to the use, in the performance of the work or the incorporation in the work of any invention, design, process, program, product or device which is the subject of patent rights or copyrights held by others. If a particular invention, design, process, program, product or device is specified in the contract documents for use in the performance of

the work and if, to the actual knowledge of CITY, its use is subject to patent rights or copyrights calling for the payment of any license fee or royalty to others, the existence of such rights shall be disclosed by CITY in the contract documents. CONTRACTOR shall indemnify and hold harmless CITY and anyone directly or indirectly employed by CITY from and against all claims, damages, losses and expenses (including attorneys' fees) arising out of any infringement of patent rights or copyrights incident to the use in the performance of the work, or resulting from the incorporation in the work of any invention, design, process, program, product or device not specified in the contract documents, and shall defend all such claims in connection with any alleged infringement of such rights.

8 INDEMNIFICATION

To the fullest extent permitted by law, CONTRACTOR and any subcontractors working on its behalf agree to indemnify CITY, its officers, employees, agents and elected and appointed boards (hereinafter "Indemnified Parties") for any loss, claim, demand, cause of action, cost, expense, damage, obligation or liability which arises out of or is in any way connected with the performance of any work under this agreement, including any acts or omissions, willful misconduct or negligent conduct, whether active or passive, on the part of CONTRACTOR, or its subcontractors, and regardless of any acts, omissions or negligence (whether active or passive) of any person or entity indemnified hereunder. At their own expense, CONTRACTOR and, as applicable, any subcontractors working on its behalf, shall defend any suit, claim or action against the Indemnified Parties founded upon such loss, claim, demand, cause of action, cost, expense, damage, obligation or liability. CONTRACTOR shall ensure that the contract of any subcontractor working under this agreement contain an indemnity agreement, requiring the subcontractor to indemnify and defend the Indemnified Parties pursuant the terms set forth above. CONTRACTOR shall indemnify the Indemnified Parties, and save it harmless from any and all loss, damage, costs, expenses and attorney's fees suffered or incurred on account of any breach of the aforesaid obligations and covenants, and any other provision or covenant of this agreement.

9 INSURANCE

9.1 CONTRACTOR, at its expense, shall maintain in effect at all times during the performance of work under this Contract not less than the following coverage and limits of insurance, which shall be maintained with insurers listed "A" or better in the Best's Insurance Guide and authorized to do business in the State of California. **Proof of Insurance, as identified in Section 9.8, must be reviewed and accepted by the City Attorney**.

9.1.1 Workers' Compensation and Employer's Liability

- Workers' Compensation -- coverage as required by the State of California
- Employer's Liability -- $1,000,000.00 each accident
  $1,000,000.00 policy limit bodily injury

$1,000,000.00 each employee bodily injury by disease

9.1.2 Commercial General Liability
- $2,000,000.00 limit on a per occurrence basis
- $5,000,000.00 general aggregate limit

9.1.3 Commercial Automobile Liability
- $2,000,000.00 combined single limit including owned, non-owned and hired automobile coverage

9.2 All of CONTRACTOR's policies shall contain an endorsement providing that written notice shall be given to CITY at least thirty (30) calendar days prior to termination, cancellation, or reduction of coverage in the policy.

9.3 Policies providing for bodily injury and property damage coverage shall contain the following:

A. An endorsement extending coverage to the City as an additional insured, as respects liability arising out of the performance of any work under the Contract. Such insurance shall be primary insurance, as respects the interest of the City, and any other insurance maintained by the City shall be considered excess coverage and not contributing insurance with the insurance required hereunder. The certificates shall state: "The City of Palmdale, Successor Agency to the Community Redevelopment Agency of the City of Palmdale, Palmdale Civic Authority, Housing Authority, Industrial Development Authority, Airport Authority, their officers, agents, employees and volunteers are named as additional insured".

B. "Severability of Interest" Clause.

9.4 Promptly upon execution of this Contract, and prior to commencement of any work, CONTRACTOR shall deliver to CITY certificates of insurance and endorsements to all required policies demonstrating that CONTRACTOR has the required coverage and showing the required named insured. Within five (5) days of written request from CITY, CONTRACTOR shall deliver to CITY full and complete copies of all insurance policies required by this Contract.

9.5 The requirements as to the types and limits of insurance to be maintained by CONTRACTOR are not intended to and shall not in any manner limit or qualify CONTRACTOR's liabilities and obligations under this Contract.

9.6 Any policy or policies of insurance that CONTRACTOR elects to carry as insurance against loss or damage to its equipment and tools or other personal property used in the performance of this Contract shall include a provision waiving the insurer's right of subrogation against CITY.

9.7 All insurance coverage must be maintained throughout the duration of this Contract.

9.8 Acceptable Proof of Insurance:

9.8.1 ACORD Certificate of Insurance listing all coverage, limits, deductibles and insured; and endorsements for all applicable coverage if agent has authority to issue it; or additional insured Form CG20100704 and CG20370704 or equivalent must be provided for general liability coverage. Additional insured form CA0001 must be provided for automobile liability coverage.

9.8.2 Binders of insurance for all coverage. Agents must confirm that policy endorsements have been ordered from the respective insurance companies. Upon issuance, policy endorsements and a corresponding Certificate of Insurance listing all insurers and coverage must be submitted to the City Attorney.

9.9 Notwithstanding any other provision of this Contract, CITY may immediately terminate this Contract if, at any time CONTRACTOR fails to maintain the required insurance for any period of time or fails to comply with any of the insurance requirements listed above.

10 TERMINATION WITHOUT CAUSE

City reserves the right to terminate this Contract or any part thereof for its sole convenience with fifteen (15) days written notice. In the event of such termination, CONTRACTOR shall immediately stop all work hereunder, and shall immediately cause any of its suppliers and subcontractors to cease such work. CONTRACTOR shall also surrender to CITY all finished or unfinished documents, processes, programs and other supplies and materials, which shall be City's property. As compensation in full for services performed to the date of such termination, the CONTRACTOR shall receive an amount equal to the value of the work completed as of the termination date in accordance with the fee schedule or as negotiated between the parties. In no event shall the amount payable upon termination exceed the total maximum compensation provided for in this Contract.

11 TERMINATION FOR CAUSE

If CITY determines that CONTRACTOR has failed to supply an adequate working force, or to provide services of proper quality, or has failed in any other respect to satisfactorily perform the services specified in this Contract, CITY shall give written notice to CONTRACTOR specifying all defaults to be remedied within thirty (30) days. Such notice shall set forth the basis for CITY's dissatisfaction and suggest corrective measures. If, after thirty days, CONTRACTOR has failed to implement appropriate corrective measures, CITY may elect to terminate this Contract in whole or in part.

11.1 In the event CITY terminates this Contract, in whole or in part, for cause, CITY may procure, upon such terms and in such manner, as it may deem appropriate, services similar to those terminated.

11.2 CONTRACTOR shall provide all finished or unfinished documents, data, studies, software, drawings, programs, processes, maps, photographs, reports, etc., prepared by CONTRACTOR within fifteen (15) working days after notice of termination. Upon such termination, CONTRACTOR shall be paid an amount equal to the value of the services provided and work performed as of the date of termination, taking into consideration the costs associated with hiring another CONTRACTOR to complete the services. In ascertaining the value of the work performed up to the date of termination, consideration shall be given to both completed work and work in progress, to complete and incomplete documents when such are delivered to CITY, and to authorized reimbursement expenses. The above is in addition to any other remedies available by law or equity to CITY.

11.3 If, after notice of termination of the Contract under the provisions of this Section 11, it is determined, for any reason, that CONTRACTOR was not in default, or that the default was excusable, then the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Section 10.

12 DISPUTE RESOLUTION

All claims, disputes, and other matters in question between CITY and CONTRACTOR arising out of or relating to this Contract or the breach thereof shall, to the extent reasonably feasible, be resolved through good faith negotiations between the parties.

13 OWNERSHIP OF PRODUCT

All product, data, documents, programs and software including, but not limited to, research, field notes, investigations, analysis, studies, processes, software, instructions for use and other manuals, whether complete or incomplete, which are prepared or produced in the performance of this Contract are to be, and remain the property of CITY and shall be delivered to or left with CITY upon the completion or termination of this Agreement. CONTRACTOR shall furnish CITY, upon its request, originals and reproducible and electronic copies of product, data reports, studies and of all other documents listed above. Electronic copies shall be provided in an unprotected format which allows CITY to copy, reproduce and makes changes as CITY deems necessary.

14 DELEGATION AND ASSIGNMENT

14.1 CONTRACTOR shall not delegate or assign its duties or rights hereunder, either in whole or in part, without the prior written consent of CITY; provided, however, that claims for money due or to become due to CONTRACTOR from CITY under this Contract may be assigned to a bank, trust company or other financial institution without such approval.

14.2 Any assignment, delegation or subcontract shall be made in the name of CONTRACTOR and shall not bind or purport to bind CITY and shall not release CONTRACTOR from any obligations under this Contract including, but not limited to,

the duty to properly supervise and coordinate the work of employees, assignees, delegates and subcontractors. No such assignment, delegation or subcontract shall result in any increase in the amount of total compensation payable to CONTRACTOR under this Contract.

15 NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY

15.1 In performance of this Contract, CONTRACTOR shall not discriminate against any employee, subcontractor, or applicant for employment because of sex, color, race, religion, ancestry, national origin, disability, medical condition, marital status, sexual orientation, or age. CONTRACTOR will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their sex, color, race, religion, ancestry, national origin, disability, medical condition, marital status, sexual orientation or age. Affirmative action relating to employment shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

15.2 The provisions of subsection 15.1 above shall be included in all solicitations or advertisements placed by or on behalf of CONTRACTOR for personnel to perform any services under this Contract. CITY shall have access to all documents, data and records of CONTRACTOR and its subcontractors for purposes of determining compliance with the equal employment opportunity and non-discrimination provisions of this Section, and all applicable provisions of Executive Order No. 11246 which is incorporated herein by this reference. A copy of Executive Order No. 11246 is available for inspection at, and on file with, the Palmdale City Clerk's Office.

16 FINANCIAL INTEREST CERTIFICATION

16.1 CONTRACTOR warrants that no person has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee; and that no officer or employee of the CITY has any interest, financially or otherwise, in CONTRACTOR's firm.

16.2 For breach or violation of this warranty, CITY shall have the right to annul this Contract without liability or at its discretion to deduct from the Contract Price or consideration, the full amount of such commission, percentage, brokerage or contingent fee.

17 CONFLICT OF INTEREST

17.1 CONTRACTOR stipulates that its officers and employees do not now have a conflict of interest and it further agrees for itself, its officers and its employees that it will not contract for or accept employment for the performance of any work or services with any individual business, corporation or government unit that would create a conflict of interest in the performance of its obligations pursuant to this Contract or which would cause CONTRACTOR to be "financial interested" (as

provided in California Government Code Section 1090 et seq. or 87100 et seq.) in any contract or decision made by CITY on any matter.

17.2 CONTRACTOR shall not employ any City official or employee to perform any work required pursuant to this Contract.

17.3 To the extent required by the City Manager or his designee, CONTRACTOR shall complete and file with the City Clerk a Form 700 Statement of Economic Interests disclosing any reportable property interests, income, gifts, investments, or business positions.

18 COMPLIANCE WITH LAW

18.1 CONTRACTOR shall comply with all state and federal laws, including but not limited to, the requirement to hire only those persons authorized by federal law to work in the United States. If CONTRACTOR uses any subcontractors to complete this Contract, this same requirement shall be included in all subcontracts and strictly enforced by CONTRACTOR.

18.2 The law of the state of California shall govern this Contract. The venue of any legal action, either formal or informal, shall be the County of Los Angeles.

19 NOTICES

Any notice required under this Contract shall be in writing, addressed to the appropriate party at its address on the signature page and given personally or by registered or certified mail postage prepaid, or by a commercial courier service. All notices shall be effective upon the date of receipt.

20 ENTIRE AGREEMENT AND AMENDMENTS

20.1 This Contract is the complete Agreement between the parties and supersedes all prior proposals, agreements, and understandings between the parties and may not be modified or terminated orally.

20.2 No attempted waiver of any of the provisions hereof, nor any modification in the nature, extent or duration of the work to be performed by CONTRACTOR hereunder, shall be binding unless in writing and signed by the party against whom the same is sought to be enforced.

20.3 The failure of any party to enforce against another party any provision of this Contract shall not constitute a waiver of that party's right to enforce such a provision at a later time, and shall not serve to vary the terms of this Contract.

21 ATTORNEY'S FEES

If any action at law or in equity is brought to enforce or interpret any provisions of this Contract, the prevailing party in such action shall be entitled to reasonable attorney's fees, costs and necessary disbursements, in addition to such other relief as may be sought and awarded.

In Witness Whereof, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE:

Steven D. Hofbauer Date
Mayor

PACIFIC WEST SOUND INC.:

3/17/2022

Brent Milton Date
President

ADDRESS FOR NOTICE:
CITY OF PALMDALE
827 East Avenue Q-9
Palmdale, Ca 93550

ADDRESS FOR NOTICE:
PACIFIC WEST SOUND INC.
521 East 21st Street
Bakersfield, CA 93305

APPROVE AS TO FORM:

Christopher L. Beck
City Attorney

ATTEST:

Shanae S. Smith
City Clerk

ATTEST: If Corporation

Secretary

City Council Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **PARKS & RECREATION DEPARTMENT**

DISTRICT: **ALL**

SUBJECT: **ADOPT RESOLUTION NO. CC 2026-069, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE APPROVING THE APPLICATION FOR STATEWIDE PARK DEVELOPMENT AND COMMUNITY REVITALIZATION PROGRAM GRANT FUNDS FOR THE ARNIE QUINONES PARK PROJECT**

RECOMMENDATION

Staff recommend that the City Council:

1. Adopt Resolution No. CC 2026-069, a Resolution of the City Council of Palmdale approving the application for Statewide Park Development and Community Revitalization Program ("Statewide Park Program") grant funds for the Arnie Quinones Park Project; and

2. Authorize the City Manager or his designee as the City's authorized signer for allocation of Statewide Park Program funds for the Arnie Quinones Park Project.

BACKGROUND

The Statewide Park Program (SPP) is a competitive grant program administered by the California Department of Parks and Recreation. The program provides funding for the development of new parks and recreational opportunities in underserved communities. The current funding cycle offers approximately $188.5 million statewide, with a maximum grant award of $8.5 million per project and no local match requirement.

As part of the recent budget adoption for FY 2026-27, City Council approved funding for the design phase of improvements to Arnie Quinones Park. Staff is proactively pursuing external funding opportunities to support future construction costs, including this grant application.

DISCUSSION

The City's Park and Recreation Master Plan (Plan) identifies adding new components at existing parks where service levels are low and developing new park acres as both key objectives. Arnie Quinones Park improvements are identified in the Plan as a priority

for future capital improvements, and completing the park's development aligns closely with the grant program's objectives. The proposed project will support the City's ongoing efforts to enhance public spaces and provide inclusive, high-quality recreational amenities for residents of all ages and abilities.

To be eligible for SPP funding, applicants must submit a formal resolution authorizing the grant application and designating a representative to act on the City's behalf. Adoption of this resolution confirms the City's commitment to the proposed project and compliance with program requirements.

FISCAL IMPACT

$0; There is no immediate fiscal impact associated with submitting the grant application. The Statewide Park Program provides up to $8.5 million per project and does not require a local funding match. The cost to construct the park has not yet been determined; an engineer's cost estimate will be developed as the design process progresses.

STRATEGIC PLAN

Goal III: Invest in infrastructure to improve community livability.

> C. Plan and maintain safe and attractive neighborhoods, streets, facilities, and public spaces with exciting programming that promotes active fun for everyone.

Prepared by:	Keri Smith, Director of Parks and Recreation
Certified as to availability of Funds:	Janelle Samson, Deputy City Manager
Approved by:	Salvador Mendez, City Manager
Approved as to form:	Taylor Anderson, Deputy City Attorney

ATTACHMENTS

Reso. No. CC 2026-069

CITY COUNCIL
CITY OF PALMDALE, CALIFORNIA
RESOLUTION NO. CC 2026-069

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE APPROVING THE APPLICATION FOR STATEWIDE PARK DEVELOPMENT AND COMMUNITY REVITALIZATION PROGRAM GRANT FUNDS FOR THE ARNIE QUINONES PARK PROJECT

WHEREAS, the State Department of Parks and Recreation has been delegated the responsibility by the Legislature of the State of California for the administration of the Statewide Park Development and Community Revitalization Grant Program, setting up necessary procedures governing the application; and

WHEREAS*,* said procedures established by the State Department of Parks and Recreation require the applicant to certify by resolution the approval of the application before submission of said application to the State; and

WHEREAS*,* successful applicants will enter into a contract with the State of California to complete the Grant Scope project; and

WHEREAS, the City of Palmdale ("City" or "Applicant") desires to submit an application to the State Department of Parks and Recreation for Statewide Park Development and Community Revitalization Program grant funds for the Arnie Quinones Park Project; and

NOW THEREFORE, BE IT RESOLVED, THE CITY COUNCIL OF THE CITY OF PALMDALE DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

SECTION 1: Approves the filing of an application for the Arnie Quinones Park Project (“project”) under the Statewide Park Development and Community Revitalization Grant Program; and

SECTION 2: Certifies that said Applicant has or will have available, prior to commencement of any work on the project included in this application, the sufficient funds to complete the project; and

SECTION 3: Certifies that if the project is awarded, the Applicant has or will have sufficient funds to operate and maintain the project; and

SECTION 4: Certifies that the Applicant has reviewed, understands, and agrees to the General Provisions contained in the contract shown in the Grant Administration Guide; and

SECTION 5: Delegates the authority to the City Manager, or their designee, including the Director of Parks and Recreation, to conduct all negotiations, sign and submit all documents, including, but not limited to, applications, agreements, amendments, and payment requests, which may be necessary for the completion of the Grant Scope; and

SECTION 6: Agrees to comply with all applicable federal, state and local laws, ordinances, rules, regulations and guidelines.

SECTION 7: The City Council finds that this Resolution is not a "project" within the meaning of the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) ("CEQA") because it is a government funding mechanism and fiscal activity that does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment, and an organizational and administrative activity of government that will not result in direct or indirect physical changes in the environment (CEQA Guidelines § 15378(b)(4), (b)(5)). Additionally, the Resolution is exempt under CEQA Guidelines § 15061(b)(3) because it can be seen with certainty that there is no possibility the action may have a significant effect on the environment. Approval of this application does not commit the City to any particular project, and the City will complete any required environmental review for the Arnie Quinones Park Project prior to approving the project.

SECTION 8: This Resolution shall become effective immediately upon adoption.

SECTION 9: The City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED and **ADOPTED** this 1st day of December, 2026.

_____
Eric Ohlsen, Mayor

APPROVED AS TO FORM:

_____
Aleks Giragosian
City Attorney

ATTEST:

_____
Rochelle Scott, City Clerk

I, Rochelle Scott, City Clerk of the City of Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the 1st day of December, 2026 by the following roll call vote:

AYES: _____

NOES:_____

ABSTAIN:_____ABSENT:_____

Date: _____ _____
Rochelle Scott, City Clerk

City Council Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **PUBLIC SAFETY DEPARTMENT**

DISTRICT: **ALL**

SUBJECT: **APPROVE AGREEMENT WITH PHOENIX GROUP INFORMATION SYSTEMS FOR CITATION PROCESSING SOFTWARE AND RELATED SERVICES IN AN AMOUNT NOT TO EXCEED $600,000 FOR A FIVE-YEAR TERM THROUGH NOVEMBER 3, 2031**

RECOMMENDATION

Staff recommend that the City Council:

1. Approve Agreement No. A-10074 with Phoenix Group Information Systems for citation processing software and related services in an amount not to exceed $600,000 for a five-year term through November 3, 2031; and

2. Authorize the City Manager or his designee to execute Agreement No. A-10074 with Phoenix Group Information Systems, including minimal and/or non-substantial changes.

BACKGROUND

The City of Palmdale contracts for citation processing software and related services to support the administration, processing, adjudication, collection, and resolution of parking citations and administrative citations issued within the City. These services require an integrated system capable of processing citation information from issuance through final resolution, while providing administrative support, public access, payment processing, financial reconciliation, collections, customer service, reporting, and related technical support.

The City issued Request for Proposals (RFP) No. 26-001-2500 on April 21, 2026, through PlanetBids, a nationwide procurement platform, to solicit proposals from qualified firms capable of providing citation processing software and related services. Proposals were due May 21, 2026, following a question-and-answer deadline of May 5, 2026. The City received proposals from three firms, including Phoenix Group Information Systems.

The proposals were evaluated based on the criteria established in the RFP. The results of the proposal evaluation, including the firms' rankings, locations, and proposed costs, are summarized below.

Firm	Ranking	Location	Proposed Annual Cost
Phoenix Group Information Systems	1	Santa Ana, CA 92705	$1,746.97*
Data Ticket, Inc.	2	Irvine, CA 92614	$133,882.83*
FSH Technologies	3	Philadelphia, PA 19107	$85,000.00

*Proposed project costs are subject to change based on citation volume.

None of the firms that submitted proposals were located within the City of Palmdale. Following the City's evaluation process, Phoenix Group Information Systems was selected as the successful proposer based on its highest overall evaluation score. The other proposals received lower scores, primarily due to less substantive and detailed proposal submissions.

The proposed Agreement No. A-10074 would establish a new five-year agreement with a not-to-exceed amount of $600,000 for citation processing software and related services. Under the proposed agreement, Phoenix Group Information Systems would continue to provide comprehensive citation processing and payment services for parking citations and administrative citations.

The new Agreement would replace the City's existing agreement with Phoenix Group Information Systems, which expired on November 3, 2026, providing continuity of citation processing services without interruption.

DISCUSSION

Approval of the proposed agreement will allow the City to continue citation processing and payment services necessary to support the administration and resolution of parking citations and administrative citations. These services support timely and consistent processing of citations, payment collection, adjudication, customer service, and related administrative functions.

Phoenix Group Information Systems has provided citation processing services to the City under the existing agreement and has familiarity with the City's citation processing requirements and operations. Continuing with the same provider following the City's competitive procurement process will support continuity of service and minimize disruption to ongoing citation processing activities.

Maintaining these services supports the City's ability to efficiently administer citation programs, provide accessible payment and customer service options, and ensure the timely processing and reconciliation of citation-related transactions.

FISCAL IMPACT

$600,000; Funds are available in the FY 2026-27 Information Technology Software Agreement account. Sufficient funds will be requested in each subsequent fiscal year's budget.

STRATEGIC PLAN

Goal I: Maintain effective public safety and protection for life, property and the environment.

A. Provide comprehensive and innovative safety services to prevent crime and promote a safe community.

Prepared by:	Michael McComas, Director of Public Safety
Certified as to availability of Funds:	Janelle Samson, Deputy City Manager
Approved by:	Salvador Mendez, City Manager
Approved as to form:	Taylor Anderson, Deputy City Attorney

ATTACHMENTS

Agrmt No. A-10074 with Phoenix Group Information Systems
Exh A – Scope of Work
Exh B – Cost Proposal

AGREEMENT NO. A-10074
CONTRACT FOR SERVICES
BETWEEN THE CITY OF PALMDALE AND PHOENIX GROUP INFORMATION SYSTEMS

This CONTRACT for services ("Contract" herein) is made and entered into by and between the City of Palmdale, a public body corporate and politic, (hereinafter called "CITY"), and PHOENIX GROUP INFORMATION SYSTEMS, a C-Corporation , (hereinafter called "CONTRACTOR"). This Contract shall become effective on the date of the last signatory.

RECITALS

WHEREAS, CONTRACTOR represents that CONTRACTOR has the expertise and is qualified to perform the services described in this Contract.

NOW THEREFORE, CITY and CONTRACTOR, in consideration of the mutual covenants hereinafter set forth, agree as follows:

1 CITY PROJECT MANAGER

To provide the services required by this Contract, CONTRACTOR shall act under the authority and approval of Michael McComas, Director of Public Safety Director/designee, who shall oversee this Contract, the work performed by CONTRACTOR, assist CONTRACTOR with any necessary information, audit billings, and approve payments. The CONTRACTOR shall channel all contacts and requests through the City project manager.

2 DESCRIPTION OF WORK

2.1 CONTRACTOR shall provide the following services in a manner satisfactory to CITY:

The CONTRACTOR shall provide comprehensive citation processing and payment services for parking citations and administrative citations, from issuance through final resolution as provided by Exhibit A - Scope of Work. Services shall include, at a minimum:

A. General Information Processing
B. Data Processing
C. Correspondence Processing
D. Adjudication Processing
E. Equipment and Software
F. Software System Requirements
G. Online Public Access
H. Financial Deposits and Reconciliation
I. Collections Processing
J. Customer Service Center
K. Reporting and Invoicing
L. Implementation, Training, and Support

The following Exhibits are attached hereto and incorporated by this reference:
 Exhibit A – Scope of Work
 Exhibit B – CONTRACTOR's Cost Proposal

2.2 CONTRACTOR shall have no claim for compensation for any services or work, which has not been authorized by CITY's Authorization to Proceed.

2.3 CONTRACTOR shall not accept any change of scope, or change in contract provisions, to this Contract unless issued in writing, as a contract change order or amendment and signed by CITY. Any extensions of time must be mutually agreed upon in writing and executed by both parties.

2.4 CONTRACTOR shall maintain in current status all Federal, State, and local licenses and permits required for the operation of the business conducted by the CONTRACTOR as applicable to this contract.

2.5 All work supplied under this Contract shall be fully guaranteed by CONTRACTOR for a minimum period of 30 days from the date of acceptance by CITY. Any defects of design, workmanship, or materials that would result in non-compliance with the Contract specifications shall be fully corrected by CONTRACTOR (including parts and labor) without cost to CITY. The written warranty shall be included with the delivered products to the using Department.

2.6 CITY shall provide to CONTRACTOR, without charge, all data, program information, including reports, records, maps, and other information, now in CITY's possession, which may facilitate the timely performance of the work.

3 CONTRACTOR'S KEY PERSONNEL

3.1 **Key Staff.** CITY reserves the right to review and approve CONTRACTOR'S staff including all subcontractors to be assigned to any project by CONTRACTOR during the term of this Contract.

This Contract has been awarded to CONTRACTOR based partially on the key personnel proposed to perform the services required herein. CONTRACTOR shall not change nor substitute any of these key staff for work on this Contract without prior written approval by CITY.

CONTRACTOR's Team and Key Personnel are as follows:

Robert T. Murphy, President
Claire Murphy, Vice President & Project Manager
Ersin Kivilcim, Director of Information Technology
Mallesh Kunchakurthi, Software Engineer
Raquel Belman, Client Relations Director
Alma Mozo, Administrative Lead & Accounting Supervisor
Cathy Garcia, Permit Technical Specialist
Belen Crisostomo, Operations Supervisor

This Services Contract has been awarded to CONTRACTOR based on its representation that those personnel and subcontractors submitted as part of its bid and listed above will perform the portions of the work listed above.

CONTRACTOR shall not deviate nor substitute any of these team members without prior written approval by CITY.

3.2 **Subcontractors.** During the performance of the Agreement, CONTRACTOR may engage such additional SUBCONTRACTORS as may be required for the timely completion of this Agreement. In the event of subcontracting, the sole responsibility for fulfillment of all terms and conditions of this Agreement rests with CONTRACTOR.

CONTRACTOR shall not enter into any Subcontract under this Contract for the performance of this Contract without the advance written approval of CITY. The subcontract shall incorporate by reference the terms and conditions of this Contract.

3.3 **Direct Responsibility.** All services required under this Contract shall be performed by CONTRACTOR, or under CONTRACTOR's direct supervision, and all personnel shall possess the qualifications, permits and licenses required by State and local law to perform such services.

3.3.1 CONTRACTOR shall be solely responsible for the satisfactory work performance of all personnel engaged in performing services required by this Contract, and compliance with all reasonable performance standards established by CITY.

3.3.2 CONTRACTOR shall be responsible for payment of all CONTRACTOR's employees' and subcontractor's wages and benefits and shall comply with all requirements pertaining to the employer's liability, workers' compensation, unemployment insurance, and Social Security.

3.3.3 CONTRACTOR shall indemnify and hold harmless CITY, and its respective officers, agents and employees from and against all claims, demands, damages or costs arising from CONTRACTOR's acts or omissions with respect to any liability, damages, claims, costs and expenses of any nature arising from alleged violations of personnel practices.

3.4 Standards of Performance. CONTRACTOR shall be responsible for the completeness and accuracy of its services and work and documents resulting there from, and CITY shall not be responsible for discovering deficiencies therein. CONTRACTOR shall correct any such deficiencies or errors without additional compensation and without cost to CITY, except to the extent any such deficiency is directly attributable to deficiencies in CITY-furnished information.

3.5 This Contract is subject to Government Code section 84308, as amended by Senate Bill 1439 (2022), Senate Bill 1181 (2024), and Senate Bill 1243 (2024). CONTRACTOR shall disclose any contribution to an elected or appointed CITY official's campaign or committee in an amount of more than five hundred dollars ($500) made within 12 months preceding the Commencement Date, by CONTRACTOR, its, her, or his agent, or another party affiliated with CONTRACTOR.

3.6 All data provided to or collected by CONTRACTOR under this Contract, including citation, DMV, payment, and personal information ("City Data"), is CITY's property and confidential. CONTRACTOR shall use City Data only to perform this Contract and shall not sell or disclose it except as required by law. CONTRACTOR shall protect City Data using industry-standard safeguards, including encryption, access controls, and background checks for personnel with access. CONTRACTOR shall comply with applicable state and federal laws and regulations regarding the protections of such data. CONTRACTOR shall notify CITY within forty-eight (48) hours of any actual or suspected unauthorized access to City Data. At the end of this Contract, CONTRACTOR shall deliver all City Data to CITY in a usable format.

4 CONTRACT TERM

The term of this Contract is five (5) years, commencing on the effective date, with CITY reserving the option to extend the agreement for two (2) additional terms of one year each.

5 ACCEPTANCE AND DOCUMENTATION

Each task shall be reviewed and approved by the Contract Project Manager to determine acceptable completion.

5.1 **Records**. The CONTRACTOR shall retain and shall contractually require each SUBCONTRACTOR to retain all data and other "records" relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract.

5.2 **Property of CITY.** All materials, including reports, computer programs and other deliverables, supplied or created under this Contract are the sole property of CITY. CONTRACTOR is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. CONTRACTOR shall not use or release these materials without the prior written consent of CITY.

5.3 **Products.** All equipment, materials, parts, and other components incorporated in the work or services performed pursuant to this Contract shall be new, or the latest model and of the most suitable grade for the purpose intended. All work shall be performed in a skilled and workmanlike manner.

6 PRICE

CITY shall pay to CONTRACTOR an amount not to exceed six hundred thousand dollars ($600000.00) for the completion of all the work and services described in Section 2, which sum shall include all costs or expenses incurred by CONTRACTOR, payable as follows:

CONTRACTOR shall be compensated in accordance with the rates set forth in Exhibit B – Cost Proposal.

6.1 An application for payment form must be submitted to CITY which shall include the following: a clear, detailed invoice reflecting work being billed for, a summary sheet showing percentage of work completed to date, amount/percent billed to date

and current status of all tasks within a project; any/all backup documentation supporting the above items. Work schedule updates must also be included with the payment requests.

6.2 CONTRACTOR shall maintain adequate records and shall permit inspection and audit by CITY of CONTRACTOR's charges under this Contract. CONTRACTOR shall make such records available to CITY during normal business hours upon reasonable notice. Nothing herein shall convert such records into public records, and they will be available only to CITY and any specified public agencies. Such records shall be maintained by CONTRACTOR for one (1) year following completion of the work under this Contract unless a longer period of time is required by state or federal law, in which event CONTRACTOR shall retain its records for the time required by such laws.In addition, pursuant to Government Code Section 8546.7, if the amount of public funds expended under this Contract exceeds ten thousand dollars, all such documents and this Contract shall be subject to the examination and audit of the State Auditor, at the request of City or as part of any audit of City, for a period of three (3) years after final payment under the Contract.

6.3 **Payment.** A separate invoice shall be issued for each shipment of material or service performed, and no payment will be issued prior to receipt of material and/or completion of specified services and receipt of a correct invoice.

7 TAXES

7.1 CONTRACTOR shall pay all sales, consumer, use, and other similar taxes required to be paid by CONTRACTOR in accordance with state and local laws.

7.2 CONTRACTOR is, and shall at all times remain as to CITY, a wholly independent contractor. CONTRACTOR shall have no power to incur any debt, obligation, or liability on behalf of CITY or otherwise to act on behalf of CITY as an agent. CONTRACTOR, its officers, employees and agents shall not have any power to bind or commit the CITY to any decision or course of action, and CONTRACTOR, its officers, employees and agents shall not represent to any person or party that it or they are acting as agents of the CITY or that it or they have the power to bind or commit the CITY. Neither CITY nor any of its agents shall have control over the conduct of CONTRACTOR or any of CONTRACTOR's employees, except as set forth in this Contract. CONTRACTOR shall not represent that it is, or that any of its agents or employees are, in any manner employees of CITY.

Under no circumstances shall CONTRACTOR look to the CITY as its employer. CONTRACTOR shall not be entitled to any benefits. CITY makes no representation as to the effect of this independent contractor relationship on CONTRACTOR's previously earned California Public Employees Retirement System ("CalPERS") retirement benefits, if any, and CONTRACTOR specifically assumes the responsibility for making such a determination. CONTRACTOR shall be responsible for all reports and obligations including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, workers' compensation, and other applicable federal and state taxes.

7.3 CONTRACTOR shall be required to obtain a current City of Palmdale business license, as required by the Palmdale Municipal Code, before an Authorization to Proceed is issued.

7.4 When equipment, materials or supplies generally taxable to CONTRACTOR are eligible for a tax exemption due to the nature of the work, CONTRACTOR shall assist the City in applying for and obtaining such tax credits and exemptions, which shall be paid or credited to the City.

8 PATENT FEES AND ROYALTIES

CONTRACTOR shall pay all license fees and royalties and assume all costs incident to the use, in the performance of the work or the incorporation in the work of any invention, design, process, program, product or device which is the subject of patent rights or copyrights held by others. If a particular invention, design, process, program, product or device is specified in the contract documents for use in the performance of the work and if, to the actual knowledge of CITY, its use is subject to patent rights or copyrights calling for the payment of any license fee or royalty to others, the existence of such rights shall be disclosed by CITY in the contract documents. CONTRACTOR shall indemnify and hold harmless CITY and anyone directly or indirectly employed by CITY from and against all claims, damages, losses and expenses (including attorneys' fees) arising out of any infringement of patent rights or copyrights incident to the use in the performance of the work, or resulting from the incorporation in the work of any invention, design, process, program, product or device not specified in the contract documents, and shall defend all such claims in connection with any alleged infringement of such rights.

9 INDEMNIFICATION

To the fullest extent permitted by law, CONTRACTOR and any subcontractors working on its behalf agree to indemnify CITY, its officers, employees, agents and elected and appointed boards (hereinafter “Indemnified Parties”) for any loss, claim, demand, cause of action, cost, expense, damage, obligation or liability which arises out of or is in any way connected with the performance of any work under this agreement, including any acts or omissions, willful misconduct or negligent conduct, whether active or passive, on the part of CONTRACTOR, or its subcontractors, and regardless of any acts, omissions or negligence (whether active or passive) of any person or entity indemnified hereunder. At their own expense, CONTRACTOR and, as applicable, any subcontractors working on its behalf, shall defend any suit, claim or action against the Indemnified Parties founded upon such loss, claim, demand, cause of action, cost, expense, damage, obligation or liability. CONTRACTOR shall ensure that the contract of any subcontractor working under this agreement contain an indemnity agreement, requiring the subcontractor to indemnify and defend the Indemnified Parties pursuant the terms set forth above. CONTRACTOR shall indemnify the Indemnified Parties, and save it harmless from any and all loss, damage, costs, expenses and attorney's fees suffered or incurred on account of any breach of the aforesaid obligations and covenants, and any other provision or covenant of this agreement.

In the event that Contractor or any employee, agent, or subcontractor of Contractor providing services under this Agreement claims or is determined by a court of competent jurisdiction or CalPERS to be eligible for enrollment in CalPERS as an employee of the City, Contractor shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for CalPERS benefits on behalf of Contractor or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

10 INSURANCE

10.1 CONTRACTOR, at its expense, shall maintain in effect at all times during the performance of work under this Contract not less than the following coverage and limits of insurance, which shall be maintained with insurers listed "A" or better in the Best's Insurance Guide and authorized to do business in the State of California. **Proof of Insurance, as identified in Section 10.8, must be reviewed and accepted by the City Attorney**.

10.1.1 Workers' Compensation and Employer's Liability
Workers' Compensation -- coverage as required by the State of California
Employer's Liability
$1,000,000 each accident
$1,000,000.00 policy limit bodily injury
$1,000,000.00 each employee bodily injury by disease

10.1.2 Commercial General Liability
$1,000,000.00 limit on a per occurrence basis
$2,000,000.00 general aggregate limit

10.1.3 Commercial Automobile Liability
$1,000,000.00 combined single limit including owned, non-owned and hired automobile coverage

10.1.4 Professional Liability (Errors & Omissions)*
$2,000,000.00 per occurrence

10.1.5 Cyber Liability*

$1,000,000.00 per occurrence

10.2 All of CONTRACTOR's policies shall contain an endorsement providing that written notice shall be given to CITY at least thirty (30) calendar days prior to termination, cancellation, or reduction of coverage in the policy.

10.3 Policies providing for bodily injury and property damage coverage shall contain the following:

A. An endorsement extending coverage to the City as an additional insured, as respects liability arising out of the performance of any work under the Contract. Such insurance shall be primary insurance, as respects the interest of the City,

and any other insurance maintained by the City shall be considered excess coverage and not contributing insurance with the insurance required hereunder. The certificates shall state: “The City of Palmdale, Successor Agency to the Community Redevelopment Agency of the City of Palmdale, Housing Authority, Industrial Development Authority, Airport Authority, their officers, agents, employees and volunteers are named as additional insured”.

B. “Severability of Interest” Clause.

The insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer’s liability.
The inclusion of the City and its officers, employees, agents, and volunteers as
additional insureds shall not affect any rights the Contractor has under the policy, nor shall it limit the insurer’s ability to deny coverage to any insured based on that insured’s own acts or omissions.

10.4 Promptly upon execution of this Contract, and prior to commencement of any work, CONTRACTOR shall deliver to CITY certificates of insurance and endorsements to all required policies demonstrating that CONTRACTOR has the required coverage and showing the required named insured. Within five (5) days of written request from CITY, CONTRACTOR shall deliver to CITY full and complete copies of all insurance policies required by this Contract.

10.5 The requirements as to the types and limits of insurance to be maintained by CONTRACTOR are not intended to and shall not in any manner limit or qualify CONTRACTOR’s liabilities and obligations under this Contract.

10.6 Any policy or policies of insurance that CONTRACTOR elects to carry as insurance against loss or damage to its equipment and tools or other personal property used in the performance of this Contract shall include a provision waiving the insurer’s right of subrogation against CITY.

10.7 All insurance coverage must be maintained throughout the duration of this Contract.

10.8 Acceptable Proof of Insurance:

10.8.1 ACORD Certificate of Insurance listing all coverage, limits, deductibles and insured; and endorsements for all applicable coverage if agent has authority to issue it; or additional insured Form CG20100704 and CG20370704 or equivalent must be provided for general liability coverage. Additional insured form CA0001 must be provided for automobile liability coverage.

10.8.2 Binders of insurance for all coverage. Agents must confirm that policy endorsements have been ordered from the respective insurance companies. Upon issuance, policy endorsements and a corresponding Certificate of Insurance listing all insurers and coverage must be submitted to the City Attorney.

10.8.3 *When professional (E&O) liability coverage and/or Cyber is provided on a “claims made basis”, CONSULTANT will continue to renew the insurance for a period of five (5) years after this Agreement expires or is terminated. Such insurance will have the same coverage and limits as the policy that was in effect during the term of this Agreement, and will cover CONSULTANT, or its officers, employees, or agents during the time this Agreement was in effect.

10.9 Notwithstanding any other provision of this Contract, CITY may immediately terminate this Contract if, at any time CONTRACTOR fails to maintain the required insurance for any period of time or fails to comply with any of the insurance requirements listed above.

10.10 CONTRACTOR shall require any and all subcontractors working on its behalf to provide insurance coverages and limits that are based on the scope of work and nature of risk being performed by the subcontractor. Any and all subcontractors working on behalf of CONTRACTOR shall be subject to all other insurance requirements that are stated herein.

Any deviation in this requirement will be CONTRACTOR's sole risk. CONTRACTOR's insurance requirements in Section 10 will not be impacted and/or limited by such deviation.

11 TERMINATION WITHOUT CAUSE

City reserves the right to terminate this Contract or any part thereof for its sole convenience with fifteen (15) days written notice. In the event of such termination, CONTRACTOR shall immediately stop all work hereunder, and shall immediately cause any of its suppliers and subcontractors to cease such work. CONTRACTOR shall also surrender to CITY all finished or unfinished documents, processes, programs and other supplies and materials, which shall be City’s property. As compensation in full for services performed to the date of such termination, the CONTRACTOR shall receive an amount equal to the value of the work completed as of the termination date in accordance with the fee schedule or as negotiated between the parties. In no event shall the amount payable upon termination exceed the total maximum compensation provided for in this Contract.

12 TERMINATION FOR CAUSE

If CITY determines that CONTRACTOR has failed to supply an adequate working force, or to provide services of proper quality, or has failed in any other respect to satisfactorily perform the services specified in this Contract, CITY shall give written notice to CONTRACTOR specifying all defaults to be remedied within thirty (30) days. Such notice shall set forth the basis for CITY’s dissatisfaction and suggest corrective measures. If, after thirty days, CONTRACTOR has failed to implement appropriate corrective measures, CITY may elect to terminate this Contract in whole or in part.

12.1 In the event CITY terminates this Contract, in whole or in part, for cause, CITY may procure, upon such terms and in such manner, as it may deem appropriate, services similar to those terminated.

12.2 CONTRACTOR shall provide all finished or unfinished documents, data, studies, software, drawings, programs, processes, maps, photographs, reports, etc., prepared by CONTRACTOR within fifteen (15) working days after notice of termination. Upon such termination, CONTRACTOR shall be paid an amount equal to the value of the services provided and work performed as of the date of termination, taking into consideration the costs associated with hiring another CONTRACTOR to complete the services. In ascertaining the value of the work performed up to the date of termination, consideration shall be given to both completed work and work in progress, to complete and incomplete documents when such are delivered to CITY, and to authorized reimbursement expenses. The above is in addition to any other remedies available by law or equity to CITY.

12.3 If, after notice of termination of the Contract under the provisions of this Section 12, it is determined, for any reason, that CONTRACTOR was not in default, or that the default was excusable, then the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Section 11.

13 DISPUTE RESOLUTION

All claims, disputes, and other matters in question between CITY and CONTRACTOR arising out of or relating to this Contract or the breach thereof shall, to the extent reasonably feasible, be resolved through good faith negotiations between the parties.

14 OWNERSHIP AND DELIVERY OF WORK PRODUCT

All documents, data, reports, studies, analyses, field notes, investigations, plans, specifications, software, programs, manuals, instructions, and other materials of any nature, whether complete or incomplete, that are prepared, developed, or produced by CONTRACTOR or Contractor's subcontractors in the performance of this Agreement (collectively, "Work Product") shall be the exclusive property of the CITY.

All Work Product shall be delivered to or left with the CITY upon completion, expiration, or termination of this Agreement. Upon request, CONTRACTOR shall provide the CITY with originals and reproducible and electronic copies of all Work Product. Electronic copies shall be provided in an unprotected format that allows the CITY to copy, reproduce, modify, and use the Work Product without restriction. Such Work Product is deemed confidential and shall not be disclosed by CONTRACTOR without prior written consent by CITY. CITY shall grant such consent if disclosure is legally required. Upon request, all CITY data shall be returned to CITY upon the termination or expiration of this Agreement.

15 OWNERSHIP OF INTELLECTUAL PROPERTY

The Work Product and all intellectual property rights therein shall be deemed "works made for hire" under the United States Copyright Act (17 U.S.C. § 101 et seq.), and the CITY shall be deemed the author and exclusive owner thereof, in perpetuity and worldwide.

To the extent any Work Product does not qualify as a work made for hire, CONTRACTOR hereby irrevocably assigns, transfers, and conveys to the CITY all right, title, and interest in and to such Work Product, including all copyrights, trademarks, patents, and other proprietary rights. CONTRACTOR consents to the

use of CONTRACTOR’s name in conjunction with the sale, use, performance, and distribution of Work Product, for any purpose and in any medium.

CONTRACTOR agrees to execute any documents and take any actions reasonably requested by the CITY to confirm or perfect the CITY'S ownership of such rights.

CONTRACTOR waives any and all moral rights or similar rights under California Civil Code section 980 or any other applicable law to the extent permitted by law.

16 DELEGATION AND ASSIGNMENT

16.1 CONTRACTOR shall not delegate or assign its duties or rights hereunder, either in whole or in part, without the prior written consent of CITY; provided, however, that claims for money due or to become due to CONTRACTOR from CITY under this Contract may be assigned to a bank, trust company or other financial institution without such approval.

16.2 Any assignment, delegation or subcontract shall be made in the name of CONTRACTOR and shall not bind or purport to bind CITY and shall not release CONTRACTOR from any obligations under this Contract including, but not limited to, the duty to properly supervise and coordinate the work of employees, assignees, delegates and subcontractors. No such assignment, delegation or subcontract shall result in any increase in the amount of total compensation payable to CONTRACTOR under this Contract.

17 NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY

17.1 In performance of this Contract, CONTRACTOR shall not discriminate against any employee, subcontractor, or applicant for employment because of sex, color, race, religion, ancestry, national origin, disability, medical condition including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sexual orientation, age, gender, gender identity, gender expression, genetic information, or military and veteran status. CONTRACTOR will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their sex, color, race, religion, ancestry, national origin, disability, medical condition including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sexual orientation, age, gender, gender identity, gender expression, genetic information, or military and veteran status . Affirmative action relating to employment shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

18 SB 1383 COMPLIANCE

CONTRACTOR shall comply with all applicable requirements of California Senate Bill 1383 (SB 1383) and related regulations concerning the reduction of organic waste, diversion from landfills, and edible food recovery.

19 FINANCIAL INTEREST CERTIFICATION

19.1 CONTRACTOR warrants that no person has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee; and that no officer or employee of the CITY has any interest, financially or otherwise, in CONTRACTOR's firm.

19.2 For breach or violation of this warranty, CITY shall have the right to annul this Contract without liability or at its discretion to deduct from the Contract Price or consideration, the full amount of such commission, percentage, brokerage or contingent fee.

20 CONFLICT OF INTEREST

20.1 CONTRACTOR stipulates that its officers and employees do not now have a conflict of interest and it further agrees for itself, its officers and its employees that it will not contract for or accept employment for the performance of any work or services with any individual business, corporation or government unit that would create a conflict of interest in the performance of its obligations pursuant to this Contract or which would cause CONTRACTOR to be "financial interested" (as provided in California Government Code Section 1090 et seq. or 87100 et seq.) in any contract or decision made by CITY on any matter.

20.2 CONTRACTOR shall not employ any City official or employee to perform any work required pursuant to this Contract.

20.3 To the extent required by the City Manager or his designee, CONTRACTOR shall complete and file with the City Clerk a Form 700 Statement of Economic Interests disclosing any reportable property interests, income, gifts, investments, or business positions.

21 COMPLIANCE WITH LAW

21.1 CONTRACTOR shall comply with all state and federal laws, including but not limited to, the requirement to hire only those persons authorized by federal law to work in the United States. If CONTRACTOR uses any subcontractors to complete this Contract, this same requirement shall be included in all subcontracts and strictly enforced by CONTRACTOR.

21.2 The law of the state of California shall govern this Contract. The venue of any legal action, either formal or informal, shall be the County of Los Angeles.

21.3 If applicable, CONTRACTOR acknowledges and understands it must comply with the prevailing wage requirements under the California Labor Code, as well as the execution of a Worker's Compensation Certificate.

22 HEALTH AND SAFETY PROVISIONS

A. CONTRACTOR and all subcontractors shall abide by all health and safety mandates issued by federal, state, county, City of Palmdale, and/or public health officers, and worksite-specific mandates. If multiple mandates exist, the CONTRACTOR and subcontractors shall abide by the most restrictive mandate.

B. Costs associated with adhering to health and safety mandates are the responsibility of the CONTRACTOR. CONTRACTOR is responsible for the tracking and compliance of health and safety mandates and may be audited upon request.

23 NOTIFICATION AND ACCESS REVOCATION

The CONTRACTOR shall notify the CITY in writing prior to or no later than twenty-four (24) hours after, the termination, expiration, suspension, reassignment, or removal of any Contractor Personnel with access to the Project or Owner Resources. For Contractor Personnel with Information Technology access, notification must be immediate, or the CITY may consider the CONTRACTOR to be in breach of contract. Notice shall include the individual's name, role, effective date and time of termination or removal, and systems or resources accessed.

The CITY reserves the right, in its sole discretion, to immediately suspend or revoke access for any Contractor Personnel upon receipt of notice or upon CITY'S determination that such access is no longer required or appropriate.

24 FORCE MAJEURE

Neither Party shall be liable for any failure or delay in performing its obligations under this Agreement (other than payment obligations) if such failure or delay is caused by an event or circumstance beyond the reasonable control of the affected Party ("Force Majeure Event"). Force Majeure Events include, but are not limited to, acts of God; flood; fire; earthquake; explosion; war; terrorism; civil disturbance; epidemic or pandemic; quarantine; governmental actions or orders; or other similar events beyond the control of the affected Party.

The affected Party shall provide written notice to the other Party within ten (10) calendar days of the occurrence of the Force Majeure Event, describing the nature, expected duration, and anticipated impact on performance. The Party shall use all diligent efforts to mitigate the effects of the event and resume performance as soon as practicable.

25 NOTICES

Any notice required under this Contract shall be in writing, addressed to the appropriate party at its address on the signature page and given personally or by registered or certified mail postage prepaid, or by a commercial courier service. All notices shall be effective upon the date of receipt.

26 ENTIRE AGREEMENT AND AMENDMENTS

26.1 All documents referenced as exhibits in this Contract are hereby incorporated into this Contract. In the event of any material discrepancy between the provisions of this Contract and those of any document incorporated herein by reference, the provisions of this Contract shall prevail. This instrument contains the entire Contract between CITY and CONTRACTOR with respect to the transactions contemplated herein. No other prior oral or written Contracts are binding upon the parties. Amendments hereto or deviations herefrom shall be effective and binding only if made in writing and executed on behalf of the CITY and CONTRACTOR. This Contract is the complete Agreement between the parties and supersedes all prior

proposals, agreements, and understandings between the parties and may not be modified or terminated orally.

26.2 No attempted waiver of any of the provisions hereof, nor any modification in the nature, extent or duration of the work to be performed by CONTRACTOR hereunder, shall be binding unless in writing and signed by the party against whom the same is sought to be enforced.

26.3 The failure of any party to enforce against another party any provision of this Contract shall not constitute a waiver of that party's right to enforce such a provision at a later time, and shall not serve to vary the terms of this Contract.

27 ATTORNEY'S FEES

If any action at law or in equity is brought to enforce or interpret any provisions of this Contract, the prevailing party in such action shall be entitled to reasonable attorney's fees, costs and necessary disbursements, in addition to such other relief as may be sought and awarded.

In Witness Whereof, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE:

Salvador Mendez
City Manager
Michael J McComas
Oct 22, 2026, 11:30 AM PDT

PHOENIX GROUP INFORMATION SYSTEMS:
Claire Murphy
Oct 28, 2026, 3:01 PM PDT

Claire Murphy
Vice President

ADDRESS FOR NOTICE:
CITY OF PALMDALE
38256 Sierra Highway
Palmdale, CA 93550

ADDRESS FOR NOTICE:
PHOENIX GROUP INFORMATION SYSTEMS
2677 N. Main Street, Suite 440
Santa Ana, CA 92705

APPROVE AS TO FORM:

Aleks Giragosian
City Attorney

ATTEST:

Rochelle Scott
City Clerk

---------- INTERNAL USE ONLY ----------

■Certificate(s) and Endorsement(s) attached
■Confirmed business name on contract with certificate(s)
■Attached Agreement Checklist and met all requirements

Record of Signing

For	City of Palmdale	For	
Name	Michael J McComas	Name	Claire Murphy
Title	Director of Public Safety	Title	



Signed on Oct 22, 2026 11:30 AM PDT

Secured by Concord™
DocumentID: 034kTXHHwRL5IWyksnTzD4
SigningID: 034kTXGl5gsTo41Tc17GYW
UTC Signing time: 2026-10-22 18:30:44 UTC
IP Address: 45.62.177.244
Email: mmccomas@cityofpalmdaleca.gov



Signed on Oct 28, 2026 3:01 PM PDT

Secured by Concord™
DocumentID: 034kTXHHwRL5IWyksnTzD4
SigningID: 034nykkntrtu08JlJmJuK9
UTC Signing time: 2026-10-28 22:01:56 UTC
IP Address: 172.112.202.116
Email: claire@phxgis.com

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EXHIBIT A
SCOPE OF WORK

I. OBJECTIVE

The CITY of Palmdale ("CITY") seeks to contract with a highly qualified and experienced vendor ("CONTRACTOR") to provide end-to-end citation processing and payment services, including a fully integrated electronic citation issuance and management system for the CITY's Public Safety Department.

The selected CONTRACTOR shall demonstrate expertise in citation processing systems and services that support the full citation lifecycle, including but not limited to: General Information Processing, Data Processing, Correspondence Processing, Financial Deposits and Reconciliation, Adjudication Processing, Collections Processing, and Restitution Processing.

The CITY intends to select a CONTRACTOR capable of delivering a secure, user-friendly, and compliant solution that improves operational efficiency, enhances public access, and ensures accurate financial accountability.

II. REQUIREMENTS

The CONTRACTOR shall provide comprehensive citation processing and payment services for parking citations and administrative citations, from issuance through final resolution.

Services shall include, at a minimum:

A. General Information Processing

B. Data Processing

C. Correspondence Processing

D. Adjudication Processing

E. Equipment and Software

F. Software System Requirements

G. Online Public Access

H. Financial Deposits and Reconciliation

I. Collections Processing

J. Customer Service Center

K. Reporting and Invoicing

L. Implementation, Training, and Support

The CONTRACTOR shall designate a dedicated Account Manager to serve as the CITY's primary point of contact for all contractual, operational, and performance matters.

The CONTRACTOR shall provide secure, web-based public access services, including:

- Online citation lookup;
- Online payment processing;
- Online appeal submission and status tracking.

The designated Account Manager shall be responsible for day-to-day coordination, task delegation, issue resolution, and ensuring all contract performance standards and timelines are met.

The CONTRACTOR shall ensure all staff assigned to this contract are adequately trained and qualified to perform required services with a high degree of accuracy and minimal human error.

The CONTRACTOR shall provide the CITY with comprehensive system documentation, including a user's manual that:

- Provides step-by-step instructions for system access and use;
- Describes all system fields, screens, and functions;
- Includes a complete list and explanation of all codes used by the issuing agency, including status codes, error codes, abbreviations, internal shorthand, and any other codes or identifiers displayed within the system that a user may need to interpret.

The CONTRACTOR shall ensure that the citation processing system fully integrates with the CITY's existing code enforcement case management platform, GOGov. Integration shall support bidirectional data exchange, enabling synchronization of case data, citation records, status updates, compliance actions, and associated documentation in real time or near real time.

This integration requirement is a core system dependency and shall apply across all applicable sections, including issuance, processing, adjudication, and reporting.

A. GENERAL INFORMATION PROCESSING

The CONTRACTOR shall perform General Information Processing services, which shall include, but not be limited to, the following:

- Opening and processing all incoming correspondence related to citations;

- Reviewing correspondence to determine required actions;
- Recording actions taken within the CONTRACTOR's citation management system (e.g., temporary suspension, correspondence issued, escalation, etc.);
- Taking appropriate actions to resolve complaints or inquiries and forwarding items to the CITY when required or as requested;
- Implementing control and monitoring procedures to ensure all correspondence and payments are processed to completion;
- Conducting quality control reviews to ensure accuracy, completeness, and compliance with required deadlines;
- Providing the CITY, upon request and at no additional cost, with an operations manual and management information system (MIS) reports in electronic and/or hard-copy format;
- Providing a designated mailing address for all CITY of Palmdale Public Safety citation correspondence and payments, with mail retrieval occurring at least once per business day;
- Providing a bonded courier service to transport batched citations, correspondence, and management reports to and from CITY-designated locations as required.

B. DATA PROCESSING

The CONTRACTOR shall perform comprehensive Data Processing services, which shall include, but not be limited to, the following:

- Uploading electronic citations into the citation management system within one (1) business day of issuance, unless a real-time citation issuance application is provided.
- Providing the CITY with online confirmation and reporting indicating the number of citations transmitted, received, and successfully processed by the CONTRACTOR.
- Maintaining full system compatibility with CITY-approved handheld citation devices, including the ability to upload and store all citation data fields without data loss.
- Coordinating and implementing any required changes to citation policies, system configurations, or equipment in collaboration with the CITY and/or the handheld citation device vendor.

- Performing immediate batching and system integration of citation data upon receipt or transfer.
- Entering handwritten parking and administrative citations, or scanned images thereof, into the system within two (2) business days of receipt from the CITY's Public Safety Department.
- Filing, indexing, and securely storing citation records in an easily retrievable format, in accordance with the CITY's records retention requirements and applicable laws.
- Retrieving registered owner information for both in-state and out-of-state license plates in a timely and accurate manner.
- Validating vehicle make information received from the Department of Motor Vehicles (DMV) against registered owner data to ensure citation accuracy.
- Tracking and resolving DMV "No Hit" records to verify that license plate numbers and issuing states are correctly entered into the system.
- Maintaining secure electronic communications with all 50 state DMV agencies and appropriate transportation authorities in Canada and Mexico, as required.
- Placing and releasing DMV registration holds on delinquent citation accounts in accordance with applicable laws and CITY policies.
- Providing monthly reports detailing DMV holds placed, payments received, and holds released.
- Releasing registration holds upon the CITY's request.
- Maintaining authorized editing capabilities to:
    - Correct citation dates;
    - Suspend or reinstate citations;
    - Correct violation codes and fine amounts;
    - Enter and update citation comments; and
    - Upload miscellaneous correspondence and related documents.
- Identifying and flagging duplicate citations for review and resolution.
- Maintaining and updating a boot/tow eligibility database for vehicles that have accumulated five (5) or more delinquent parking citations, including citations issued by other agencies that are authorized in writing and are clients of the CONTRACTOR.

- Maintaining and updating a confidential exemption database, as authorized by the CITY, that integrates with handheld citation devices.
- Ensuring continuous Internet connectivity during normal business hours when the citation processing system and all subsystems are available for use by the CITY and the public.
- Maintaining system availability of at least 98% per month, excluding scheduled maintenance. The CONTRACTOR shall provide objective, mutually agreeable performance metrics and reporting methods to allow the CITY to monitor system availability.
- Updating citation records in real time, including the ability to add notes and comments to individual citation records.
- Posting payment information from all payment sources within twenty-four (24) hours of receipt, and no later than the close of the next business day.
- Tracking and managing the status of payments, re-entered payments, change of ownership declarations, non-ownership declarations, refunds, correspondence, administrative reviews, and hearing processes.
- Processing online payments and hearing requests via a CITY-approved website link, including functionality that allows both the citation recipient and the CITY to upload supporting documents and electronic files.
- In accordance with California Vehicle Code (CVC) Section 40200.3(b), preparing and delivering to the CITY an annual report at the close of each fiscal year that details the following:
    - The total number of cases processed;
    - All citation-related revenues received and distributed; and
    - Any additional information required by the CITY or issuing authority.
    - This report shall be considered a public record. Upon the CITY's request, and subject to the CITY's written approval of cost, the CONTRACTOR shall retain an independent auditor to prepare the report, with audit costs paid by the CITY.
- Integrating citation data with the CITY's code enforcement case management system, GOGov, including automated data exchange for case creation, citation issuance, status updates, ownership information, and resolution outcomes.

C. CORRESPONDENCE PROCESSING

The CONTRACTOR shall perform comprehensive Correspondence Processing services, which shall include, but not be limited to, the following:

- Ensuring adequately trained staff, including multilingual and translation capabilities, are available to promptly process and respond to all incoming correspondence within two (2) business days of receipt, as measured from the date and time received.
- Preparing, generating, and mailing all required notices and correspondence, including, but not limited to:
    - First notices;
    - Delinquent notices;
    - Final notices;
    - Collection notices;
    - Returned check notices;
    - Partial payment notices;
    - DMV registration hold and release letters;
    - Administrative review result letters;
    - Administrative hearing schedule letters;
    - Administrative hearing result letters;
    - Payment arrangement confirmations; and
    - Any other notices required by the California Vehicle Code (CVC) or Palmdale Municipal Code (PMC).
- Sorting, batching, and logging all incoming correspondence by postmark date to ensure accurate payment posting and timely processing. Envelopes shall be retained and maintained as part of the official citation record.
- Formatting and mailing all notices and correspondence using custom #10 window envelopes displaying the CONTRACTOR's return address. Interior #9 envelopes shall be customized with the CITY's address and post–NET bar-coded with FIM, in compliance with United States Postal Service (USPS) requirements.
- Processing correction requests and issuing correction notices, as appropriate, including notifying the CITY of any citations that cannot be processed due to missing, incomplete, or incorrect information.

- Generating customized correspondence for incomplete, invalid, or incorrect payments, as well as for citations requiring additional information or follow-up action.
- Forwarding to the CITY, in a timely manner, any correspondence that falls outside the scope of CONTRACTOR services or requires special handling, policy interpretation, or CITY review.
- Maintaining complete correspondence records within the citation management system, including the ability to associate all incoming and outgoing correspondence with individual citation cases.
- Supporting the CITY's existing case-level tracking of escalated fees and providing scalable system capabilities that allow for configurable fee tracking, enhanced reporting, and potential violation-level tracking functionality, subject to CITY direction and system configuration.

D. ADJUDICATION PROCESSING

The CONTRACTOR shall perform comprehensive Adjudication services in accordance with applicable provisions of the California Vehicle Code (CVC), the Palmdale Municipal Code (PMC), and all other applicable laws, which shall include, but not be limited to, the following:

- Coordinating the administrative review process in accordance with prescribed statutory timelines and procedures for individuals contesting parking citations.
- Coordinating and scheduling written and in-person administrative hearings for contested parking and administrative citations, conducting hearings at the CITY's designated location and scheduling them within three (3) weeks of the request.
- Preparing, compiling, and organizing all case-related documentation, and assembling electronic or hard-copy case files for delivery to the appropriate hearing location, hearing officer, or processing CITY employee.
- Distributing administrative hearings in a manner that evenly balances workflow and supports efficient utilization of hearing officer resources.
- Responding to individuals submitting parking adjudication requests online at the first and/or second levels by electronic mail for convenience and by regular mail as required for CVC compliance.
- Providing electronic confirmation receipts for all payments, administrative review requests, and hearing requests submitted online no later than the next business day.

- Providing real-time online hearing scheduling capabilities for individuals submitting hearing requests via the Internet, including displaying available dates and times and issuing email confirmations specifying the date, time, location, and applicable instructions for each contested citation.
- Maintaining an online hearing schedule that is accessible to the CITY and the hearing officer, sortable by date, and displaying the time of hearing, name of the requesting party, citation number, license plate number, and violation code. The schedule shall be updated in real time to reflect newly scheduled, rescheduled, or canceled hearings.
- Receiving hearing officer decisions electronically and confirming receipt of transmitted case dispositions in real time. The CONTRACTOR shall coordinate with the hearing officer to ensure accurate transmittal of all case disposition data in accordance with CITY instructions.
- Providing weekly status reports to the CITY and the hearing officer, via electronic mail and/or hard copy, identifying cases for which no decision has been entered and that have remained outstanding for seven (7) days or more.
- Issuing hearing decision notifications to individuals contesting citations in the manner requested, either by first-class mail or electronic mail, in compliance with applicable legal requirements.
- Generating comprehensive Management Information System (MIS) reports for parking and administrative citations, including, but not limited to:
    - Outstanding correspondence (beginning backlog);
    - Total correspondence received;
    - Total correspondence processed;
    - Remaining correspondence (ending backlog);
    - Unresolved correspondence;
    - Citations transmitted;
    - Citations received;
    - Administrative reviews requested;
    - First-level administrative reviews assigned, completed, and outstanding;
    - First and second-level administrative hearing requests received;
    - Administrative hearings assigned to docket;

    - Administrative hearings completed with disposition; and
    - Administrative hearings outstanding without disposition.
- Utilizing document imaging technology to electronically capture, store, and transmit case files received by the CONTRACTOR and forwarded to the hearing officer pending final disposition.
- Tracking all citations and related disposition data and providing daily reporting updates to the CITY.

E. EQUIPMENT AND SOFTWARE

CONTRACTOR shall provide leased handheld computers/ticket-writers, associated software, and all required maintenance services for the duration of this Agreement.

CONTRACTOR shall utilize Apple devices for all mobile citation equipment to ensure compatibility, reliability, and security with CITY's information technology systems and standards.

CONTRACTOR shall provide additional handheld computers/ticket-writers upon request by the CITY. Prices for additional units shall be fixed for each annual term. The CITY may request additional units of the same model, provided the model is still available. If the requested model is no longer available, the CITY and CONTRACTOR shall negotiate an acceptable alternative. Costs for these additional units may be purchased at current market value.

CONTRACTOR shall provide warranty options to the CITY for extended maintenance coverage of all handheld computers.

Handheld Computer / Ticket-Writer Requirements:

- All equipment shall be new; refurbished units shall not be accepted.
- Units shall be a single-piece device with a built-in printer capable of producing legible citations in all weather conditions, including rain. The CITY may opt to use a two-piece unit based on technology and capabilities.
- Batteries shall provide a minimum of twelve (12) hours of operation per charge or be swappable during shifts.
- Units and batteries shall operate reliably in temperatures ranging from -4°F to 122°F.
- Units shall be ruggedized to withstand a five (5) foot drop onto concrete or asphalt while maintaining full functionality.

- Keyboard shall consist of 26 alpha and 10 numeric keys, or QWERTY layout per CITY selection, and shall include backlighting.
- Units shall provide auto-fill functionality and reprogrammable keys.
- Units shall support scofflaw uploading capabilities and alert notifications.
- Units shall include an integrated color camera with flash.
- Units shall be GPS-enabled.
- Units shall be WiFi-enabled.
- Units shall feature a minimum 320 x 240 resolution color display.
- Units shall include at least 128MB RAM and 512MB Flash RAM.
- Units shall operate on Windows CE 5.0 or higher.
- Units shall provide background audio recording capability while other features or programs are in use.
- Units shall support automated transfer and upload of issued citations into the citation management system.

Payment Processing Device Requirements:

- Any handheld device or associated equipment capable of capturing payment card data or processing payment transactions, if applicable, shall maintain current compliance with applicable Payment Card Industry Data Security Standards (PCI-DSS) and PCI device security requirements. The CONTRACTOR shall ensure that all such devices are monitored for compliance status and are replaced or upgraded prior to the expiration of their PCI compliance certification.

F. COMPUTER SYSTEM REQUIREMENTS

CONTRACTOR shall maintain a computer system capable of processing an average of at least 10,000 electronic citations per year for the CITY. The system shall be available a minimum of 20 hours per day, seven (7) days per week.

CONTRACTOR shall provide the CITY with Internet access to its own citation databases. The system shall support real-time Internet inquiry functions, reflecting immediate changes in account status visible to both the CITY and the public.

CONTRACTOR shall designate computer staff and coordinate with the CITY's Information Technology representative during the contract's implementation phase to address connectivity and network security issues. CONTRACTOR shall correct, at no cost to the CITY, all system malfunctions or errors.

CONTRACTOR's computer system shall allow the CITY to search citations by citation number, issue date, responsible party or registered owner name, driver license, license plate, and location. The system shall be capable of storing, sorting, and processing the following items for both Parking Citations and Administrative Citations:

- Comments or notes field capable of holding unlimited entries from the processing or issuing agency
- Citation number
- Date and time of issuance
- Badge number and name of issuing officer and witnessing officer
- Violation codes and descriptions
- Location of violation
- Citation penalty amount, including the ability to track and apply escalating fines for multiple violations of the same type
- Delinquent date
- Notification issuance dates
- Delinquent fines
- Date the citation was entered into the system
- Disposition codes
- GIS mapping functions for scofflaw tracking, multiple violators, or office productivity
- Settlement agreements, including:
    - Identifying and tracking citations associated with approved fee waivers or settlement agreements.
    - Processing requests for fee waivers or settlement agreements for administrative hearings and forwarding them to the CITY after all required information is received.
    - Processing payment plans as directed by the CITY.

The following fields are required for each type of citation:

Required Citation Fields	
Parking Violations	Administrative Violations
Vehicle license number	Respondent name (first, middle, last, suffix)

Vehicle identification number (VIN) Vehicle license state code Registration expiration month and year Vehicle make/model/year/color Department of Motor Vehicle (DMV) hold date • System shall process DMV lien holds for non-payment of parking penalties • System shall interface with DMV online or by magnetic tape Registered owner information • System shall store previous and current owners when ownership transfers occur • System shall store registered owner and contesting party when the person contesting is not the registered owner Integrated real-time DMV access for registered owner information and disabled placard data	Respondent residence address, CITY, state, zip code Respondent driver's license number, state, expiration year Respondent telephone number, including area code Case, incident, and/or tag number Juvenile option (Y/N) Parent/guardian information Date of birth Linking of previous violations to allow escalation of fees

The CONTRACTOR's system shall provide secure API-based or equivalent integration capabilities to interface with the CITY's existing code enforcement case management system, GOGov. The integration shall include, at a minimum:

- Real-time or scheduled synchronization of case and citation data;
- Ability to link citations to active code enforcement cases;
- Sharing of notes, documents, images, and case history;
- Status updates reflecting compliance, hearings, payments, and case closure;
- Role-based access controls and audit tracking across integrated systems.

System Security and SaaS Requirements:

The CONTRACTOR shall provide a secure, cloud-based (Software-as-a-Service, or SaaS) system architecture, where applicable, that meets industry-standard security and compliance requirements. At a minimum, the system shall:

- Provide the CITY with annual proof of security audit certification, including ISO/IEC 27001 and/or AICPA SSAE 18 SOC 2 compliance;
- Ensure data encryption in transit and at rest using industry-standard encryption protocols;
- Support role-based access controls to restrict system access based on user roles and responsibilities;
- Be compatible with Windows 11 operating systems, where applicable to CITY users;
- Support multi-factor authentication (MFA) for all system users;
- Integrate with the CITY's identity management system, including Azure Active Directory (Microsoft Office 365), where applicable; and
- Support Single Sign-On (SSO) for all systems requiring user authentication. The system shall integrate with the CITY's identity provider and allow users to authenticate using their Microsoft Office 365 credentials. Solutions that do not support SSO shall be considered non-responsive to the CITY's security and access management requirements.

G. ONLINE PUBLIC ACCESS

CONTRACTOR shall provide the CITY with a web-based, Software-as-a-Service (SaaS) platform that enables secure public access to citation information. The CONTRACTOR shall provide the CITY with a web link and QR code that allows the public to access citation information.

CONTRACTOR shall ensure that online public access services include, at a minimum, the following functions:

- Viewing parking and administrative citation information, including photographs where applicable;
- Making payments using VISA and MasterCard;
- Submitting Administrative Review requests, with the ability to attach supporting documents;
- Submitting Administrative Hearing requests;
- Viewing citation status in real time;

- Searching for citation information by citation number, license plate number, or driver's license number; and
- Where applicable, providing integrated or linked public access between citation records and related code enforcement cases maintained in GOGov, as approved by the CITY.

The SaaS platform shall implement appropriate security controls for all public-facing and administrative access, including data encryption in transit and at rest.

For administrative or CITY user access to the system, the platform shall support Single Sign-On (SSO) and integrate with the CITY's identity provider, including Azure Active Directory (Microsoft Office 365), allowing authorized users to authenticate using CITY-managed credentials.

H. FINANCIAL DEPOSITS AND RECONCILIATION

The CONTRACTOR shall perform comprehensive Financial Deposits and Reconciliation services, which shall include, but not be limited to, the following:

- Providing a dedicated Post Office Box for the CITY for receipt of payments, administrative review correspondence, administrative hearing correspondence, payment arrangement applications, and other related documents.
- Providing a secure lockbox management system for payment processing, with mail retrieval occurring at least once per business day.
- Sorting, batching, and logging all incoming mail by postmark date to ensure accurate and timely payment posting and processing.
- Opening, entering, verifying, and processing all payments within one (1) business day of receipt, including recording suspension dates, verifying payment amounts, updating the citation management system, and preparing daily bank deposits.
- Reconciling, daily, all payments entered into the system against corresponding bank deposits.
- Reporting all daily bank deposits to the CITY and ensuring deposits are made within twenty-four (24) hours of payment processing.
- Filing, indexing, and securely storing all source documents in an easily retrievable system accessible to the CITY within two (2) business days of request.
- Tracking and managing rebilling activities related to partial payments, checks returned for insufficient funds (NSF), vehicle change of ownership declarations, and re-entered citations for payment processing.

- Accepting payments via Internet-based platforms approved by the CITY and updating the citation management system in real time upon receipt and authorization.
- Accepting payments through an automated telephone payment system that provides secure transaction processing and real-time system updates.
- Providing payment processing by credit card (VISA and MasterCard), including securing immediate authorization from the applicable banking institution and updating the citation management system in real time upon authorization.
- Entering, processing, verifying, and updating all forms of payment within one (1) business day, including credit cards, checks, cash collected through the lockbox, online payments, and payments processed through the CITY's cashiering system, in accordance with accepted financial management practices.
- Depositing authorized credit card funds into the CITY's designated bank account monthly, as applicable, in accordance with established financial procedures.
- Maintaining certification in compliance with the latest Payment Card Industry Data Security Standards (PCI-DSS) to ensure that all credit and debit card transactions conducted by telephone, in person, or via the Internet meet current industry security requirements. Proof of compliance shall be provided with each proposal and maintained throughout the term of the contract.
- Supporting the CITY's option to utilize either the CITY's credit card merchant account or the CONTRACTOR's merchant account, as directed by the CITY.
- Reporting credit card payments by merchant identification (ID) number on a monthly statement, including citation number and payment amount details.
- Updating monthly payment information with the Department of Motor Vehicles (DMV) through secure electronic reporting processes.
- Transporting all monies received to the CITY's designated depository, at no cost to the CITY, within one (1) business day of receipt, with deposits made to the CITY's designated financial institution, currently Bank of America, unless otherwise directed by the CITY.
- Reconciling all funds prior to preparation of daily deposits to ensure accuracy and completeness.
- Generating notices for partial payments, returned checks, and related account deficiencies.

- Investigating and reconciling all cash overages and shortages on the business day of the deposit and reporting findings to the CITY.
- Tracking partial payments, non-payment of approved payment plans, and checks returned for insufficient funds.
- Providing documentation to the CITY within seventy-two (72) hours of confirmation that a case has been dismissed and/or an overpayment has occurred to facilitate refund processing.
- Storing and maintaining all payment information in a secure and retrievable format to support special collections efforts and credit reporting services, if required.
- The CONTRACTOR's system shall provide integration capabilities with the CITY's financial Enterprise Resource Planning (ERP) system, Tyler Technologies Munis, to support automated or semi-automated reconciliation of payment, deposit, and refund data. The CONTRACTOR shall clearly identify whether integration is available via API, flat-file transfer, or other electronic methods, or whether reconciliation will require manual processing workflows. Any manual reconciliation process shall be fully documented and subject to CITY approval.
- Any CONTRACTOR-provided device or equipment capable of capturing payment card data or processing payment transactions, if applicable, shall maintain current compliance with applicable Payment Card Industry Data Security Standards (PCI-DSS) and PCI PIN Transaction Security (PTS) device requirements. The CONTRACTOR shall ensure such devices are continuously validated for compliance and shall replace or upgrade any device prior to the expiration of its PCI certification. Documentation of compliance shall be provided to the CITY upon request.

I. COLLECTIONS

CONTRACTOR shall conduct collections on delinquent citation accounts. Collection activities may be performed directly by the CONTRACTOR or through a subcontracted collection agency, by sending delinquent accounts to the Franchise Tax Board Intercept Program on behalf of the CITY.

The duties and tasks of Collections shall include, but not be limited to, the following:

- Sending special collection notices to delinquent account holders;
- Making written and telephone contact for each account within sixty (60) days of receipt, including providing a detailed description of steps to be taken upon receiving an account from the CITY and procedures to be followed for each account;

- Conducting searches to accurately locate and pursue debtors, including, but not limited to, skip tracing for individuals and fictitious business name searches for business owners of delinquent accounts;
- Performing daily reconciliation of all payments made to the collection agency;
- Performing daily reconciliation of all payments received on collection cases handled by the agency;
- Providing monthly reports detailing the status of collection cases, including the total debt, payments received, and the remaining balance due;
- Ensuring the confidentiality, security, and protection of all files, documents, and computer records related to collection activities;
- Not accepting or settling any principal amounts or making changes to accounts without the prior written approval of the CITY, and notifying the CITY of any proposed settlements;
- At the CITY's request, annually sending a file of delinquent accounts to the Franchise Tax Board Intercept Program;
- CONTRACTOR shall be responsible for preparing, completing, and submitting Form FTB 2280 PC (Intent to Participate and Agency Certification) annually on behalf of the CITY, or ensuring submission through its designated collection agency where applicable. CONTRACTOR shall coordinate with the CITY to ensure timely execution, accuracy, and continued eligibility for participation in the Franchise Tax Board Intercept Program. CONTRACTOR shall provide the CITY with copies of all submitted forms and written confirmation of acceptance by the Franchise Tax Board within ten (10) business days of submission; and
- CONTRACTOR shall also prepare, execute, and submit Form FTB 7904 (Confidentiality Statement) as required by the Franchise Tax Board for all authorized personnel, subcontractors, or agents with access to confidential taxpayer or debtor information. CONTRACTOR shall ensure that all individuals handling CITY delinquent accounts have current and valid confidentiality certifications on file prior to being granted system or data access. CONTRACTOR shall maintain records of all executed confidentiality statements and provide such documentation to the CITY upon request within five (5) business days.

CONTRACTOR shall cease all collection activity on parking citations older than five (5) years from the date of citation issuance. On a monthly basis, CONTRACTOR shall provide the CITY with a report identifying parking citation cases approaching the five-year cutoff within the next month. All citations reaching the five-year limit shall be closed, and associated case information returned to the CITY.

The CITY shall determine the criteria for referring accounts to the CONTRACTOR for collection.

J. CUSTOMER SERVICE CENTER

The CONTRACTOR shall perform comprehensive Customer Service Center services, which shall include, but not be limited to, the following:

- Providing the CITY with a dedicated toll-free telephone line staffed and operational Monday through Friday to accept payments and respond to inquiries.
- Providing well-trained, professional, and courteous customer service personnel capable of performing clerical, supervisory, and managerial tasks in compliance with the approved operations and quality assurance plan.
- Staffing and/or rerouting calls in the event of a disruption to the computer network to ensure continuity of service.
- Responding to correspondence and calls in English and Spanish, and providing language interpretation services on an as-needed basis. The CONTRACTOR shall provide live interpreters for telephone calls and ensure a turnaround time of no more than twenty-four (24) hours for correspondence requiring translation.
- Monitoring and recording calls for quality assurance purposes and contract performance compliance.
- Operating a customized Automated Voice Response (AVR) system in English and Spanish to accept payments and provide citation information. The AVR system shall provide real-time information for each citation, including issue date, delinquent date, amount owed, and open citations by license plate number, and shall include instructions on how to pay or contest citations. The system shall provide callers the option to transfer directly to a live customer service representative during normal business hours.
- Monitoring the telephone system during business hours to ensure proper functionality and service levels.
- Maintaining and monitoring recorded files of all conversations to ensure quality assurance standards and contract performance levels are met.
- Providing the CITY with access to a computerized or digital call-recording system that attaches recorded calls to individual citation records.
- Producing monthly telephone performance reports for the CITY, including, but not limited to:

- Total number of incoming calls;
- Total number of calls processed;
- Total number of calls handled by the Automated Voice Response system;
- Total number of calls handled by customer service representatives;
- Average wait time per call; and
- Average call duration, including highest and lowest call times.

- Adjusting staffing levels as necessary based on call volume and average wait times to maintain established service standards.

K. REPORTING AND INVOICING

The CONTRACTOR shall perform comprehensive Reporting services, which shall include, but not be limited to, including with each monthly invoice a detailed report reflecting monthly activity in the categories identified below.

1. Citations Issued and Adjudication Activity
    - The number of citations issued electronically (handheld), by date;
    - The number of citations issued manually (handwritten), by date;
    - The number of in-person administrative hearings conducted, including outcomes, by date; and
    - The number of written declarations received, including outcomes, by date.
2. Electronic Payment Activity
    - The number and dollar amount of citations paid by telephone, by date;
    - The number and dollar amount of citations paid via Internet, by date; and
    - The total merchant account processing fees associated with web-based and telephone payments.
3. Payment Activity Processed by the CITY
    - The number and dollar amount of citations processed directly by the CITY.

4. Collections Activity

    - The number of citations referred to a collections agency;
    - The number and dollar amount of out-of-state collections, including applicable collection fees; and
    - The number of citations referred to the Franchise Tax Board (FTB) Intercept Program.

5. Statistical Reports

    - Reports shall include year-to-date (YTD) figures for the current fiscal year, along with data from the two (2) prior fiscal years for comparison. Reports shall have the capability to include, at a minimum, the following data:
        - The total number of citations issued;
        - The percentage of citations paid prior to issuance of the first notice and after issuance of the first notice, as a percentage of total citations issued;
        - The percentage of citations dismissed;
        - The percentage of citations closed (paid or dismissed);
        - The number of citations matched to DMV data, including matches to California DMV data and out-of-state DMV data;
        - The number of delinquent notices issued;
        - The total gross collections amount;
        - The number of citations paid;
        - The number and dollar amount of returned check (NSF) fees paid;
        - The number and dollar amount of citations processed through the lockbox;
        - The number and dollar amount of citations processed through the CITY's cashiering system;
        - The number and dollar amount of citations processed through Internet payments;

- The number and dollar amount of citations processed through telephone payments;
- The number and dollar amount of citations processed through DMV payments;
- The number and dollar amount of refunds issued;
- The average gross and net citation amount collected;
- The number and dollar amount of citations paid through special collections;
- The total collection fees associated with special collections;
- The number of customer service calls received and completed; and
- The number of customer correspondence items received.

The CONTRACTOR shall acknowledge that certain reports may require development or refinement over time in coordination with the CITY.

L. IMPLEMENTATION, TRAINING, AND SUPPORT

CONTRACTOR shall provide comprehensive product training for all system users. Ongoing training and support shall also be provided throughout the contract term. Prior to the contract start date, CONTRACTOR shall designate a Project Manager to serve as the primary point of contact with the CITY for all implementation activities.

CONTRACTOR shall be responsible for delivering a complete “turnkey” system. For the purposes of this scope of work (SOW), turnkey shall include the provision of all hardware, software, training, shipping, installation, configuration, testing, integration or interfaces with existing systems, documentation, and any other services necessary for a fully functional automated system that meets the requirements outlined in this SOW.

Any omission of essential or necessary components shall be corrected by the CONTRACTOR at no additional cost to the CITY. Optional equipment or deviations from specifications shall be clearly identified in the proposal.

CONTRACTOR shall be responsible for the following implementation and support activities:

- Making code changes and performing unit testing of system programs based on specifications developed for the CITY;

- Developing and executing data conversion programs to migrate the CITY's existing data into the new system, including a detailed description of the CONTRACTOR's typical conversion approach;
- Installing the system and ensuring full operational functionality in accordance with the specifications;
- Providing on-site support during the first three (3) weeks of production, or until all operational issues are resolved to the CITY's satisfaction;
- Developing a user manual and updating all system and user documentation to reflect the CITY's specific procedures;
- Maintaining all supplied software following the initial warranty period, including installation of new releases and updates, correction of software defects, and technical assistance in the identification and diagnosis of software issues;
- Coordinating with the CITY and the GOGov vendor to design, configure, test, and deploy system integration, including data mapping, interface development, user acceptance testing (UAT), and ongoing maintenance of integration functionality; and
- Providing technical support and troubleshooting assistance for all hardware and software used by the CITY, available from 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding CITY-recognized holidays.

EXHIBIT B – BIDDERS' QUOTATION SHEET
IFB No. 26-001-2500 - Citation Processing Software

The City reserves the right to award the contract in full or in part based on available funding.

For evaluation, the City shall assume specification items left blank will not be furnished and shall be automa particular item. Any deviations from the written specification as shown in this RFP shall be noted on the City pro Exceptions Form. Respondents are to itemize any and all additional charges to furnish and deliver services.

Enter unit prices for **Citation Processing Software** items and/or services. Pricing shall be firm fixed price and with all contract requirements, including but not limited to fully-burdened labor, payroll and other taxes, fring workforce productivity, coordination, transportation, field overhead, general and administrative overhead, and p costs to the CITY.

Requested Items and/or Serivces: BASE SYSTEM / CORE SERVICES

Line	Description	UOM	Quantity
1	End-to-End Citation Processing (Parking & Administrative Citations)	Per Citation	1
2	SaaS Back-Office Citation Management System - **INCLUDED**	Monthly/Annual Fee	1
3	System Hosting, Maintenance & Updates - **INCLUDED**	Monthly/Annual Fee	1
4	Standard Customer Service Operations - **INCLUDED**	Monthly/Annual Fee	1

5	Standard Reporting & MIS Generation - **INCLUDED**	Monthly/Annual Fee	1
Requested Items and/or Serivces: IMPLEMENTATION, TRAINING & ONBOARDING			
6	System Implementation & Configuration - **INCLUDED**	One-Time Fee	1
7	Data Conversion & Migration - **INCLUDED**	One-Time Fee	1
8	GOGov Integration (Bidirectional API) - **INCLUDED**	One-Time Fee	1
9	DMV Integration Setup (CA + Out-of-State) - **INCLUDED**	One-Time Fee	1
10	ERP Integration Setup (Tyler Munis) - **TBD based on scope.**	One-Time Fee	TBD
11	Training (CITY Staff & Users) - **INCLUDED**	One-Time Fee	1
12	Go-Live Support (Hypercare Period) - **INCLUDED**	One-Time Fee	1
Requested Items and/or Serivces: EQUIPMENT & FIELD ISSUANCE DEVICES			
13	Primary Ticket Writer Device - **First 5 ticket writers and mobile printers included free of charge**.	Each	5

14	Additional Ticket Writer Devices	Each	1
15	Primary Ticket Printer Device - **First 5 ticket writers and mobile printers included free of charge.**	Each	1
16	Additional Ticket Printer Devices	Each	1
17	Ticket Rolls (Proofing, printing, manufacturing, and delivery)	Each	1
18	Field Issuance Device Accessories (batteries, mounts, etc.)	Each	TBD
19	PCI-Compliant Payment Device (if applicable) - **INCLUDED**	Each	1
20	Device Replacement Prior to PCI Expiration - **INCLUDED**	Each	1
21	Device Maintenance / Certification Monitoring	Monthly/Annual Fee	1
Requested Items and/or Serivces: PAYMENT PROCESSING COSTS			
22	Payment Processing Platform Fee	Per Transaction	1

23	Credit Card Transaction Fee (%)	Per Transaction	1
24	Per Transaction Fee (if applicable) - **INCLUDED**	Per Transaction	1
25	Merchant Account Setup (CITY or CONTRACTOR) - **INCLUDED**	One-Time Fee	1
26	Chargeback / Dispute Handling Fee	Per Transaction	1
27	PCI-DSS Compliance Program Cost - **INCLUDED**	Monthly/Annual Fee	1
Requested Items and/or Serivces: FINANCIAL DEPOSITS & RECONCILIATION			
28	Lockbox Services (PO Box + Processing) - **INCLUDED**	Monthly Fee	1
29	Daily Payment Processing & Posting - **INCLUDED**	Monthly Fee	1
30	Bank Deposit Processing	Monthly Fee	1
31	Daily Reconciliation Services - **INCLUDED**	Monthly Fee	1

32	Manual Reconciliation (if required due to ERP limits) - **INCLUDED**	Monthly Fee	1
33	Refund Processing Support	Per Transaction	1
34	NSF / Returned Payment Processing	Per Transaction	1
Requested Items and/or Serivces: COLLECTIONS SERVICES			
35	Internal Collections Processing - 23%	Monthly Fee	1
36	Third-Party Collections Administration Fee	Percentage (%)	1
37	Collection Agency Pass-Through Rate	Percentage (%)	1
38	Franchise Tax Board (FTB) Intercept Processing	Per Citation	1
39	Skip Tracing Services - **INCLUDED**	Per Citation	1
40	Collection Notice Generation & Mailings	Per Notice	1
Requested Items and/or Serivces: ADJUDICATION & HEARING SERVICES			

Line	Description	UOM	Quantity
41	Administrative Review Processing - **INCLUDED**	Per Citation	1
42	Administrative Hearing Coordination & Scheduling - **INCLUDED**	Per Citation	1
43	Hearing Case Preparation & Docketing **- INCLUDED**	Per Citation	1
44	Hearing Officer Coordination Support - **INCLUDED**	Monthly Fee	1
45	Online Hearing Scheduling Platform - **INCLUDED**	Monthly Fee	1
46	Decision Processing & Notifications - **INCLUDED**	Per Notice	1
Requested Items and/or Serivces: CORRESPONDENCE & MAIL PROCESSING			
47	Notice Generation (All Types)	Per Notice	1
48	Printing & Mail Fulfillment - **INCLUDED**	Per Notice	1
49	Postage Handling (Pass-through or Included) - First-Class Mail Rates	Per Notice	1

50	Envelope / USPS Compliance Formatting - **INCLUDED**	Per Notice	1
51	Returned Mail Processing - **INCLUDED**	Per Notice	1
52	Translation / Multilingual Correspondence - **INCLUDED**	Per Notice	1
Requested Items and/or Serivces: DMV SERVICES & INTEGRATION			
53	DMV Registration Holds / Releases - **INCLUDED**	Per Citation	1
54	DMV Data Access (CA + Out-of-State) - **CA INCLUDED, OUT OF STATE RATE QUOTED**	Monthly/Annual Fee	1
55	DMV Reporting Services - **INCLUDED**	Monthly/Annual Fee	1
56	Disabled Placard Verification Integration - **INCLUDED**	Per Citation	1
Requested Items and/or Serivces: SYSTEM SECURITY, SaaS & IDENTITY MANAGEMENT			
57	SOC 2 / ISO 27001 Compliance Maintenance - **INCLUDED**	Monthly/Annual Fee	1
58	Security Audits & Certifications - **INCLUDED**	Monthly/Annual Fee	1

59	MFA / Role-Based Access Controls	Monthly/Annual Fee	TBD (based on scope)
60	Azure AD / Microsoft 365 Integration	One-Time Fee	TBD (based on scope)
61	Single Sign-On (SSO) Implementation	One-Time Fee	TBD (based on scope)
Requested Items and/or Serivces: ONLINE PUBLIC ACCESS PLATFORM			
62	Public Portal (Citation Lookup & Payment) - **INCLUDED**	Monthly/Annual Fee	1
63	QR Code / Web Link Deployment - **INCLUDED**	One-Time Fee	1
64	Online Appeals & Document Upload - **INCLUDED**	Monthly/Annual Fee	1
Requested Items and/or Serivces: REPORTING & ANALYTICS			
65	Statutory Reporting (CVC 40200.3(b)) - **INCLUDED**	Monthly/Annual Fee	1
66	Custom Dashboard Development	One-Time Fee	TBD (based on scope)
67	Historical Data Reporting (YTD + Multi-Year) - **INCLUDED**	Monthly/Annual Fee	1

68	Ad Hoc Reporting Requests - **INCLUDED**	Per Request	1
Requested Items and/or Serivces: CUSTOMER SERVICE CENTER			
69	Toll-Free Call Center Operations - **INCLUDED**	Monthly Fee	1
70	Bilingual Support (English/Spanish) - **INCLUDED**	Monthly Fee	1
71	IVR / Automated Voice Response System - **INCLUDED**	Monthly Fee	1
72	Call Recording & Archiving - **INCLUDED**	Monthly Fee	1
73	After-Hours / Overflow Support - **INCLUDED**	Monthly Fee	1
Requested Items and/or Serivces: SYSTEM PERFORMANCE & SLA COMPLIANCE			
74	98% Uptime SLA Compliance Program - **INCLUDED**	Monthly Fee	1
75	Performance Monitoring & Reporting Tools - **INCLUDED**	Monthly Fee	1
76	SLA Credit Structure (if applicable) - **INCLUDED**	Monthly Fee	N/A

atically interpreted as a "NO" for that
vided form, Exhibit H - Deviations and

l shall include all costs in accordance
ges, licenses and permits, insurance,
rofit. The Respondent shall submit all

Unit Price	Total Cost
$ 0.45	$ 0.45
$ -	$ -
$ -	$ -
$ -	$ -

$ -	$ -

$ -	$ -
$ -	$ -
$ -	$ -
$ -	$ -
TBD	TBD
$ -	$ -
$ -	$ -

$ -	$ -

$ 599.00	$ 599.00
$ -	$ -
$ 980.00	$ 980.00
$ 14.00	$ 14.00
TBD	TBD
$ -	$ -
$ -	$ -
$ 40.00	$ 40.00

$ 5.95	$ 5.95

$	4.25	$	4.25
$	-	$	-
$	-	$	-
$	35.00	$	35.00
$	-	$	-

$	-	$	-
$	-	$	-
$	50.00	$	50.00
$	-	$	-

$ -	$ -
$ 5.00	$ 5.00
$ 10.00	$ 10.00

23%	$ 0.23
35%	$ 0.35
35%	$ 0.35
15%	$ 0.15
$ -	$ -
$ 1.14	$ 1.14

Unit Price	Total Cost
$ -	$ -
$ -	$ -
$ -	$ -
$ -	$ -
$ -	$ -
$ -	$ -
$ -	$ -

$ 0.75	$ 0.75
$ -	$ -
TBD	TBD

$ -	$ -
$ -	$ -
$ -	$ -

	$ -
$ 0.35	$ 0.35
$ -	$ -
$ -	$ -
$ -	$ -

$ -	$ -
$ -	$ -

TBD (based on scope)	TBD (based on scope)
TBD (based on scope)	TBD (based on scope)
TBD (based on scope)	TBD (based on scope)

$ -	$ -
$ -	$ -
$ -	$ -

$ -	$ -
TBD (based on scope)	TBD (based on scope)
$ -	$ -

$ -	$ -

$ -	$ -
$ -	$ -
$ -	$ -
$ -	$ -
$ -	$ -

$ -	$ -
$ -	$ -
N/A	N/A

Project Total:	**$ 1,746.97**	*Project Total is subject to change based on volume.

City Council Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **PUBLIC WORKS DEPARTMENT**
MAINTENANCE DIVISION

DISTRICT: **1**

SUBJECT: **APPROVE AGREEMENT WITH MOHAWK COMMERCIAL, INC., FOR FLOORING REPLACEMENT SERVICES AT THE DEVELOPMENT SERVICES BUILDING AND THE PALMDALE PLAYHOUSE FOR A TOTAL NOT TO EXCEED AMOUNT OF $373,132 FOR A TERM OF ONE YEAR FROM THE DATE OF THE NOTICE TO PROCEED**

RECOMMENDATION

Staff recommend that the City Council:

1. Approve Agreement No. A-10100 with Mohawk Commercial, Inc., for flooring replacement services at the Development Services Building and the Palmdale Playhouse for a total not to exceed amount of $373,132, which includes a contract amount of $339,211 plus a 10% contingency amount of $33,921 for a term of one year from the date of the Notice to Proceed;

2. Authorize the City Manager or his designee to execute Agreement No. A-10100 with Mohawk Commercial, Inc., including minor and/or non-substantial changes; and,

3. Authorize the City Manager or his designee to approve change orders for additional or changed scopes of work up to the 10% contingency amount approved by the Council.

BACKGROUND

City Facility Maintenance oversees approximately 423,000 square feet of City-owned facilities, including high-use locations such as the Development Services building and the Palmdale Playhouse. Through routine assessments and the FY 2026-27 Capital Improvement Program (CIP) request process, staff identified flooring at both sites that has reached the end of its useful life and requires replacement.

At the Development Services building, the carpet on the first floor and stairwell is heavily worn, with deteriorated surfaces, particularly on the stairs, creating potential trip hazards. Much of this flooring is original to the building and is now approximately 25 years old, far exceeding the typical 10 to 15-year replacement cycle for high-traffic facilities.

Similarly, the flooring in the Palmdale Playhouse lobby and main hallway behind the auditorium has reached the end of its service life. The carpet and walk-off materials in these public-facing areas are visibly worn and no longer reflect the professional appearance expected of a performing arts venue. Given the high volume of patrons who visit the Palmdale Playhouse each year, maintaining a clean, safe, and visually appealing entry experience is essential to supporting the City's image and ensuring a positive visitor experience.

These conditions at both sites demonstrate the need for flooring replacement to maintain safe environments and preserve the quality and usability of City facilities.

DISCUSSION

To address the flooring deficiencies at both facilities and improve safety, appearance, and functionality, staff developed a project scope calling for the replacement of carpet, walk-off flooring and safety matting, commercial-grade luxury vinyl tile (LVT), cove base, stair treads, and contrasting incline-transition stripes for enhanced visibility.

Mohawk Commercial, Inc. will perform all flooring replacement services, including removal of existing materials, substrate preparation, installation of new products, furniture handling when necessary, and thorough site cleanup. Work at both locations will be coordinated to minimize disruption to City operations and public use.

Mohawk Commercial, Inc., was selected for this project through cooperative agreement 4-24-06-1007, available to the City through the California Multiple Award Schedules (CMAS) program administered by the state's Department of General Services. This cooperative purchasing method ensures competitive pricing, streamlines procurement compliance, and maintains consistency with materials used in other City facilities. Mohawk Commercial, Inc. has previously completed multiple flooring projects for the City, demonstrating reliable performance, quality workmanship, and a strong understanding of City standards.

Approval of this agreement will allow the City to install durable, high-quality replacement flooring at two prominent facilities, enhancing safety, accessibility, and the professional appearance expected at both the Development Services building and the Palmdale Playhouse.

FISCAL IMPACT

$373,132; Sufficient funds for these projects are budgeted and available utilizing General Fund, CIP Public Facilities, and Parks & Recreation funds in FY 2026-27.

STRATEGIC PLAN

Goal III. Invest in infrastructure to improve community livability.

A. Seek innovative, cost effective, customer focused methods of service delivery.

Prepared by:	Leonardo Torres, P.E., Director of Public Works
Certified as to availability of Funds:	Janelle Samson, Deputy City Manager
Approved by:	Salvador Mendez, City Manager
Approved as to form:	Taylor Anderson, Deputy City Attorney

ATTACHMENTS

Agrmt No. A-10100 with Mohawk Commercial, Inc.
CMAS Cooperative Agreement 4-24-06-1007

AGREEMENT NO. A- 10100
CONSTRUCTION CONTRACT
BETWEEN THE CITY OF PALMDALE AND MOHAWK COMMERCIAL, INC.

THIS CONTRACT (“Contract”) is made and entered into by and between City of Palmdale, a public entity ("City"), and MOHAWK COMMERCIAL, INC., a Corporation ("Contractor"). Contractor and City are collectively referred to herein as the “parties.” This Contract shall become effective on the date of the last signatory.

1 Scope of Work

1.1 Contractor shall complete the Project in accordance with this Contract. Contractor shall furnish all materials and perform all work required for the completion of the following Project:

The CONTRACTOR shall provide all labor, materials, equipment, supervision, and incidentals necessary to complete a turn-key flooring replacement at the locations below and as more specifically set forth in Exhibit "A" Scope of Work attached hereto and made part herein by reference.

Project for both locations shall include phased removal of existing flooring, floor preparation, installation of new materials, and all associated finishing and cleanup. Development Services Project shall also include furniture handling sufficient enough to permit installation.

Locations
1. Development Services 1st Floor Flooring and Stair Tread Replacement
Installation of carpet, walk-off flooring, luxury vinyl tile (LVT), cove base, and stair treads throughout approximately 18,000 square feet of office space including associated stairwells.

Project shall be completed over successive weekends (Fridays, Saturdays, Sundays) with an expected total duration of 8–10 weeks.

2. Palmdale Playhouse Lobby and Main Hallway behind Auditorium
Installation of luxury vinyl tile (LVT), contrasting incline-transition stripes, walk-off safety matting tile, and cove base throughout the Palmdale Playhouse lobby and the main hallway behind the auditorium.

The CONTRACTOR shall coordinate with the CITY to determine the installation window.

As used in this Contract, “Project” means all labor, materials, equipment, supervision, services, and incidentals required under this Contract.

1.2 Cooperative Purchase; CMAS Terms and Conditions

A. The parties acknowledge and agree that CITY is entering into this Contract as a cooperative purchase, as permitted by Palmdale Municipal Code Section

3.08.140(D), under California Multiple Award Schedule No. 4-24-06-1007, Supplement No. 1, awarded to Contractor by the State of California, Department of General Services, Procurement Division ("CMAS"). CITY enters into this Contract on the same terms and conditions as provided in the CMAS. The CMAS is attached hereto as Exhibit "C" and is incorporated herein by this reference as though set forth in full.

B. Contractor represents and warrants that the CMAS is in full force and effect as of the Effective Date of this Contract, that Contractor is the CMAS contractor thereunder, and that all products and services to be furnished under this Contract are within the scope of the CMAS. The prices charged to City under this Contract shall not exceed the prices set forth in the CMAS. Contractor shall notify City in writing within five (5) days if the CMAS is suspended, cancelled, terminated, or amended in any manner that affects this Contract.

C. In the event of any conflict or inconsistency between the terms and conditions of the CMAS and the terms and conditions of this Contract, the terms and conditions of this Contract shall control. Any requirement of this Contract mandated by applicable law, including without limitation the licensing, prevailing wage, bonding, and Labor Code requirements applicable to public works, shall apply in addition to the requirements of the CMAS. As used in the CMAS, references to the "State," the "agency," or the "ordering agency" shall be deemed to refer to CITY, as applicable. As used in this Contract, references to the "bid," "bid documents," or "bidder" shall be deemed to refer to the CMAS and to Contractor's quote or offer submitted to CITY under the CMAS, as applicable.

2 Standard Specifications

Standard Specifications for City projects are those contained in the 2024 Greenbook edition of the "Standard Specifications for Public Works Construction" (the "Greenbook"). Except as otherwise expressly provided herein, (including, without limitation, Section 1.2) the Standard Specifications shall control the general provisions, construction materials, and construction methods for this Contract (except as amended by the Plans for the Project), the General Specifications for the Project, the Special Provisions for the Project, any technical specifications for the Project, and any other contract documents.

Should it apply, the Successor Community Workforce Agreement policies and procedures must be followed as outlined in the attached agreement.

3 Compensation

City shall pay Contractor the total, all-inclusive, NOT-TO-EXCEED amount of THREE HUNDRED SEVENTY-THREE THOUSAND ONE HUNDRED THIRTY-TWO Dollars ($373132.00) for the construction of the Project. This amount shall cover all expenses for labor, materials, and any and all other costs incurred by Contractor to satisfactorily construct the Project. Unless otherwise provided in the bid documents or agreed upon by the parties, Contractor shall submit detailed, monthly invoices for work actually performed.

As used in this Contract, “working day” means any calendar day except: (a) Saturdays, Sundays, and legal holidays on which Palmdale City Hall is closed for business; (b) days on which the Project is suspended by City for reasons unrelated to Contractor’s performance; and (c) days on which Contractor is prevented from performing the Project by a Force Majeure Event under Section 32, as determined by City. Notwithstanding the foregoing, any Saturday, Sunday, or legal holiday on which Contractor performs the Work at City’s direction or with City’s approval, including the weekend Project at the Development Services location described in Section 1.1, shall be counted as a working day.

4 Completion Date

The construction of the Project shall commence within fifteen (15) days of Contractor receiving the written Notice to Proceed, and shall be completed within 365 working days of said notice. Contractor shall pay to City liquidated damages in accordance with Section 5.3 of this Contract for each calendar day, or portion thereof, of delay in finishing the work in excess of the number of working days prescribed herein.

5 Payment and Performance Bonds; Guaranty

5.1 Unless otherwise expressly provided in the bid documents, prior to commencing work, Contractor shall provide a payment bond and performance bond, each in an amount equal to 100% of the project price for each year of the term of the contract. Contractor shall submit all bonds electronically through Surety 2000. Pursuant to the bid documents for this Project, the Contractor is required to provide a written guaranty of Contractor’s work. In furtherance thereof, Contractor shall execute the written form of Guaranty attached hereto and incorporated by reference herein.

5.2 Funding Contingency; Suspension or Termination. Notwithstanding any other provision of this Contract, the parties acknowledge that performance under this Contract is contingent upon the availability and continued appropriation of sufficient funding. In the event that anticipated, allocated, or appropriated funding is reduced, delayed, or not received in whole or in part (“Funding Shortfall”), the affected party may, upon written notice to the other party, suspend performance of its obligations under this Agreement to the extent reasonably necessary.

If the Funding Shortfall continues for a period of 45 days following such notice, the affected party may terminate this Contract, in whole or in part, without penalty or further liability, upon additional written notice. Any suspension or termination pursuant to this section shall not constitute a breach of this Contract.

In the event of suspension or termination due to a Funding Shortfall, the parties shall equitably adjust compensation to reflect services properly performed and authorized expenses incurred prior to the effective date of suspension or termination. The

affected party shall use reasonable efforts to provide prompt notice of any Funding Shortfall and to mitigate any adverse impact on the other party.

5.3 Contractor agrees to forfeit and pay City the amount of Seven Hundred Fifty Dollars ($750.00) per day for each and every day of unauthorized delay beyond the completion date in Section 4, which shall be deducted from any monies due the Contractor. This payment shall be considered liquidated damages. Contractor agrees that such liquidated damages are reasonable under the circumstances existing at the time of execution of the contract, that such liquidated damages are to compensate AGENCY for losses that are difficult to measure and that such damages are not a penalty.

City's agreement to waive a specific time provision or to extend the time for performance shall not constitute a waiver of any other time provision contained in the Contract Documents.

Failure of the Contractor to complete performance promptly within the additional time authorized in a waiver or extension of time agreement shall constitute a material breach of this Contract entitling the City's to terminate this agreement.

6 Licenses

At all times during the term of this Contract, Contractor shall possess a valid and current Class n/a Contractor's License **or Specialty Contractor License consisting of Class C15 Flooring and Floor Covering licensee** to perform the Work ("Work"). Contractor's DIR registration number is 1000025095. Contractor hereby certifies that it holds the required license(s).

CONTRACTOR shall maintain in current status all Federal, State, and local licenses and permits required for the operation of the business conducted by the CONTRACTOR as applicable to this contract.

CONTRACTOR shall be required to obtain a current City of Palmdale business license, as required by the Palmdale Municipal Code, before an Authorization to Proceed is issued.

CONTRACTOR is, and shall at all times remain as to CITY, a wholly independent contractor. CONTRACTOR shall have no power to incur any debt, obligation, or liability on behalf of CITY or otherwise to act on behalf of CITY as an agent. CONTRACTOR, its officers, employees and agents shall not have any power to bind or commit the CITY to any decision or course of action, and CONTRACTOR, its officers, employees and agents shall not represent to any person or party that it or they are acting as agents of the CITY or that it or they have the power to bind or commit the CITY. Neither CITY nor any of its agents shall have control over the conduct of CONTRACTOR or any of CONTRACTOR's employees, except as set forth in this Agreement. CONTRACTOR shall not represent that it is, or that any of its agents or employees are, in any manner employees of CITY.

Under no circumstances shall CONTRACTOR look to the CITY as its employer. CONTRACTOR shall not be entitled to any benefits. CITY makes no representation as to the effect of this independent contractor relationship on CONTRACTOR's previously earned California Public Employees Retirement System ("CalPERS") retirement benefits, if any, and CONTRACTOR specifically assumes the responsibility for making such a determination. CONTRACTOR shall be responsible for all reports and obligations including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, workers' compensation, and other applicable federal and state taxes.

7 Subcontracting

Subject to any self-performance requirements herein, Contractor may subcontract any portion of the work required by this Contract to other persons or firms, and Contractor submitted with its bid a list of those subcontractors who will perform work in an amount in excess of one-half of one percent (1%) of the Contractor's total bid, in compliance with the Subletting and Subcontracting Fair Practices Act, California Public Contract Code § 4100, et seq. Only such listed subcontractors may perform on this Project.

8 Non-Assignability

Neither this Contract nor any rights, title, interest, duties or obligations under this Contract may be assigned, transferred, conveyed or otherwise disposed of by Contractor without the prior written consent of City.

9 Administration

This Contract will be administered by the Public Works Department of the City. The Director of Public Works or his or her designee shall be considered the Project Administrator and shall have the authority to act for the City under this Contract.

10 Indemnification

To the maximum extent permitted by law, Contractor shall indemnify, protect, defend and hold harmless the City, its Board of Director, the City's officers, employees, agents, volunteers, and representatives ("Indemnitees") with respect to any and all claims, suits, actions, stop notices, liabilities and/or damages, including related expenses, attorney's fees and costs, based on, arising out of, or in any way related to the work undertaken by Contractor pursuant to this Contract, and in connection with the Project.

CONTRACTOR's obligations under this Section are not limited by any workers' compensation or similar statute. CONTRACTOR expressly waives, as to the Indemnified Parties, any immunity under such statutes, and this Agreement constitutes a written agreement to indemnify within the meaning of California Labor Code section 3864.

In the event that CONTRACTOR or any employee, agent, or subcontractor of CONTRACTOR providing services under this Agreement claims or is determined by a court of competent jurisdiction or CalPERS to be eligible for enrollment in CalPERS as an employee of the CITY, CONTRACTOR shall indemnify, defend, and hold harmless CITY for the payment of any employee and/or employer contributions for CalPERS benefits on behalf of CONTRACTOR or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of CITY.

Notwithstanding any federal, state, or local policy, rule, regulation, law or ordinance to the contrary, CONTRACTOR and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by CITY, including but not limited to eligibility to enroll in CalPERS as an employee of CITY and entitlement to any contribution to be paid by CITY for employer contribution and/or employee contributions for CalPERS benefits.

CITY shall have the right to offset against any compensation due CONTRACTOR under this Agreement any amount due CITY from CONTRACTOR as a result of CONTRACTOR's failure to pay CITY promptly any indemnification arising under this section of this Agreement and any amount due CITY from CONTRACTOR arising from CONTRACTOR's failure either to (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.

CITY does not, and shall not, waive any rights that it may possess against CONTRACTOR because of the acceptance by CITY, or the deposit with CITY, of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provision shall apply whether or not any insurance policies apply to a claim, demand, damage, liability, loss, cost or expense.

11 Insurance

11.1 Without limiting Contractor's indemnification of City, as described in paragraph 10, and unless modified by City, Contractor shall obtain, provide and maintain, at its own expense, during the term of this Contract, a policy or policies of insurance, satisfactory to the City, from insurance carriers admitted to do business in the State of California and rated in A.M. Best's Insurance Guide with a rating of A:VII or better, which contain the coverage described below.

11.1.1 Commercial General Liability
$1,000,000.00 limit on a per occurrence basis
$2,000,000.00 general aggregate limit

11.1.2 Commercial Automobile Liability
$1,000,000.00 combined single limit including owned, non-owned and hired automobile coverage

11.1.3 Workers' Compensation and Employer's Liability
Workers' Compensation -- coverage as required by the State of California

Employer's Liability --
$1,000,000.00 each accident
$1,000,000.00 policy limit bodily injury
$1,000,000.00 each employee bodily injury by disease

11.2 Policies providing for bodily injury and property damage coverage shall contain the following:

A. An endorsement extending coverage to the City as an additional insured, as respects liability arising out of the performance of any work under the Contract. Such insurance shall be primary insurance, as respects the interest of the City, and any other insurance maintained by the City shall be considered excess coverage and not contributing insurance with the insurance required hereunder. The certificates shall state: "The City of Palmdale, Successor Agency to the Community Redevelopment Agency of the City of Palmdale, Palmdale Civic Authority, Housing Authority, Industrial Development Authority, Airport Authority, their officers, agents, employees and volunteers are named as additional insured".

B. "Severability of Interest" Clause.

The insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.
The inclusion of the City and its officers, employees, agents, and volunteers as
additional insureds shall not affect any rights the Contractor has under the policy, nor shall it limit the insurer's ability to deny coverage to any insured based on that insured's own acts or omissions.

11.3 Upon Notice of Intent to Award, and prior to commencement of any work, CONTRACTOR shall deliver to CITY certificates of insurance and endorsements to all required policies demonstrating that CONTRACTOR has the required coverage and showing the required named insured. Within five (5) days of written request from CITY, CONTRACTOR shall deliver to CITY full and complete copies of all insurance policies required by this Contract.

11.4 Said Certificates of Insurance shall provide that thirty (30) days' prior written notice of cancellation shall be given to the City in the event of cancellation and/or reduction in coverage of any nature.

11.5 The required policies of insurance shall be endorsed to waive all rights of subrogation. Contractors waives all rights of subrogation.

11.6 Acceptable Proof of Insurance:

A. ACORD Certificate of Insurance listing all coverage, limits, deductibles and insured; and endorsements for all applicable coverage if agent has authority to issue it; or additional insured Form CG20100704 and CG20370704 or

equivalent must be provided for general liability coverage. Additional insured form CA0001 must be provided for automobile liability coverage.

B. Binders of insurance for all coverage. Agents must confirm that policy endorsements have been ordered from the respective insurance companies. Upon issuance, policy endorsements and a corresponding Certificate of Insurance listing all insurers and coverage must be submitted to the City Attorney.

C. *When pollution/environmental liability coverage is provided on a “claims made basis”, CONTRACTOR will continue to renew the insurance for a period of five (5) years after this Contract expires or is terminated. Such insurance will have the same coverage and limits as the policy that was in effect during the term of this Contract, and will cover CONTRACTOR, or its officers, employees, or agents during the time this Contract was in effect.

11.7 The requirements as to the types and limits of insurance to be maintained by CONTRACTOR are not intended to and shall not in any manner limit or qualify CONTRACTOR’s liabilities and obligations under this Contract.

11.8 Any policy or policies of insurance that CONTRACTOR elects to carry as insurance against loss or damage to its equipment and tools or other personal property used in the performance of this Contract shall include a provision waiving the insurer’s right of subrogation against CITY.

11.9 Notwithstanding any other provision of this Contract, CITY may immediately terminate this Contract if, at any time CONTRACTOR fails to maintain the required insurance for any period of time or fails to comply with any of the insurance requirements listed above.

11.10 CONTRACTOR shall require any and all subcontractors working on its behalf to provide insurance coverages and limits that are based on the scope of work and nature of risk being performed by the subcontractor. Any and all subcontractors working on behalf of CONTRACTOR shall be subject to all other insurance requirements that are stated herein.

Any deviation in this requirement will be CONTRACTOR's sole risk. CONTRACTOR's insurance requirements in Section 11 will not be impacted and/or limited by such deviation.

12 State Labor Code

12.1 This Contract calls for work to be performed constituting public works. Contractor and all subcontractors shall pay the general prevailing rate of per diem wages as determined and as published by the State Director of the Department of Industrial Relations pursuant to Article 2 of Chapter 1 of Part 7, of Division 2 of the State Labor Code, including, but not limited to, Sections 1770, 1771, 1773, 1773.2 and 1774.

12.2 This is a public work and requires the payment of prevailing wages for the work or craft in which the worker is employed for any public work done under the contract by Contractor or by any subcontractor pursuant to Section 1771 of the Labor Code. Pursuant to the provisions of Section 1773 of the Labor Code of the State of California, the City has obtained the general prevailing rate of per diem wages and the general rate for holiday and overtime work in this locality for each craft, classification, or type of workman needed to execute this contract from the Director of the Department of Industrial Relations. These rates are on file with the City or may be obtained at http://www.dir.ca.gov/OPRL/DPreWageDetermination.htm.

Contractor shall post a copy of such wage rates at the job site and shall pay the adopted prevailing wage rates as a minimum. Contractor shall comply with the provisions of Sections 1775, 1776, 1777.5, 1777.6, and 1813 of the Labor Code. Pursuant to the provisions of 1775 of the Labor Code, Contractor shall forfeit to the City, as a penalty, not more than $200.00 for each calendar day, or portion thereof, for each laborer, worker, or mechanic employed, paid less than the stipulated prevailing rates for any work done under this Contract, by him or by any subcontractor under him, in violation of the provisions of this Contract.

12.3 Contractors and subcontractors who are ineligible to bid for work on, or be awarded, a public works project pursuant to Labor Code Sections 1777.1 and 1777.7 are prohibited from bidding on, being awarded, or performing work as a subcontractor, on this Project pursuant to Public Contract Code Section 6109.

12.4 Contractor's attention is directed to the provisions in Sections 1774, 1775, 1776, 1777.5 and 1777.6 of the Labor Code. Contractor shall comply with the provisions in these Sections. The statutory provisions for penalties for failure to comply with the State's wage and hours laws will be enforced. Pursuant to Section 1775 of the Labor Code, the Contractor and any subcontractors, shall, as a penalty to the City forfeit the prescribed amounts per calendar day, or portion thereof, for each worker paid less than the prevailing wage rates.

12.5 Pursuant to Labor Code Section 1771.4, the Project is subject to compliance monitoring and enforcement by the California Department of Industrial Relations.

12.6 Each Contractor and subcontractor shall furnish the records specified in Labor Code Section 1776 directly to the State Labor Commissioner at least monthly in the format prescribed by the State Labor Commissioner.

12.7 Sections 1774 and 1775 require the Contractor and all subcontractors to pay not less than the prevailing wage rates to all workmen employed in the execution of the Contract and specify forfeitures and penalties for failure to do so. The minimum wages to be paid are those determined by the State Director of the Department of Industrial Relations. Section 1776 requires the Contractor and all subcontractors to keep accurate payroll records, specifies the contents thereof, their inspection and duplication procedures and certain notices required of the Contractor pertaining to their location.

12.8 Section 1777.5 of the Labor Code requires Contractor or subcontractor employing workers in any apprenticeable occupation to apply to the Joint Apprenticeship Committee nearest the site of the public works project, which administers the apprenticeship program in that trade for a certificate of approval. The certificate will also fix the ratio of apprentices to journeymen to be used in the performance of the Contract. The Contractor is required to make contributions to funds established for the administration of apprenticeship programs if he employs registered apprentices or journeymen in any apprenticeable trade and if other contractors on the public works site are making such contributions. Information relative to apprenticeship standards, contributions, wage schedules and other requirements may be obtained from the State Director of Industrial Relations or from the Division of Apprenticeship Standards. Section 1777.6 of the Labor Code provides that it shall be unlawful to refuse to accept otherwise qualified employees as registered apprentices solely on the grounds of race, religious creed, color, national origin, ancestry, sex, or age.

12.9 Eight hours labor constitutes a legal day's work, as set forth in Labor Code

Section 1810. The statutory provisions for penalties for failure to comply with the State's wage and hour laws will be enforced as set forth in Labor Code Section 1813.

13 Antitrust Claims

In entering into this Contract, Contractor offers and agrees to assign to the City all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the California Business and Professions Code) arising from purchases of goods, services, or materials pursuant to the Contract. This assignment shall be made and become effective at the time the City tenders final payment to Contractor without further acknowledgment by the parties.

14 Trenching and Excavations

Pursuant to Public Contract Code Section 7104, if the Project involves trenching more than four (4) feet deep, Contractor shall promptly and before the following conditions are disturbed notify the City in writing of any:

14.1 Material that Contractor believes may be material that is hazardous waste, as defined in California Health and Safety Code Section 25117, that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law; and/or

14.2 Subsurface or latent physical conditions at the site differing from those indicated; and/or

14.3 Unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract.

14.4 As required by Labor Code Section 6705 and in addition thereto, whenever work under the Contract that involves an estimated expenditure in excess of twenty-five thousand dollars ($25,000) for the excavation of any trench or trenches five (5) feet or more in depth, Contractor shall submit for acceptance by City in advance of excavation, a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from the hazard of caving ground during the excavation, of such trench or trenches. If such plan varies from the shoring system standards established by the Construction Safety Orders of the Division of Industrial Safety, the plan shall be prepared by a registered civil or structural engineer employed by Contractor, and all costs therefor shall be included in the price of the Contract. Nothing in this provision shall be deemed to allow the use of a shoring, sloping, or other protective system less effective than that required by the Construction Safety Orders. Nothing in this provision shall be construed to impose tort liability on the City or on any City officer, agent, consultant, representative, or employee. All plans, processing and shoring costs are Contractor's responsibility and must be included in Contractor's bid.

15 Location of Existing Elements

Pursuant to Government Code Sections 4216 to 4216.9, the methods used and costs involved to locate existing elements, points of connection and all construction methods are Contractor's sole responsibility. Accuracy of information furnished, as to existing conditions, is not guaranteed. Contractor, at its sole expense, must make all investigations necessary to determine locations of existing elements, which may include, without limitation, contacting U.S.A. alert and other private underground locating firm(s), and/or utilizing potholes, specialized locating equipment and/or hand trenching.

16 Third Party Claims

Pursuant to Public Contract Code Section 9201, the City has full authority to compromise or otherwise settle any claim relating to this Contract at any time. The City shall timely notify Contractor of the receipt of any third-party claim relating to the Contract. The City shall be entitled to recover its reasonable costs incurred in providing the notification required by Public Contract Code Section 9201(b).

17 Non-Collusion

Contractor hereby certifies that this bid is genuine and not a sham or collusive, or made in the interest or on behalf of any person or business not herein named. Contractor further certifies that Contractor has not directly or indirectly induced or solicited any other bidder to furnish a sham bid, or any other person or business to refrain from bidding, and Contractor has not in any manner sought by collusion to secure itself an advantage over any other bidder. Contractor also affirms that it has signed and submitted with its bid to the City a Non-collusion Declaration as required by Public Contract Code Section 7106.

18 Conflicts of Interest

Contractor agrees not to accept any employment or representation during the term of this Contract or within twelve (12) months after completion of the work under this Contract which is or may likely make Contractor "financially interested," as provided in Government Code Section 1090 and 87100, in any decisions made by City on any matter in connection with which Contractor has been retained pursuant to this Contract.

19 Audit

The City or its representative shall have the option of inspecting and/or auditing all records and other written materials used by Contractor in preparing its billings to the City as a condition precedent to any payment to Contractor. Contractor will promptly furnish documents requested by the City. Additionally, pursuant to Government Code Section 8546.7, if this Contract involves the expenditure of public funds in excess of ten thousand dollars ($10,000), Contractor shall be subject to State Auditor examination and audit at the request of the City or as part of any audit of the City, for a period of three (3) years after final payment under this Contract.

20 Substitute Security

Pursuant to Public Contract Code Section 22300, the substitution of securities for any moneys withheld by the City to ensure performance under a contract is permitted, except where financing will be provided by the Farmers Home Administration of the United States Department of Agriculture pursuant to the Consolidated Farm and Rural Development Act (7 U.S.C. Sec. 1921 *et seq*.) or where federal regulations or policies, or both, do not allow the substitution of securities. At the request and expense of Contractor, securities equivalent to the amount withheld shall be deposited with the City, or with a state or federally chartered bank in the State of California as the escrow agent, that shall then pay those moneys to Contractor. Upon satisfactory completion of the Contract, the securities shall be returned to Contractor.

Alternatively, Contractor may request and the City shall make payment of retentions earned directly to the escrow agent at the expense of Contractor. At the expense of Contractor, Contractor may direct the investment of the payments into securities, and Contractor shall receive the interest earned on the investments upon the same terms provided for securities deposited by Contractor. Upon satisfactory completion of the Contract, Contractor shall receive from the escrow agent all securities, interest, and payments received by the escrow agent from the City, pursuant to the terms of this section.

Securities eligible for investment shall include those listed in California Government Code Section 16430, bank or savings and loan certificates of deposit, interest-bearing demand deposit accounts, standby letters of credit, or any other security to which Contractor and the City agree in writing. Contractor shall be the beneficial owner of any securities substituted for moneys withheld and shall receive any interest thereon.

If Contractor elects to receive interest on moneys withheld in retention by the City, it shall, at the request of any subcontractor performing more than five percent (5%) of Contractor's total bid, make that option available to the subcontractor regarding any

moneys withheld in retention by Contractor from the subcontractor. If Contractor elects to receive interest on any moneys withheld in retention by the City, then the subcontractor shall receive the identical rate of interest received by Contractor on any retention moneys withheld from the subcontractor by Contractor, less any actual pro rata costs associated with administering and calculating that interest. In the event that the interest rate is a fluctuating rate, the rate for the subcontractor shall be determined by calculating the interest rate paid during the time that retentions were withheld from the subcontractor. If Contractor elects to substitute securities in lieu of retention, then, by mutual consent of Contractor and its subcontractor, the subcontractor may substitute securities in exchange for the release of moneys held in retention by Contractor. No Contractor shall require any subcontractor to waive any provision of this paragraph.

The escrow agreement for security deposits in lieu of retention shall be substantially similar to the form provided in Public Contract Code Section 22300(f).

21 Claims Dispute Resolution

In the event of any dispute or controversy with the City over any matter whatsoever, the Contractor shall not cause any delay or cessation in or of Work, but shall proceed with the performance of the Work in dispute. The Contractor shall retain any and all rights provided that pertain to the resolution of disputes and protests between the parties. The Disputed Work will be categorized as an “unresolved dispute” and payment, if any, shall be as later determined by mutual agreement or a court of law. The Contractor shall keep accurate, detailed records of all Disputed Work, claims and other disputed matters.

All claims arising out of or related to the Contract documents or this Project, and the consideration and payment of such claims, are subject to the Government Claims Act (Government Code Section 810 et seq.) with regard to filing claims. All such claims are also subject to Public Contract Code Section 9204 and Public Contract Code Section 20104 et seq. (Article 1.5), where applicable. This Contract hereby incorporates those provisions as though fully set forth herein. Thus, the Contractor or any Subcontractor must file a claim in accordance with the Government Claims Act as a prerequisite to filing a construction claim in compliance with Section 9204 and Article 1.5 (if applicable), and must then adhere to Section 9204 and Article 1.5 (as applicable), pursuant to the definition of “claim” as individually defined therein.

22 Ownership And Delivery Of Work Product

All documents, data, reports, studies, analyses, field notes, investigations, plans, specifications, software, programs, manuals, instructions, and other materials of any nature, whether complete or incomplete, that are prepared, developed, or produced by CONTRACTOR or Contractor’s subcontractors in the performance of this Contract (collectively, “Work Product”) shall be the exclusive property of the CITY.

All Work Product shall be delivered to or left with the CITY upon completion, expiration, or termination of this Contract. Upon request, CONTRACTOR shall provide the CITY with originals and reproducible and electronic copies of all Work

Product. Electronic copies shall be provided in an unprotected format that allows the CITY to copy, reproduce, modify, and use the Work Product without restriction.

23 Ownership Of Intellectual Property

The Work Product and all intellectual property rights therein shall be deemed “works made for hire” under the United States Copyright Act (17 U.S.C. § 101 et seq.), and the CITY shall be deemed the author and exclusive owner thereof, in perpetuity and worldwide.

To the extent any Work Product does not qualify as a work made for hire, CONTRACTOR hereby irrevocably assigns, transfers, and conveys to the CITY all right, title, and interest in and to such Work Product, including all copyrights, trademarks, patents, and other proprietary rights. CONTRACTOR consents to the use of CONTRACTOR’s name in conjunction with the sale, use, performance, and distribution of Work Product, for any purpose and in any medium.

CONTRACTOR agrees to execute any documents and take any actions reasonably requested by the CITY to confirm or perfect the CITY'S ownership of such rights.

CONTRACTOR waives any and all moral rights or similar rights under California Civil Code section 980 or any other applicable law to the extent permitted by law.

24 Non-discrimination and Equal Employment Opportunity

24.1 In performance of this Contract, CONTRACTOR shall not discriminate against any employee, subcontractor, or applicant for employment because of sex, color, race, religion, ancestry, national origin, disability, medical condition including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sexual orientation, age, gender, gender identity, gender expression, genetic information, or military and veteran status. CONTRACTOR will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their sex, color, race, religion, ancestry, national origin, disability, medical condition including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sexual orientation, age, gender, gender identity, gender expression, genetic information, or military and veteran status . Affirmative action relating to employment shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

25 SB 1383 Compliance

CONTRACTOR shall comply with all applicable requirements of California Senate Bill 1383 (SB 1383) and related regulations concerning the reduction of organic waste, diversion from landfills, and edible food recovery.

26 WCAG 2.1AA Compliance

Information and communication technology means information technology and other equipment, systems, technologies, or processes, for which the principal function is the creation, manipulation, storage, display, receipt, or transmission of electronic data

and information, as well as any associated content. Examples include computers and peripheral equipment; information kiosks and transaction machines; telecommunications equipment; customer premises equipment; multifunction office machines; software; applications; Web sites; videos; and electronic documents.

Each information and communication technology (hereinafter referred to as "ICT") product or service furnished to the City under this Contract shall be accessible to and usable by individuals with disabilities in accordance with the Americans with Disabilities Act, as amended, (hereinafter referred to as the "ADA") and other applicable Federal laws, including Section 508 of the Rehabilitation Act, as amended, and State laws and implementing regulations. For purposes of this clause, Contractor shall be considered in compliance with the ADA and other Federal and State laws if it satisfies the requirements (including exceptions) specified in the regulations 36 CFR Part 1194 implementing Section 508 of the Rehabilitation Act, including the Web Content Accessibility Guidelines (WCAG) 2.1 Level A and Level AA Success Criteria and Conformance Requirements (2008), which are incorporated by reference, and the functional performance criteria.

Contractor shall maintain and retain, subject to review by the City, full documentation of the measures taken to ensure compliance with the applicable requirements and functional performance criteria, including records of any testing or simulations conducted. For each ICT subject to the Contract, the documentation shall include a description of conformance with applicable federal and state laws by means of either a Voluntary Product Accessibility Template (VPAT) or other comparable document, upon request.

If Contractor claims its products or services satisfy the applicable requirements and standards specified above and it is later determined by the City that any furnished product or service is not in compliance with such requirements and standards, the City will promptly inform the Contractor in writing of the noncompliance. The Contractor shall, at no cost to the City, repair or replace the non-compliant products or services within the period specified by the City. If the repair or replacement is not completed within the specified time, the City may cancel the Contract or have any necessary changes made or repairs performed by employees of the City or by another contractor, and Contractor shall reimburse the City for any expenses incurred thereby. Contractor shall indemnify and hold the City harmless in the event of claims arising from inaccessibility.

27 Integration

This Contract, , together with the CMAS incorporated herein pursuant to Section 1.2, supersedes any and all agreements, either oral or written, between the parties hereto with respect to the construction of the Project by Contractor for City and contains all of the covenants and agreements between the parties with respect to the construction of the Project. Each party to this Contract acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made with regard to the construction of the Project by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement, or promise regarding work not contained in this Contract shall be valid or binding. Any modification or amendment of this Contract will be effective

only if it is in writing and signed by the parties to this Contract. Any changes to the work required by this Contract will be by change order signed by the parties.

28 Debarment and Suspension Certification

Title 2, Code of Federal Regulations, Part §180.300

The bidder, under penalty of perjury, certifies that, except as noted in a separate document, he/she or any other person associated therewith in the capacity of owner, partner, director, officer, or manager:

- is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any Federal agency;
- has not been suspended, debarred, voluntarily excluded or determined ineligible by any Federal agency within the past 3 years;
- does not have a proposed debarment pending; and
- has not been indicted, convicted, or had a civil judgment rendered against it by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past 3 years.

29 Compliance With Law

29.1 CONTRACTOR shall comply with all state and federal laws, including but not limited to, the requirement to hire only those persons authorized by federal law to work in the United States. If CONTRACTOR uses any subcontractors to complete this Contract, this same requirement shall be included in all subcontracts and strictly enforced by CONTRACTOR.

29.2 The law of the state of California shall govern this Contract. The venue of any legal action, either formal or informal, shall be the County of Los Angeles.

29.3 If applicable, CONTRACTOR acknowledges and understands it must comply with the prevailing wage requirements as well as the execution of a Worker's Compensation Certificate.

30 Health And Safety Provisions

A. CONTRACTOR and all subcontractors shall abide by all health and safety mandates issued by federal, state, county, City of Palmdale, and/or public health officers, and worksite-specific mandates. If multiple mandates exist, the CONTRACTOR and subcontractors shall abide by the most restrictive mandate.

B. Costs associated with adhering to health and safety mandates are the responsibility of the CONTRACTOR. CONTRACTOR is responsible for the tracking and compliance of health and safety mandates and may be audited upon request.

31 Notification And Access Revocation

The CONTRACTOR shall notify the CITY in writing prior to or no later than twenty-four (24) hours after, the termination, expiration, suspension, reassignment, or removal of any Contractor Personnel with access to the Project or Owner Resources. For Contractor Personnel with Information Technology access, notification must be immediate, or the CITY may consider the CONTRACTOR to be in breach of contract.

Notice shall include the individual's name, role, effective date and time of termination or removal, and systems or resources accessed.

The CITY reserves the right, in its sole discretion, to immediately suspend or revoke access for any Contractor Personnel upon receipt of notice or upon CITY'S determination that such access is no longer required or appropriate.

32 Force Majeure

Neither Party shall be liable for any failure or delay in performing its obligations under this Contract (other than payment obligations) if such failure or delay is caused by an event or circumstance beyond the reasonable control of the affected Party ("Force Majeure Event"). Force Majeure Events include, but are not limited to, acts of God; flood; fire; earthquake; explosion; war; terrorism; civil disturbance; epidemic or pandemic; quarantine; governmental actions or orders; or other similar events beyond the control of the affected Party.

The affected Party shall provide written notice to the other Party within ten (10) calendar days of the occurrence of the Force Majeure Event, describing the nature, expected duration, and anticipated impact on performance. The Party shall use all diligent efforts to mitigate the effects of the event and resume performance as soon as practicable.

33 Successors and Assigns

The terms and conditions of this Contract shall be binding on the successors and assigns of the parties to this Contract.

34 Exhibits

The exhibits and attachments referenced in this Contract are attached hereto and incorporated herein by this reference as though set forth in full in the Contract. Without limiting the foregoing, the CMAS is attached hereto as Exhibit "C."

35 Authority to Sign

The person or persons executing this Contract on behalf of the Contractor warrant and represent that they have the authority to execute this Contract on behalf of the Contractor and have the authority to bind Contractor to the construction of the Project.

36 Time is of the Essence

Time is of the essence in every provision of this Contract in which time to perform is a factor.

In Witness Whereof, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE

SIGNATURE AREA

Salvador Mendez
City Manager

SIGNATURE AREA

ADDRESS FOR NOTICE:
CITY OF PALMDALE
39110 3rd Street East, Suite C
Palmdale, CA 93550

APPROVE AS TO FORM:

SIGNATURE AREA

Aleks Giragosian
City Attorney

ATTEST:

SIGNATURE AREA

Rochelle Scott
City Clerk

MOHAWK COMMERCIAL, INC.

SIGNATURE AREA

Andrew Johsnon
Account Executive

ADDRESS FOR NOTICE:
MOHAWK COMMERCIAL, INC.
160 South Industrial Blvd
Calhoun, GA 30701

ATTEST: If Corporation

SIGNATURE AREA

Secretary

[Signatures of contractor on bond(s) must be notarized. Obtain two corporate signatures if contractor is a corporation.]

---------- INTERNAL USE ONLY ----------

□Certificate(s) and Endorsement(s) attached
□Confirmed business name on contract with certificate(s)
□Attached notarized bond(s), Worker's Compensation Certificate, and Guaranty
□Attached Agreement Checklist and met all requirements
□2 CFR 200 Checklist (if federally funded)
□Attach Quotes, Solicitation Docs, City's Best Interest, Government Code, etc.

CALIFORNIA DEPARTMENT OF GENERAL SERVICES

Procurement Division
707 Third Street, 2nd Floor, MS #2-202
West Sacramento, CA 95605-2811

State of California

MULTIPLE AWARD SCHEDULE

NON-MANDATORY

Mohawk Commercial, Inc.

CMAS NUMBER:	**4-24-06-1007**
SUPPLEMENT NUMBER:	1
CMAS TERM DATES:	6/05/2024 through 8/09/2027
EFFECTIVE DATE:	3/19/2026
CMAS CATEGORY:	Non-IT Commodities General Provisions
APPLICABLE STATE OF CALIFORNIA GENERAL PROVISIONS:	February 20, 2025
APPLICABLE CMAS SPECIAL PROVISIONS:	January 2, 2025
MAXIMUM ORDER LIMIT:	State Agencies: **See Purchasing Authority Dollar Threshold provision** Local Government Agencies: **Unlimited**
FOR USE BY:	State & Local Government Agencies
BASE SOURCEWELL CONTRACT #:	061323-MCD
BASE CONTRACT HOLDER:	Mohawk Carpet Distribution, LLC
PROGRAM ANALYST	Bryan Dugger bryan.dugger@dgs.ca.gov

This California Multiple Award Schedule (CMAS) provides for the purchase, warranty, removal, disposal, preparation, and installation of hard- and soft-surface commercial flooring, and furniture moving services. (See page 3 for the restrictions applicable to this CMAS.)

CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
MOHAWK COMMERCIAL, INC.
CMAS NUMBER 4-24-06-1007, SUPPLEMENT NUMBER 1

The purpose of this supplement is to incorporate the following changes:

1) The most current Ordering Instructions, General Provisions, CMAS Special Provisions, and products and/or services are included herein. All purchase orders issued by State agencies shall incorporate these Ordering Instructions, General Provisions, and CMAS Special Provisions. Review these provisions carefully as they have changed.
2) Update the "Excluded Products and/or Services" provision.
3) Update the California Contractor's License expiration date in the "Public Works (Installation Services Only)" provision.

Supplement 1 replaces the original CMAS in its entirety.

Any reference to a specific manufacturer's or publisher's warranty or terms and conditions as shown in the base contract are not applicable to this CMAS.

The services provided under this CMAS are only available in support of the products covered by this CMAS.

CMAS RESTRICTION FOR CARPET PURCHASES

The Department of General Services' Office of Sustainability has determined that all carpet purchased by state agencies be made at the ANSI/NSF-140 Platinum level. The Governor's Executive Order B-18-12 Ordered that the State agencies purchase and use environmentally preferable products that have a lesser or reduced effect on human health and the environment. Carpet that is 3rd party certified to ANSI/NSF-140 Platinum level meets the requirement.

IMPORTANT NOTE TO ALL USERS OF THIS MULTIPLE AWARD SCHEDULE

A contract for the purchase and installation of carpet is a public works contract as defined in Section 1101 of the Public Contract Code and, as such, requires certain special conditions. Prior to placing an order against this multiple award schedule, read pages 20 through 29 entitled "Information Regarding the Purchase and Installation of Carpet and Other Floor Coverings" to ensure your agency understands the special conditions involving public works contracts. If your agency does not have staff with expertise involving public works contracts, it is recommended that you seek interagency assistance or consider not using this multiple award schedule.

Agency non-compliance with the requirements may result in the loss of CMAS program delegated purchasing authority.

CMAS contractor non-compliance with the requirements may result in termination.

CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
MOHAWK COMMERCIAL, INC.
CMAS NUMBER 4-24-06-1007, SUPPLEMENT NUMBER 1

CMAS PRODUCT & SERVICE CODES

Product & Service Codes listed below are for marketing purposes only. Review the base contract for the available products and/or services.

Brand-Bigelow Commercial
Brand-Karastan
Brand-Lees Carpet
Brand-Mohawk
Brand-Mohawk Carpet
Floor Cov-Broadloom Carpet
Floor Cov-Carpet Recycled
Floor Cov-Hardwood
Floor Cov-Modular Carpet Tile
Floor Cov-Rubber Sheeting/Tile
Floor Cov-Vinyl Sheeting/Tile

AVAILABLE PRODUCTS AND/OR SERVICES

This CMAS provides for the purchase, warranty, removal, disposal, preparation, and installation of hard- and soft-surface commercial flooring, and furniture moving services.

The ordering agency must verify all products and/or services, and pricing are currently available on the Sourcewell 061323-MCD contract at the Sourcewell website. Access the Sourcewell website at www.sourcewell-mn.gov.

EXCLUDED PRODUCTS AND/OR SERVICES

Public works services for State Agencies (except for resilient flooring, carpet, lighting fixtures, and synthetic turf), cleaning services, project surcharges, storage of materials long-term are not available under this CMAS.

ISSUE PURCHASE ORDER TO

Agency purchase orders must be sent to the following:

Mohawk Commercial, Inc.
160 South Industrial Blvd.
Calhoun, GA 30701
Attn: Tammy Land

E-mail: tammy_land@mohawkind.com

CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
MOHAWK COMMERCIAL, INC.
CMAS NUMBER 4-24-06-1007, SUPPLEMENT NUMBER 1

Agencies with questions regarding products and/or services may contact the CMAS contractor as follows:

Contact: **Derek Carnes**
Phone: **(706) 622-6228**
E-mail: **derek_carnes@mohawkind.com**
Website: **www.mohawkgroup.com**

TOP 500 DELINQUENT TAXPAYERS

In accordance with Public Contract Code (PCC) 10295.4, and prior to placing an order for non-IT goods and/or services, **agencies must verify** with the Franchise Tax Board and the California Department of Tax and Fee Administration that this CMAS contractor's name does not appear on either list of the 500 largest tax delinquencies pursuant to Revenue and Taxation Code 7063 or 19195. The Franchise Tax Board's list of Top 500 Delinquent Taxpayers is available at their website. The California Department of Tax and Fee Administration's list of Top 500 Sales & Use Tax Delinquencies in California is available at their website.

CALIFORNIA SELLER'S PERMIT

The CMAS contractor's California Seller's Permit Number is 240-901056. Prior to placing an order with this company, agencies must verify that this permit is still valid at the CDTFA Online Services website.

MINIMUM ORDER LIMITATION

The minimum dollar value of an order to be issued under this CMAS is $100.

CMAS PRICES

The maximum prices allowed for the available products and/or services are those set forth in the base contract.

The ordering agency is encouraged to seek prices lower than those in the base contract. When responding to an agency's Request for Offer (RFO), the CMAS contractor can offer lower prices to be competitive.

DARFUR CONTRACTING ACT

This CMAS contractor has certified compliance with the Darfur Contracting Act, per PCC 10475. It is the agency's responsibility to verify that the contractor has a Darfur Contracting Act Certification on file.

IRAN CERTIFICATION

This CMAS contractor has certified compliance with the Iran Contracting Act, per PCC 2001-2008. It is the agency's responsibility to verify that the contractor has an Iran Contracting Act Certification on file.

CALIFORNIA CIVIL RIGHTS LAW CERTIFICATION

Pursuant to PCC 2010 applicants must certify their compliance with the California Civil Rights laws and Employer Discriminatory Policies (Civil Code 51, GC 12960). It is the agency's responsibility to verify that the contractor has a California Civil Rights Law Certification on file.

WARRANTY

For warranties, see the base contract and the State Of California General Provisions.

DELIVERY

As negotiated between agency and CMAS contractor and included in the purchase order.

LIQUIDATED DAMAGES FOR LATE DELIVERY

The value of the liquidated damages cannot be a penalty, must be mutually agreed upon by agency and contractor and included in the purchase order to be applicable.

SHIPPING INSTRUCTIONS

F.O.B. Destination (Free On Board) – Prepaid and Add Seller pays the freight charges.

State agencies shall follow the instructions below whenever the weight of the purchase is 100 lbs. or more and F.O.B. Destination, Freight Prepaid is not used. This requirement is not applicable to local government agencies.

All shipments will be made by ground transportation unless otherwise ordered on the purchase order.

Traffic Management Unit (TMU) approval is not required for any Leveraged Procurement Agreement negotiated by DGS; however, it is recommended that state agencies contact TMU for a freight weight comparison using the Freight Rate Analysis Request Form on the TMU website to ensure the state is getting the most reasonable shipping cost.

Note: If shipping charges for purchases weighing less than 100 lbs. appear to be excessive (e.g., $500 for a 5 lb. package where the shipping charge is a percentage of the cost of the item being purchased), departments are encouraged to contact TMU for help to obtain more appropriate pricing. TMU contact information can be found at the TMU website.

CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
MOHAWK COMMERCIAL, INC.
CMAS NUMBER 4-24-06-1007, SUPPLEMENT NUMBER 1

CANCELLATION

Cancellation Fee: Cancellations, returns and/or pending shipments under 100 yards, single dyelot, (cut made or en route) - No return / cancellation fee.

•Cancellations, returns and/or pending shipments over 100 yards (cut made or en route) - 25% of material value.

•Karastan brands over 100 yards or any Running Line order over 2000 yards incur 25% cancellation fee after 3rd business day from order placement.

•Customs, drops, promotional goods - No return/cancellation.

PURCHASING AUTHORITY DOLLAR THRESHOLD

Order limits for the purchase of goods and/or services are determined by the individual agency purchasing authority threshold.

No CMAS order may be executed by a State agency that exceeds that agency's purchasing authority threshold, unless an exemption is granted by the Department of General Services (DGS) Statewide Procurement Oversight and Consulting Unit (SPOC). State agencies with approved purchasing authority, along with their dollar thresholds can be obtained at the List of State Departments with Approved Purchasing Authority website.

HOW TO USE CMAS

State agencies must adhere to the requirements in the State Contracting Manual (SCM) Volume 2, Chapter 1600 and CMAS Ordering Instructions and Special Provisions when using CMAS.

- Develop an RFO, which includes a Scope of Work (SOW) and Bidder Declaration form. For information on the Bidder Declaration requirements see SCM, Volume 2, Sections 305 and 1202.
- Clearly defined Tasks (what needs to be done) and Deliverables (outcome of each task, i.e., reports, procedures manual, etc.) must be included in the State's SOW.
- A Work Order Authorization (WOA) may be used to document completion of pre-determined tasks, but only if the tasks are clearly defined in the SOW. The WOA may be used to approve release for the next phase of the agreement but cannot be used to identify any tasks other than the ones called out in the SOW. The WOA will be signed by all parties and may be submitted for progress payments under the award.
- Projects can be performed on a Fixed Price Per Deliverable (FP/D). Fixed Price; FP/D: A defined service, or set of services, performed by Contractor in response to a defined task, or set of tasks, at a specific fixed price, and delivered per a specific schedule. Note: When using FP/D the Statement of Work must describe in detail the particular project and the work that the selected Qualified Contractor will be required to perform.
- For Consulting or Personal services, do not include any labor categories/job titles or number of hours limit in the RFO Requirements or the SOW. The CMAS Contractor provides this information in their Attachment B Cost Worksheet. The State does not have the expertise to make this decision (GC 19130(b)).

- Search for potential CMAS contractors on the CMAS website by selecting "Find California Multiple Award Schedules (CMAS) Contractor."
- Request offers from a minimum of 3 CMAS contractors including one small business (SB) and/or Disabled Veteran Business Enterprise (DVBE), if available, who are authorized to sell the products and/or able to perform the services needed. (Government Code 14846(b)).
- A valid attempt must be made to secure offers from viable CMAS contractors who are able to supply the goods and/or provide the services. Neither a lack of sufficient CMAS contractors nor the use of restrictive requirements meets the intent for obtaining offers (SCM Volume 2, Section 1670.2).
- If requesting offers from a certified DVBE, include the Disabled Veteran Business Enterprise Declarations form (Standard 843) in the RFO. This declaration must be completed by the DVBE prime contractor and/or any DVBE subcontractors and submitted with the offer (SCM Volume 2, Section 1201).
- This is not a bid transaction, so the small business preference, DVBE incentives, protest language, intent to award, evaluation criteria, advertising, Administrative and Technical Requirements, etc. are not applicable. (SCM Volume 2, Section 1603).
- If less than 3 offers are received, State agencies must document their file with the reasons why the other suppliers did not respond with an offer. The reason must come from the CMAS contractor.
- Assess the offers received using best value criteria including cost as one of the criteria (SCM Volume 2, Section 1603).
- Issue a Purchase Order to the selected CMAS contractor.
- For CMAS transactions under $20,000, only one offer is required if the State agency can establish and document that the price is Fair and Reasonable. The Fair and Reasonable (F&R) Acquisition Method can only be used for non-customizable purchases. See SCM Volume 2, Section 1510 for Fair and Reason criteria.

Local agencies must follow their own procurement regulations. For more information see the Local Government Agency Guide available online.

AGENCY RESPONSIBILITY

Each agency is responsible for its own contracting program and purchasing decisions, including use of the CMAS program and associated outcomes. This responsibility includes, but is not limited to, ensuring the necessity of the services, securing appropriate funding, complying with laws and policies, preparing the purchase order in a manner that safeguards the State's best interests, obtaining required approvals, and documenting compliance with GC 19130.b(3) for outsourcing services.

It is the responsibility of each agency to consult with their legal staff and contracting offices for advice depending upon the scope or complexity of the purchase order. If legal services are not available within your agency, DGS Office of Legal Services is available to provide services.

CONFLICT OF INTEREST

Agencies must evaluate the proposed purchase order to determine if there are any potential conflict of interest issues. See the CMAS Special Provisions, Conflict of Interest, for more information.

SPLITTING ORDERS

Splitting orders to avoid any monetary limitations is prohibited. Do not circumvent normal procurement methods by splitting purchases into a series of delegated purchase orders per PCC 10329. Splitting a project into small projects to avoid either fiscal or procedural controls is prohibited per State Administrative Manual (SAM) 4819.34.

This provision does not apply to local government agencies.

ORDERING PROCEDURES

1. Purchase Orders

All Ordering Agency purchase order documents executed under this CMAS must contain the applicable CMAS number as show on page 1.

a. State Departments:

Standard 65 Purchase Documents – State departments not transacting in FISCal must use the Purchasing Authority Purchase Order (Standard 65) for purchase execution. An electronic version of the Standard 65 is available at the Department of General Services (DGS), Procurement Division (PD) website, select Standard (STD) Forms.

FISCAL Purchase Documents – State departments transacting in FISCal will follow the FISCal procurement and contracting procedures.

b. Local Government Agencies:

Local government agencies may use their own purchase order document for purchase execution.

The agency is required to complete and distribute the purchase order. For services, the agency shall modify the information contained on the order to include the service period (start and end date), the monthly cost (or other intermittent cost), and any other information pertinent to the services. The cost for each line item must be included in the order, not just system totals.

The contractor must immediately reject purchase orders that are not accurate. Discrepancies must be negotiated and incorporated into the purchase order prior to product delivery and service implementation.

2. Service and Delivery after CMAS Expiration

The purchase order must be issued before the CMAS expires. However, delivery of the products or completion of the services may be after the CMAS expires (unless otherwise specifically stated in the purchase order). Amending the purchase order to add quantity, time, or money is not possible if the CMAS expired.

3. Multiple CMAS Agreements on a Single Purchase Order

State agencies wishing to include multiple CMAS agreements on a single FISCal purchase order must adhere to the following guidelines:

- All CMAS agreements must be for the same CMAS contractor.
- The purchase order must go to one contractor location.
- Enter the word “CMAS” in the space reserved for the Leveraged Procurement Agreement (LPA) number. The word “CMAS” signifies that the purchase order contains items from multiple CMAS agreements. The purchasing agency may only use one bill code.
- For each individual CMAS, the agency must identify and group together the CMAS number with the line items and subtotal per CMAS number (do not include tax in the subtotal), and sequentially identify each individual CMAS as Sub #1, Sub #2, Sub #3, etc. This facilitates accurate billing of administrative fees by the Procurement Division.
- The total of all items on the purchase order must not exceed the State agency’s purchasing authority dollar threshold granted by DGS SPOC.
- Do not combine items from IT and non-IT CMAS agreements. An Information Technology CMAS begins with the number “3” and a non-IT CMAS begins with the number “4.” The purchase order limits are different for these CMAS agreements.

4. Amendments to State Agency's Purchase Orders

Agency purchase orders cannot be amended if the CMAS has expired.

SCM, Volume 2, Section 1605 provides the following directions regarding amendments to all types of LPA purchase orders:

> Original orders, which include options for changes (e.g., quantity or time), that were assessed and considered in the selection for award during the RFO process, may be amended consistent with the terms of the original order, provided that the original order allowed for amendments. If the original order did not evaluate options, then amendments are not allowed unless an Non-Competitively Bid is approved for those amendments.

Amendments unique to Non-IT Services:

> If the original contract permitted amendments, but did not specify the changes, (e.g., quantity or time), it may be amended. Per PCC 10335 (d)(1), a contract may only be amended once under this exemption. The time shall not exceed one year, or add not more than 30 percent of the original order value and may not exceed $250,000. If the original contract did not have language permitting amendments, the Non-Competitively Bid process must be followed.

CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
MOHAWK COMMERCIAL, INC.
CMAS NUMBER 4-24-06-1007, SUPPLEMENT NUMBER 1

CMAS CONTRACTOR OWNERSHIP INFORMATION

The CMAS contractor is a large business enterprise.

SMALL BUSINESS MUST BE CONSIDERED

Prior to placing orders under the CMAS program, State agencies must first consider offers from small businesses that have established CMAS agreements (GC 14846(b)). NOTE: DGS auditors will request substantiation of compliance with this requirement when agency files are reviewed.

All state departments are required to make continuous efforts to expand the Small Business (SB)/ Microbusiness (Micro)/Disabled Veteran Business Enterprise (DVBE) pool of bidders and to regularly seek and include in their solicitations SB/Micro that have not been used either regularly by the department issuing the solicitation, or at all by the state (AB1574).

CMAS Small Business and Disabled Veteran Partners can be found on the CMAS website by selecting “Find a CMAS Contractor”.

In response to our commitment to increase participation by small businesses, the Department of General Services waives the administrative fee (charged to customer agencies to support the CMAS program) for orders to California certified small business enterprises.

SMALL BUSINESS/DVBE - TRACKING

State agencies are able to claim subcontracting dollars towards their SB or DVBE goals whenever the CMAS contractor subcontracts a commercially useful function to a certified SB or DVBE. The CMAS contractor will provide the ordering agency with the name of the SB or DVBE used and the dollar amount the ordering agency can apply towards its SB or DVBE goal.

SMALL BUSINESS/DVBE - SUBCONTRACTING

1. The amount an ordering agency can claim towards achieving its SB or DVBE goals is the dollar amount of the subcontract award made by the CMAS contractor to each SB or DVBE.

2. The CMAS contractor will provide an ordering agency with the following information at the time the order is quoted:

    a. The CMAS contractor will state that, as the prime contractor, it shall be responsible for the overall execution of the fulfillment of the order.

    b. The CMAS contractor will indicate to the ordering agency how the order meets the SB or DVBE goal, as follows:

        i. List the name of each company that is certified by the Office of Small Business and DVBE Services that it intends to subcontract a commercially useful function to; and

        ii. Include the SB or DVBE certification number of each company listed and attach a copy of each certification; and

iii. Indicate the dollar amount of each subcontract with a SB or DVBE that may be claimed by the ordering agency towards the SB or DVBE goal; and

iv. Indicate what commercially useful function the SB or DVBE subcontractor will be providing towards fulfillment of the order.

3. The ordering agency's purchase order must be addressed to the prime contractor, and the purchase order must reference the information provided by the prime contractor as outlined above.

CONTRACTORS ACTING AS FISCAL AGENTS ARE PROHIBITED

When a subcontractor ultimately provides all of the products or performs all of the services that a CMAS contractor has agreed to provide, and the prime contractor only handles the invoicing of expenditures, then the prime contractor's role becomes that of a fiscal agent because it is merely administrative in nature and does not provide a Commercially Useful Function. It is unacceptable to use fiscal agents in this manner because the agency is paying unnecessary administrative costs.

WITHHOLD LANGUAGE (SB588)

Upon delivery or completion of ordered goods or services for which the Contractor committed to DVBE subcontractor participation, state departments must require the Contractor to certify all the following:

1. The amount and percentage of work the Contractor committed to provide to one or more DVBEs under the requirements of the contract and the amount each DVBE received from the Contractor.
2. That all payments under the contract have been made to the DVBE. Upon request, the Contractor must provide proof of payment for the work.

In accordance with the Military and Veterans Code 999.7, state departments shall withhold $10,000 from the final payment, or the full final payment if less than $10,000, if the Contractor fails to meet the certification requirements identified above. State departments shall notify the Contractor of their failure to meet the certification requirements and give the Contractor an opportunity to comply with the certification requirements. If after 30 calendar days from the date of notice, the Contractor refuses to comply with the certification requirements, the state department shall permanently deduct $10,000 from the final payment or the full payment if less than $10,000.

PRODUCT SUBSTITUTIONS

Substitution of Deliverables may not be tendered without advance written consent of the Buyer. The Contractor must offer an equivalent or newer model of the product from the same manufacturer at the same or lower price. Contractor cannot use any specification in lieu of those contained in the Contract without written consent from the Buyer.

NEW EQUIPMENT REQUIRED

The State will procure new equipment. All equipment must be new (or warranted as newly manufactured) and the latest model in current production. Used, shopworn, demonstrator, prototype, or discontinued models are not acceptable.

Where Federal Energy Management Program (FEMP) standards are available, all State agencies shall purchase only those products that meet the recommended standards. All products displaying the Energy Star label meet the FEMP standards.

SPECIAL MANUFACTURED GOODS

Any CMAS for goods to be manufactured by the CMAS contractor specifically for the State and not suitable for sale to others may require progress payments.

For a Non-IT goods CMAS, see the CMAS Non-IT Commodities Special Provisions, Provision #9, CMAS - Progress Payments.

TRADE-IN EQUIPMENT

Trade-ins at open market price may be considered. The product description and trade-in allowance must be identified on the purchase order.

Agencies are required to adhere to SAM 3520 through 3520.6, Disposal of Personal Property and Surplus Personal Property, as applicable, when trade-ins are considered. A Property Survey Report, Standard 152, must be submitted for approval prior to disposition of any State owned personal property, including general office furniture regardless of the acquisition value, or if the property was recorded or capitalized for accounting purposes.

STATE AGENCY BUY RECYCLED CAMPAIGN

State ordering agencies are required to report purchases made within the eleven product categories in the California Department of Resources Recycling and Recovery's State Agency Buy Recycled Campaign per PCC 12200 through 12217.

Contractor will be required to complete and return a Recycled-Content Certification form upon request by the state ordering agency.

PRODUCT INSTALLATION

The CMAS contractor is fully responsible for all installation services performed under the CMAS. Product installations must be performed by manufacturer authorized personnel and meet manufacturer documented specifications.

The prime contractor, as well as any subcontractors, must hold any certifications and/or licenses required for the project.

CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
MOHAWK COMMERCIAL, INC.
CMAS NUMBER 4-24-06-1007, SUPPLEMENT NUMBER 1

PILOT PROGRAM: ALTERNATIVE CONTRACTING PROCEDURES FOR PUBLIC WORKS INSTALLATION

Public Contract Code (PCC) 10298.5 establishes a pilot program for alternative contracting procedures for certain public works installations not including new construction. This program only applies to the installation, or purchase and installation, of resilient flooring, carpet, lighting fixtures, and synthetic turf. The program modifies existing rules which restrict State agencies from using CMAS agreements for public works contracts wherein the cost of the public works services exceeds the cost of the materials being purchased. State and local agencies should refer to PCC Section 10298.5 for additional requirements including the requirement to notify the Department of Industrial Relations in accordance with Section 1773.3 of the Labor Code.

This program expires January 1, 2028.

Suppliers and contracting agencies must comply with all requirements for this program as defined in Public Contract Code 10298.5.

PUBLIC WORKS (INSTALLATION SERVICES ONLY)

A public works contract is defined as an agreement for "the erection, construction, alteration, repair, or improvement of any public structure, building, road, or other public improvement of any kind" in accordance with PCC 1101. State agencies planning these types of projects need to review SCM, Volume 1, Chapters 10 and 11 for applicable guidelines and regulations. Visit the DGS, Real Estate Services Division (RESD) website if you have questions about public works transactions.

Agency CMAS purchase orders may allow for public works installation only when it is in support of the products covered by this CMAS.

Agencies are to ensure that the applicable laws and codes pertaining to the contractor and subcontractor licensing, prevailing wage rates, bonding, labor code requirements, etc. are adhered to by the prime contractor as well as any subcontractor during performance under the CMAS purchase order.

The bond amount for public works is not less than 100% of the purchase order price.

NOTE: In accordance with Labor Code (LC) 1773.2, the ordering agency is responsible for determining the appropriate craft, classification or type of worker needed for any contract for public works. Also, the agency is to specify the applicable prevailing wage rates as determined by the Director of the Department of Industrial Relations (DIR). In lieu of specifying the prevailing wage rates, the agency may include a statement on the order that the prevailing wage rates are on file at the agency's office and will be made available upon request. The prevailing wage rates are available from DIR at Director's General Prevailing Wage Determinations.

Bonds: For guidelines, see CMAS, Special Provisions, Public Works Requirements.

State Contractor's License: Public works services can be obtained through CMAS only if incidental to the overall purchase order. If incidental public works services are included in the purchase order, prior to issuing the order agencies should visit the Check A License - CSLB website to verify that the Contractor's License shown below is still active and in good standing.

The CMAS contractor's California Contractor's License number is 988270. This is a Class C-15 Floor and Floor Covering license that is valid through 11/30/2027.

NOT SPECIFICALLY PRICED ITEMS

The only time that open market/incidental, non-contract items may be included in a CMAS order is when they fall under the parameters of the Not Specifically Priced (NSP) Items provision.

CMAS contractors must be authorized providers of the hardware, software and/or services they offer under the NSP Items provision.

Agency and CMAS contractor use of the NSP provision is subject to the following requirements:

1. Purchase orders containing only NSP items are prohibited.

2. A purchase order containing NSP items may be issued only if it results in the lowest overall alternative to the State.

3. NSP items shall be clearly identified in the order. Any product or service already specifically priced and included in the base contract may not be identified as an NSP item.

4. NSP Installation Services: The CMAS contractor is fully responsible for all installation services performed under this CMAS. Product installations must be performed by manufacturer authorized personnel and meet manufacturer documented specifications. The prime contractor, as well as any subcontractors, must hold any certifications and/or licenses required for the project. The total dollar value of all installation services included in the purchase order cannot exceed the dollar value of the products included in the purchase order, nor can they exceed the NSP Maximum Order Limitation.

5. Maximum Order Limitation: For orders $250,000, or less, the total dollar value of all NSP items included in a purchase order shall not exceed $5,000. For orders exceeding $250,000, and at the option of the contractor, the total dollar value of all NSP items in a purchase order shall not exceed 5% of the total cost of the order or $25,000 whichever is lower.

6. An NSP item included in an order issued against this CMAS is subject to all of the terms and conditions set forth in the CMAS.

7. Trade-ins, upgrades, involving the swapping of boards, are permissible, where the contract makes specific provisions for this action. In those instances, where it is permitted, the purchase order must include the replacement item and a notation that the purchase involves the swapping of a board.

The following NSP items **are specifically excluded** from any order issued under this CMAS:

1. Items not intended for use in direct support of the priced items included in the same order. An NSP item must be subordinate to the specifically priced item that it is supporting. For example, a cable, which is not otherwise specifically priced in the base contract, is subordinate to a specifically priced printer and is eligible to be an NSP item subject to that cable meeting the remaining NSP requirements. However, a printer that is not otherwise specifically priced in the base contract, is not subordinate to a specifically priced cable and is not eligible to be an NSP item.

2. Supply type items, except for the minimum amount necessary to provide initial support to the priced items included in the same order.

3. Items that do not meet the Productive Use Requirements for information technology products, per Statewide Information Management Manual Section 195.

4. Any other item or class of items specifically excluded from the scope of this CMAS.

5. Public Works and other services NOT in support of the products covered by this CMAS.

6. Products or services the CMAS contractor is NOT factory authorized or otherwise certified or trained to provide.

7. Follow-on consultant services that were previously recommended or suggested by the same CMAS contractor.

The CMAS contractor is required to reject purchase orders containing NSP items that do not comply with the above requirements. The CMAS contractor will promptly notify the agency issuing the noncompliant order of its rejection and the reasons for its rejection.

STATE AND LOCAL GOVERNMENTS CAN USE CMAS

State and local government agency use of CMAS is optional. A local government is any city, county, city and county, district, or other local governmental body or corporation, including Universities of California, California State Universities, K-12 schools, and community colleges empowered to expend public funds. While the State makes this CMAS available, each local government agency should make its own determination whether the CMAS program is consistent with its procurement policies and regulations.

PCC 10298 allows any city, county, city and county, district, or other local governmental body or corporation empowered to expend public funds to contract with suppliers awarded CMAS without further competitive bidding. See complete PCC 10298 language at the California Legislative Information website.

PCC 10299 allows any school district empowered to expend public funds to utilize CMAS without further competitive bidding. See complete PCC 10299 language at the California Legislative Information website.

CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
MOHAWK COMMERCIAL, INC.
CMAS NUMBER 4-24-06-1007, SUPPLEMENT NUMBER 1

SELF-DELETING BASE CONTRACT TERMS AND CONDITIONS

Instructions or terms and conditions that appear in the Special Items or other provisions of the base contract and apply to the purchase, license, or rental (as applicable) of products or services by the US Government in the United States and/or to any overseas location shall be self-deleting. (Example: "Examinations of Records" provision).

Federal regulations and standards, such as Federal Acquisition Regulation, Federal Information Resources Management Regulation, Federal Information Processing Standards, General Services Administration Regulation, or Federal Installment Payment Agreement shall be self-deleting. Federal blanket orders and small order procedures are not applicable.

ORDER OF PRECEDENCE

The CMAS Special Provisions take precedence if there is a conflict between the terms and conditions of the contractor's base contract, packaging, invoices, catalogs, brochures, technical data sheets or other documents. (Also see State of California General Provisions, ORDER OF PRECEDENCE)

APPLICABLE CODES, POLICIES AND GUIDELINES

All California codes, policies, and guidelines are applicable. The use of CMAS does not relieve state agencies of their responsibility to meet statewide requirements regarding contracting or the procurement of goods or services. Most procurement and contract codes, policies, and guidelines are incorporated into CMAS agreements; however, there is no guarantee that every requirement that pertains to all State processes has been included.

PAYMENTS AND INVOICES

1. Payment Terms

Payment terms for this CMAS are net 45 days.

Payment will be made in accordance with the provisions of the California Prompt Payment Act, GC 927. Unless expressly exempted by statute, the Act requires State agencies to pay properly submitted, undisputed invoices not more than 45 days after (1) the date of acceptance of goods or performance of services; or (2) receipt of an undisputed invoice, whichever is later.

2. Payee Data Record (Standard 204)

State Agencies must obtain a copy of the Payee Data Record (Standard 204) in order to process payments. State Ordering Agencies must forward a copy of the Standard 204 to their accounting offices. Without the Standard 204, payment may be unnecessarily delayed. State Agencies should contact the CMAS contractor for copies of the Payee Data Record.

3. DGS Administrative and Incentive Fees

Orders from State Agencies:

DGS will bill each State agency directly an administrative fee for use of CMAS. The administrative fee should NOT be included in the order total or remitted before an invoice is received from DGS. This administrative fee is waived for CMAS purchase orders issued to California certified small businesses.

Orders from Local Government Agencies:

CMAS contractors, who are not California certified small businesses, are required to remit to DGS an incentive fee equal to a percentage of the total of all local government agency orders (excluding sales tax and shipping) placed against their CMAS.

The incentive fee is waived for CMAS purchase orders issued to California certified small businesses.

For more information on the incentive fees see the CMAS Management Guide.

4. Contractor Invoices

Unless otherwise stipulated, the CMAS contractor must send their invoices to the agency address set forth in the purchase order. Invoices shall be submitted in triplicate and shall include the following:

- CMAS number
- Agency purchase order number
- Agency Bill Code (State Only)
- Line item number
- Unit price
- Extended line item price
- Invoice total

State sales tax and/or use tax shall be itemized separately and added to each invoice as applicable.

The company name on the CMAS, purchase order and invoice must match, or the State Controller's Office will not approve payment.

5. Advance Payments

Advance payment is allowed for services only under limited, narrowly defined circumstances, i.e., between specific departments and certain types of non-profit organizations, or when paying another government agency (GC 11256 through 11263 and 11019).

It is NOT acceptable to pay in advance, except software maintenance and license fees, which are considered a subscription and may be paid in advance if a provision addressing payment in advance is included in the purchase order.

Software warranty upgrades and extensions may also be paid for in advance, one time.

6. Credit Card

The CMAS contractor accepts the State of California credit card (VISA CAL-Card).

A purchase order is required even when the ordering department chooses to pay the CMAS contractor via the CAL-Card.

7. Leasing/Financing

California State Agencies should use the Golden State Financial Marketplace (GS SMart) program for all financing and leasing needs. California Local Government Agencies (counties, cities, K-12 school districts, community colleges, California State Universities, Universities of California, etc.) may utilize the GS SMart program for financing and leasing according to PCC 14937. The minimum dollar amount for Local Government Agency financing and leasing is $100,000.

8. Leasing

The State reserves the right to select the form of payment for all procurements, whether it is an outright purchase with payment rendered directly by the State, or a financing/lease-purchase or operating lease via the State Financial Marketplace (GS SMart and/or Lease SMart). If payment is through the financial marketplace, the CMAS contractor will invoice the State and the State will approve the invoice. The selected Lender/Lessor for all product listed on the State's procurement document will pay the supplier on behalf of the State. Buyers may contact the GS SMart Unit via e-mail at SFM@dgs.ca.gov for further information.

OBTAINING COPY OF CMAS

A copy of this CMAS can be obtained at State Leveraged Procurement Agreements. Links to the CMAS Special Provisions and base contract are available on the front page of this CMAS agreement.

It is important for the agency to confirm that the required products, services, and prices are included in the CMAS and are at or below base contract rates. To streamline verification that the needed items are in the base contract, the agencies should ask the CMAS contractor to identify the specific location in the base contract that include the required products, services, and prices. Once verified, agencies should save the information for their file documentation.

FEDERAL DEBARMENT

When federal funds are expended, the agency is required to obtain (retain in file) a signed "Federal Debarment" certification from the CMAS contractor before the purchase order is issued. This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 29 CFR Part 98, Section 98.510, Participants; responsibilities. The regulations were published as Part VII of the May 26, 1988 Federal Register (pages 19160-19211).

CONTRACTOR TRAVEL

The Travel provision is not applicable to this CMAS.

AMERICANS WITH DISABILITY ACT

To view the DGS Accessibility Policy, please visit the DGS website.

CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
MOHAWK COMMERCIAL, INC.
CMAS NUMBER 4-24-06-1007, SUPPLEMENT NUMBER 1

Information Regarding the Purchase and Installation of Floor Coverings

A contract for the purchase and installation of carpet and other floor coverings is a public works contract as defined in Section 1101 of the Public Contract Code and, as such, requires certain special conditions.

A state agency **may not** contract for the installation of carpet in a building (a capital improvement to the building) that is **not owned** by the state. Carpet in leased facilities must be provided by the lessor and is accounted for in the lease agreement and rate. Users should contact the building manager and or the building owner when carpet is required.

A supplier or installer of carpet must be licensed by the State Contractors' Licensing Board with a C-15 Flooring and Floor Covering license which is current and in good standing. The supplier must provide the license number and expiration date for themselves and for all subcontractors providing installation services. This information shall be provided by the supplier on the "Contractors' License Requirements" form (see attached Sample A), which must be attached to each resulting carpet order. A subcontractor is defined as anyone who will perform work, labor, or render services in an amount in excess of one-half of one percent of the total order. Each subcontractor's business address and the portion of work that each will perform shall also be included on this form.

If the contract amount exceeds $5,000 (labor/installation costs), the supplier must furnish a payment bond (Std. 807 - see attached Sample B) prior to the commencement of performance. The payment bond shall be in a sum not less than one hundred percent (100%) of the contract price. A blank copy of the Std. 807 form shall be provided to the supplier. In addition, the awarding agency must notify the contractor that the contract is subject to state contractor nondiscrimination and compliance requirements (see paragraph 42 of the CMAS Terms and Conditions).

The prevailing wage requirements apply and a list of prevailing wage rates must be available for inspection. It is the ordering agency's responsibility to provide a copy of the prevailing wage rates to the contractor. The prevailing wage rates are available from the Department of Industrial Relations, Prevailing Wage Unit at www.dir.ca.gov (select Statistics & Research) or at (415) 703-4774.

Agencies should be aware that there are certain requirements that pertain to floor coverings included in the Americans with Disabilities Act of 1992 (ADA). Some of these requirements pertain to carpet pile height (not to exceed 1/2" in height), fastening exposed carpet edges to floor, and changes in floor level not to exceed 1/2" beveled. It is the responsibility of the agency to comply with these requirements. Detailed information relative to carpet installation and ADA requirements can be obtained from the State Architect, Access Compliance Unit, at (916) 445-7523.

Agencies should be aware that old flooring material (tiles, glues, cove base, etc.) may contain asbestos and could present significant problems in the removal of old flooring material and in the installation of new carpet. Users should determine the presence or absence of asbestos containing material in their existing flooring materials and act accordingly before placing orders for carpet.

It is strongly recommended that new carpet not be installed over existing carpet due to potential conflicts with the Americans with Disabilities Act, and various fire, health and safety codes.

The moisture content of the slab over which the carpet is to be installed must be within the limits allowed by the carpet manufacturer and/or glue manufacturer. The testing of slab moisture content can be performed by either the agency ordering the carpet or by the carpet supplier.

The agency should provide for a site inspection prior to issuing an order for the carpet desired and should use a checklist similar to the one attached (see attached Sample C). Additions, changes, modifications to the checklist should be made as necessary. The agency should inspect and monitor the progress of the installation to prevent problems.

The prime responsibility for contract performance rests with the contract holder, who shall be the primary contact point for problem resolution. This contract is structured such that the user may purchase carpet only or carpet installed from the supplier. In no case is the supplier allowed to deny installation of the carpet selected by any user for any location. Installation services may not exceed an amount equal to the cost of the carpet and, when identified, will be paid for in the cost of the CMAS order. Typically, the price contract will contain pricing for “clean floor” (new) installation only. However, agencies may use the Not Specifically Priced (NSP) provision for “unclean floor” installation services, as well as products. The total dollar value of all installation services, on clean and/or unclean surfaces, using line item and/or NSP pricing, must not exceed 50% of the order’s total value.

The cost of installation and any ancillary supplies/services is not included in the base price of the carpet and may be obtained from the price contract if listed, or can otherwise be included via the NSP provision.

It is incumbent upon the user to identify whether the costs for installation and other requirements are fair and equitable. The following chart is provided to give an approximation of the costs for installation in several typical state locations.

CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
MOHAWK COMMERCIAL, INC.
CMAS NUMBER 4-24-06-1007, SUPPLEMENT NUMBER 1

ESTIMATED CARPET INSTALLATION COSTS

(**NOTE**: THESE ARE APPROXIMATIONS ONLY, NOT ACTUAL CONTRACT INSTALLATION PRICES. DOES NOT INCLUDE COST OF NEW CARPET.)

BASED ON WEEKDAY INSTALLATION, NORMAL WORKING HOURS, PREVAILING WAGE, NO UNIQUE CONDITIONS

Description Of Installation	**Estimated Installation Cost (per square yard)**
General Office Space New Construction Clean Floor Install New Carpet Direct Glue Down or Full Spread Release Adhesive Non-Patterned Carpet	Broadloom $4.00 Modular (Tile) $4.00
General Office Space No Furniture Moving Remove Old Direct Glue Carpet Install New Carpet Direct Glue Down or Full Spread Release Adhesive Non-Patterned Carpet	Broadloom $5.00 Modular (Tile) $5.00
General Office Space Moving of Conventional Furniture Remove Old Direct Glue Carpet Install New Carpet Direct Glue Down or Full Spread Release Adhesive Non-Patterned Carpet	Broadloom $10.00 Modular (Tile) $10.00
General Office Space Moving of Modular (Panels And Components) Furniture Remove Old Direct Glue Carpet Install New Broadloom Carpet Direct Glue Down Non-Patterned Carpet	Broadloom $5.00 Plus $300.00-$400.00 Per Workstation
General Office Space Lifting of Modular (Panels And Components) Furniture Remove Old Direct Glue Carpet Install New Modular Carpet Full Spread Release Adhesive	Modular (Tile) $11.00

CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
MOHAWK COMMERCIAL, INC.
CMAS NUMBER 4-24-06-1007, SUPPLEMENT NUMBER 1

CARPET TYPES FOR GIVEN AREAS (GENERAL GUIDELINE ONLY)

Area To Be Carpeted	Carpet Type
General Office (Example: General State Offices with No Or Light To Medium Public Traffic)	26-28 Ounce Broadloom, Commercial Grade, Loop Pile, Nylon, Dupont Lumina or Legacy Or Basf 2000zx Yarn System. Installation by Direct Glue Down. **Or** 26-28 Ounce Modular (Carpet Tile), Commercial Grade, Loop Pile, Nylon, Dupont Lumina or Legacy Or Basf 2000zx Yarn System. Installation With Full Spread Of Release Adhesive.
Executive Offices (Example: Director's Office, Deputy Directors, Agency Personnel	28-32 Ounce Broadloom, Commercial Grade, Tufted Graphics Design, Loop Pile, Nylon, Dupont Lumina or Legacy Or Basf 2000zx Yarn System. Installation by Direct Glue Down. **Or** 28-32 Ounce Modular (Carpet Tile), Commercial Grade, Tufted Graphics Design, Loop Pile, Nylon, Dupont Lumina or Legacy Or Basf 2000zx Yarn System. Installation With Full Spread Of Release Adhesive.
State Owned Residences	34 Ounce Broadloom, Tufted, Commercial Grade, Cut and Loop Pile. Yarn to Be Branded Nylon, Any Conventional Dye Method. Installation Stretch In Over 3/8 Inch, 100% Synthetic Carpet Cushion, 28 Ounce Per Square Yard Nominal, 6.2 Pound Per Cubic Foot, Meeting Astm E648 Class 1 Radiant Panel Test.
Temporary Buildings Including Mobile And Modular Facilities	20 Ounce Broadloom, Tufted, Commercial Grade, Loop Pile, Branded, Solution Dyed Nylon. Installation By Direct Glue Down.
Very High Traffic Areas (Example: Medium To Heavy Use Public Areas, Airports, College/University Food Service Areas, Dormitories	20 Ounce Broadloom, Tufted, Structured Back, Commercial Grade, Nylon, Dupont Lumina or Legacy Or Basf 2000zx Yarn System. May Include High Density Urethane or Vinyl Chloride Pad Backing. Seams Should Be Capable of Sealing (Weld Together). Installation By Direct Glue Down

CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
MOHAWK COMMERCIAL, INC.
CMAS NUMBER 4-24-06-1007, SUPPLEMENT NUMBER 1

SAMPLE A

CONTRACTORS' LICENSE REQUIREMENTS

The work described in this order requires a valid California Contractor's License (C-15 Flooring and Floor Covering). If subcontractors are to be used, they must also possess valid State Contractors' Licenses appropriate to their scope of work, and they must be listed below.

Supplier's Contractor's License Number: _____

License Issued to Whom: _____

Class / Type of License: _____

Expiration Date of License: _____

Work to be Performed: _____

Subcontractor's Name and Address: _____

_____

_____

License Number: _____

Class / Type of License: _____

Expiration Date of License: _____

Work to be Performed: _____

WORKMEN'S COMPENSATION CERTIFICATION

The undersigned hereby certifies the following:

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

_____ _____
Signature of Supplier Date

CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
MOHAWK COMMERCIAL, INC.
CMAS NUMBER 4-24-06-1007, SUPPLEMENT NUMBER 1

SAMPLE B
PAYMENT BOND TO ACCOMPANY CONSTRUCTION CONTRACT
(Public Contract Code Sections 7103 and 10221)

BOND Number: _____

The premium on this bond is _____ for the term _____

Know All Men By These Presents:

That The State of California, acting by and through the _____, has awarded to _____ whose address is _____ as Principle, a contract for the work described as follows:

Project Title: _____

Project Location: _____

WHEREAS, the provisions of Public Contract Code Section 7103 and 10221 require that the Principle file a bond in connection with said contract and this bond is executed and tendered in accordance therewith.

NOW THEREFORE, Principle and _____, a Surety Corporation organized under the laws of _____and authorized to transact a generalsurety business in the State of California, as Surety, are held and firmly bound to the People of the State of California in the penal sum of _____ (_____), for which payment we bind ourselves, our heirs, executors, administrators, successors and assigns jointly and severally, firmly by these presents.

SAMPLE B

THE CONDITION OF THIS OBLIGATION IS SUCH,

1. That if said Principle or its subcontractors shall fail to pay any of the persons named in Civil Code Section 9100, or amounts due under the Unemployment Insurance Code with respect to work or labor performed under the contract, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of the Principle and subcontractors pursuant to Section 13020 of the Unemployment Insurance Code, with respect to such work and labor, that the surety herein will pay for the same, otherwise this obligation is to be void. In case suit is brought upon this bond, the Surety will pay a reasonable attorney's fee to be fixed by the court.
2. This bond shall insure to the benefit of any persons named in Civil Code Section 9100 as to give a right of action to such persons or their assigns in any suit brought upon this bond.
3. The aggregate liability of the Surety hereunder, including costs and attorney fees, on all claims whatsoever shall not exceed the penal sum of the bond in accordance with the provisions of Section 996.470(a) of the Code of Civil Procedure.
4. This bond is executed by the Surety, to comply with the provisions of Public Contract Code Sections 7103, 10221 and 10222, Chapter 5, Title 3, Part 6, Division 4 of the Civil Code and of Chapter 2, Title 14, Part 2 of the Code of Civil Procedure and said bond shall be subject to all of the terms and provisions thereof.
5. This bond may be cancelled by the Surety in accordance with the provisions of Section 996.310 et seq. of the Code of Civil Procedure.
6. This bond to become effective _____

_____ _____
(NAME OF SURETY) (ADDRESS)

I certify (or declare) under penalty of perjury that I have executed the foregoing bond under an unrevoked power of attorney.

Executed in _____ on _____
(CITY AND STATE) (DATE)

_____ _____
(SIGNATURE OF ATTORNEY IN FACT) (PRINTED OR TYPED NAME OF ATTORNEY IN FACT)

STATE OF CALIFORNIA
STD. 807 (REV 2/14)

CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
MOHAWK COMMERCIAL, INC.
CMAS NUMBER 4-24-06-1007, SUPPLEMENT NUMBER 1

SAMPLE C

CARPET INSTALLATION REQUIREMENTS

Requirement	Items Required Yes	Items Required No	Performed By Vendor	Performed By Agency
Standard office furniture to be removed and replaced (excluding copiers, computers, personal items and plants). Vendor to provide all equipment and labor.				
Remove existing: carpet _____, pad _____, tile _____ Disposition: To State _____ Remove from State Premises _____				
Raise and reset monuments.				
Prepare floor and strip wax and other coatings and debris using commercial stripper. Follow stripper and carpet manufacturer's recommendations.				
Remove trim, rehang doors and replace doorstops (except metal doors to be trimmed by State.				
Inspection of floor preparation by Building Manager.				
Reducer strips (metal _____, plastic _____) to be installed in accordance with the manufacturer's recommendations and in accordance with approved broadloom seaming diagrams.				
Tack strips to be installed.				
Pad to be installed.				

CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
MOHAWK COMMERCIAL, INC.
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Requirement	Items Required Yes	Items Required No	Performed By Vendor	Performed By Agency
Cove base, rubber _____ or vinyl _____ Furnish and install _____ Color: brown _____, black _____ other _____ Size: 6" _____, 4" _____, 2" _____ other _____ Remove existing base _____ Trim cove on existing base _____ Other (explain) _____ _____				
All spots and smears of floor adhesives and seam cement to be removed.				
Remove all scraps and extraneous items from State premises upon completion of the installation and protect all adjacent areas from damage.				
Leave overage with Building Manager.				
Work to be performed on other than regular working hours. Nights _____ Weekends _____				
Floor duct covers, contact: Building Manager _____ Other _____				

SAMPLE C (continued)

Carpet Installation Instructions Continued

COORDINATION AND INSPECTION OF WORK

_____ **Site Inspection:**

A job walk-through for the purpose of inspecting the installation site will be conducted on _____ at _____ at _____.
The walk-through inspection will be conducted by _____.
Failure to inspect the installation site in no way relieves the supplier from obligations as stated in this order.

_____ **Installation Coordination:**

(Name) _____ (Title) _____
at (Agency) _____, telephone (_____)_____
will be responsible for coordination of all installation work. Within 10 days after receipt of a purchase order, the supplier shall contact (Name) _____
to coordinate an acceptable installation schedule.
No installation work shall commence without the Building Manager's advance approval of the schedule.

_____ **Inspection of Installation Work:**

Check here if any deficiencies in materials and/or workmanship are noted during inspection of the work in progress. The agency will immediately notify the supplier of these problems.

_____ The supplier shall request an inspection after _____% of the work has been completed.
This inspection will be made jointly by the supplier and a designee of the agency.

_____ (Name) _____, (Title) _____,

will be responsible for performing initial, continuing, and final inspection of the installation work by the supplier.

City Council Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **PUBLIC WORKS DEPARTMENT**
CAPITAL IMPROVEMENT PROGRAM DIVISION

DISTRICT: **1**

SUBJECT: **APPROVE EIGHTH AMENDMENT TO AGREEMENT WITH SVA ARCHITECTS, INC., FOR DESIGN AND CONSTRUCTION SUPPORT SERVICES FOR CHIMBOLE CENTER-LIBRARY RENOVATION PROJECT FOR A TOTAL NOT TO EXCEED CONTRACT AMOUNT OF $2,238,768 AND EXTENDING THE TERM TO APRIL 17, 2028**

RECOMMENDATION

Staff recommend that the City Council:

1. Approve Eighth Amendment to Agreement No. A-9097 with SVA Architects, Inc., for design and construction support services for Chimbole Center-Library Renovation Project, PN 878, for a total not to exceed amount of $2,238,768, which includes an additional contract amount of $281,685, plus a 15% contingency amount of $42,253, and extending the term to April 17, 2028;

2. Authorize the City Manager or his designee to execute the Eighth Amendment to Agreement No. A-9097 with SVA Architects, Inc., including minimal and/or non-substantial changes; and,

3. Authorize the City Manager or his designee to approve change orders for additional or changed scopes of work up to the 15% contingency amount approved by the Council.

BACKGROUND

SVA Architects, Inc. was originally awarded a design services contract on November 20, 2024, to prepare plans, specifications, estimates, and construction support for the Project.

The First and Second Amendments increased the contract amount to evaluate the structural condition of the existing Library mezzanine and the feasibility of a proposed second-floor addition, including preparation of a stamped structural engineering report.

The Third Amendment authorized a structural assessment of the Finance Division (Operations Building) to evaluate the load-carrying capacity of the existing second floor.

The Fourth, Fifth, and Sixth Amendments authorized geotechnical, design, and sustainability services for the building expansion, including soil investigations, a geotechnical report, expansion of the warming kitchen from 716 to 1,546 square feet, and an assessment of green building standards to identify applicable requirements and recommended improvements.

The Seventh Amendment authorized additional architectural and engineering services to separate the Chimbole Center and Library renovations into two construction phases. The additional scope included revising construction documents for each phase, coordinating affected architectural and engineering disciplines, and obtaining separate Building and Safety plan check reviews and approvals. These services were necessary to implement the phased approach and were beyond the scope of the original Agreement.

On September 9, 2026, the City Council awarded the construction contract for the Chimbole Center renovation to Icon-West, Inc. Due to the complexity of the project, the extensive coordination required among multiple stakeholders, and the additional architectural and engineering services necessary for the Chimbole and Library renovations, further amendments to the Agreement are required.

DISCUSSION

Approval of an amendment to the Agreement is requested to provide additional funding and extend the contract term for the architectural and engineering services needed to support the expanded project scope, complete the remaining design work, obtain permits and plan approvals, and provide construction support through completion of the Chimbole Center and Library Renovation Project.

The additional services will provide the following:

1. Technology and Security Upgrades: Additional design services will be provided to incorporate enhanced audio/visual equipment, technology infrastructure, and security systems at the Chimbole Center and Library, including coordination, and updates to project plans.

2. Furniture and Equipment Planning: Additional services to develop furniture layouts, select furnishings and equipment, and coordinate these elements with the overall building design.

3. Construction Support: The Chimbole Center and Library renovations will be completed in two phases, requiring separate permitting, bidding, and construction support efforts to facilitate project delivery.

The additional funding requested is $323,938, including a 15% contingency, bringing the total authorized professional services contract amount to $2,238,768.

FISCAL IMPACT

$323,938; Sufficient funds are budgeted and available within the ARPA and Measure AV Fund in Fiscal Year 2026-27.

Project Summary	Cost
Amendment 8 including 15% Contingency to Agrmt No. A-9097	$323,938
Amendment to Agrmt No. A-9097 #1 – 7	$249,760
Agrmt No. A-9097	$1,665,070
Total Contract Amount	**$2,238,768**

STRATEGIC PLAN

Goal III: Invest in infrastructure to improve community livability.

A. Plan and maintain safe and attractive neighborhoods, streets, facilities, and public spaces with exciting programming that promotes active fun for everyone.

Prepared by:	Leonardo Torres, P.E. Director of Public Works
Certified as to availability of Funds:	Janelle Samson, Deputy City Manager
Approved by:	Salvador Mendez, City Manager
Approved as to form:	Taylor Anderson, Deputy City Attorney

ATTACHMENTS

Agrmt No. A-9097 Eighth Amendment with SVA Architects, Inc.
SVA Architects, Inc. – Proposal No. 8R2
Agrmt No. A-9097 Seventh Amendment with SVA Architects, Inc.
Agrmt No. A-9097 Sixth Amendment with SVA Architects, Inc.
Agrmt No. A-9097 Fifth Amendment with SVA Architects, Inc.
Agrmt No. A-9097 Fourth Amendment with SVA Architects, Inc.
Agrmt No. A-9097 Third Amendment with SVA Architects, Inc.
Agrmt No. A-9097 Second Amendment with SVA Architects, Inc.
Agrmt No. A-9097 First Amendment with SVA Architects, Inc.
Agrmt No. A-9097 with SVA Architects, Inc.

8th AMENDMENT TO AGREEMENT A- 9097
BETWEEN THE CITY OF PALMDALE AND SVA ARCHITECTS, INC

This 8th Amendment to Agreement No. A-9097 (“Agreement”) is made and entered into by and between the City of Palmdale (hereinafter called “CITY”) and SVA ARCHITECTS, INC (hereinafter called "CONSULTANT"). This Contract shall become effective on the date of the last signatory.

WHEREAS, on 12/03/2024 ("Original Agreement") the CITY and CONSULTANT entered into an agreement to provide:

Technical, Professional Design and Construction Support Services for PN 878 Chimbole-Library Renovation Project Phase 1

WHEREAS, the parties desire to amend the Original Agreement to:

1. Technology and Security Upgrades: Additional design services will be provided to incorporate enhanced audio/visual equipment, technology infrastructure, and security systems at the Chimbole Center and Library, including coordination, and updates to project plans.
2. Furniture and Equipment Planning: Additional services to develop furniture layouts, select furnishings and equipment, and coordinate these elements with the overall building design.
3. Construction Support: The Chimbole Center and Library renovations will be completed in two phases, requiring separate permitting, bidding, and construction support efforts to facilitate project delivery.

NOW THEREFORE, the parties agree as follows:

Section 1.1 shall be amended to add Attachment #1-A, inclusive of additional scopes of work and the fee schedule therefor, which is attached and incorporated by this reference. The services and fees in Attachment #1-A are in addition to the those in Attachments #1 and #4 of the Original Agreement.

Section 4 - Contract time to be amended as follows:
Original Contract - (Design Dev 270 WD and Admin 270 WD)
Total Contract working days ..... 540 Working days
Contract time due to Amendment #s1, 2, 3, 4, 5, 6 and 7.....180 Working Days
Contract time due to Amendment #8 ..... 350 Working Days
Amended Date of Completion for
Design Development and Construction Adminstration..... April 17, 2028

Section 9 - Compensation due to the additional scope of work, the City and the contract amount will be amended as follows:Consultant agreed to increase Two Hundred Eighty One Thousand Six Hundred Eighty Five Dollars ($281,685), and the contract amount will be amended as follows:
Original Contract Amount $1,665,070
Amendment #1..... $4,500
Amendment #2 ..... $16,040
Amendment #3 ..... $9,400

Amendment #4 ..... $29,810
Amendment #5 ..... $28,180
Amendment #6 ..... $37,540
Amendment #7 ..... $124,290
Amendment #8 ..... $281,685
The revised contract amount shall not to exceed Two Million One Hundred Ninety Six Thousand Five Hundred Fifteen Dollars ($2,196,515). See Attached signed SVA Amendment #8-Revision 2 (Exhibit "A").

All other terms and conditions of the Original Agreement not amended herein, remain in full force and effect.

In Witness Whereof, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE:

SIGNATURE AREA

Salvador Mendez
City Manager

SIGNATURE AREA

ADDRESS FOR NOTICE:
CITY OF PALMDALE
38250 Sierra Highway
Palmdale, CA 93550

APPROVE AS TO FORM:

SIGNATURE AREA

Taylor Anderson
City Attorney

ATTEST:

SIGNATURE AREA

Rochelle Scott
City Clerk

SVA ARCHITECTS, INC:

SIGNATURE AREA

Robert M. Simoms AIA
Partner & President

ADDRESS FOR NOTICE:
SVA ARCHITECTS, INC
6 Hutton Centre Drive, Suite 1150
Santa Ana, CA 92707

---------- INTERNAL USE ONLY ----------

■Certificate(s) and Endorsement(s) attached
■Confirmed business name on contract with certificate(s)
■Original contract and previous amendment(s) (if any) are attached
■Attached Agreement Checklist and met all requirements
■Attach Quotes, Solicitation Docs, City's Best Interest, Government Code, etc.

EXHIBIT "A"

ARCHITECTS

AMENDMENT NO. 8 - REVISION #3A

Architect:	SVA Architects, Inc. ("SVA" or "Architect") 6 Hutton Centre Drive, Suite 1150 Santa Ana, CA 92707	**Client:**	City of Palmdale ("Client" or "City") 38300 Sierra Highway Palmdale, CA 93550
Architect Contact:	Dean Hawkins, Senior Associate/Principal (dhawkins@sva-architects.com)	**Client Contact:**	Harriet Howell, Capital Improvements Project Manager (hhowell@cityofpalmdaleca.gov)
Agreement Date:	December 3, 2024 ("Agreement")	**Amendment Date:**	November 19, 2026
Project Name:	PN 878 Chimbole-Library-Finance Renovation ("Project")	**Description:**	Additional Service(s): Multiple Tasks
SVA Project No.:	2024-40156.808	**Client Reference:**	PN 878, Agreement No. A-9097

A. Scope of Services

SVA was requested by the City of Palmdale to group together multiple architectural and engineering tasks together into one Project Amendment so that these tasks can be presented to the City Council as one Amendment at the next City Council meeting. Included in this Amendment No. 8 are the following tasks:

Task #	Description	Fee
8.1	**Technology and Security Upgrades:** Additional design services will be provided to incorporate enhanced audio/visual equipment, technology infrastructure, and security systems at the Chimbole Center and Library, including coordination and updates to project plans.	$151,080.00
8.2	**Furniture and Equipment Planning:** Additional services to develop furniture layouts, select furnishings and equipment, and coordinate these elements with the overall building design.	$49,240.00
8.3	**Construction Support:** The Chimbole Center and Library renovations will be completed in two phases, requiring separate permitting, bidding, and construction support efforts to facilitate project delivery.	$81,365.00

B. Compensation

Architect will be compensated for the additional services delineated herein in accordance with the terms and conditions of the Agreement on a fixed fee basis in the amount of **Two Hundred Eighty-One Thousand Six Hundred Eighty-Five Dollars ($281,685.00)** with the following breakdown:

Task #	Description	Fee
8.1	Chimbole Center and City Library – Technology and Security Upgrades	$151,080.00
8.2	Chimbole Center and City Library – Furniture Design Services	$49,240.00
8.3	Chimbole Center and City Library – Separate Construction Support Services	$81,365.00
	TOTAL AMOUNT - AMENDMENT #8-REV 3A	**$281,685.00**

- Please refer to the individual Contract Amendment Numbers (8B, 8C, 8E, 8F and 8G) for breakdown of the fees.
- Reimbursable expenses of Architect will be invoiced in accordance with the terms and conditions of the Agreement.

(BLANK PAGE INTENTIONALLY LEFT BLANK. SIGNATURES ON FOLLOWING PAGE.)

It is expressly understood that the requirements of Cal. Business and Professions Code § 5536.22 requiring mutual written agreement by the parties prior to proceeding with the work are met by this Amendment. In the event that contract negotiations are pending at the time this Amendment is executed, the parties understand and agree that upon execution of such final agreement, that all work performed under this Amendment will be governed by the terms and conditions thereof. In the event that an agreement has been executed by the parties at the time of this Amendment, it is understood that this Amendment amends the Agreement only as delineated herein, all other terms of the Agreement shall remain the same. Architect will not proceed with work until this form is executed and returned. **The undersigned represents and warrants that he/she has the authority to bind the entity for which he/she is executing this Amendment**.

Approved and Accepted:

Architect:	**SVA Architects, Inc.**
Signature:	
Printed Name:	Robert M. Simons, AIA License No. C18301
Title:	Partner and President
Date:	November 19, 2026

Approved and Accepted:

Client:	**City of Palmdale**
Signature:	
Printed Name:	
Title:	
Date:	

7TH AMENDMENT TO AGREEMENT A- 9097
BETWEEN THE CITY OF PALMDALE AND SVA ARCHITECTS INC

This 7th Amendment to Agreement No. A-9097 (“Agreement”) is made and entered into by and between the City of Palmdale (hereinafter called “CITY”) and SVA ARCHITECTS INC (hereinafter called "CONSULTANT"). This Contract shall become effective on the date of the last signatory.

WHEREAS, on 12/03/2024 ("Original Agreement") the CITY and CONSULTANT entered into an agreement to provide:

Technical and Professional Design Services for PN 878 Chimbole-Library-Finance Remodeling and Renovation Project

WHEREAS, the parties desire to amend the Original Agreement to:

The City requested the Consultant to separate Chimbole Center building from Library building remodel and renovation. Phase 1(Chimbole Center bulding) and Phase 2 (Library Building). By breaking down into two separate design phases, it creates additional design cost and time needed to coordinate separate projects as well as separate reviews for Building and Safety. The additional fee architectural and engineering, Structural, Civil, Mechanical/Plumbing, and Fire Protection / Electrical /AV / Low Voltage are detailed in the attached signed consultant amendment #7 (Exhibit "A").

NOW THEREFORE, the parties agree as follows:

Section 4 - Contract time to be amended as follows:
Original Contract - (Design Dev 270 WD and Admin 270 WD)
Total Contract working days ..... 540 Working days
Contract time due to Amendment #1, #2, #3, #4, #5, and #6.....145 Working Days
Contract time due to Amendment #7 ..... 35 Working Days
Amended Date of Completion for Design Development 09/30/2026

All other terms and conditions of the Original Agreement not amended herein remain in full force and effect. Section 9 - Compensation due to the additional scope of work, the City and the Consultant agreed to increase One Hundred Twenty-Four Thousand Two Hundred Ninety Dollars ($124,290.00), and the contract amount will be amended as follows:
Original Contract Amount $1,665,070.00
Amendment #1..... $4,500.00
Amendment #2 ..... $16,040.00
Amendment #3 ..... $9,400.00
Amendment #4 ..... $29,810.00
Amendment #5 ..... $28,180.00
Amendment #6 ..... $37,540.00
Amendment #7 ..... $124,290.00
The revised contract amount, not to exceed One Million Nine Hundred Fourteen Thousand Eight Hundred Thirty Dollars ($1,914,830.00).See Attached signed SVA Amend #7-Revision 2 (Exhibit "A").

All other terms and conditions of the Original Agreement not amended herein, remain in full force and effect.

All other terms and conditions of the Original Agreement not amended herein, remain in full force and effect.

In Witness Whereof, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE:

Salvador Mendez
Feb 19, 2026, 3:51 PM PST

Salvador Mendez
Interim City Manager

Lee Torres
Feb 17, 2026, 11:08 AM PST

ADDRESS FOR NOTICE:
CITY OF PALMDALE
38250 Sierra Highway
Palmdale, CA 93550

APPROVE AS TO FORM:

Alexandra Severino
Feb 19, 2026, 12:52 PM PST

Alexandra Severino
City Attorrney

ATTEST:

Rochelle Scott
Feb 24, 2026, 1:30 PM PST

Rochelle Scott
City Clerk

SVA ARCHITECTS INC:

Robert M Simons
Feb 17, 2026, 4:31 PM PST

Robert M. Simoms AIA
Partner & President

ADDRESS FOR NOTICE:
SVA ARCHITECTS INC
6 Hutton Centre Drive, Suite 1150
Santa Ana, CA 92707

---------- INTERNAL USE ONLY ----------

■Certificate(s) and Endorsement(s) attached
■Confirmed business name on contract with certificate(s)
■Original contract and previous amendment(s) (if any) are attached
■Attached Agreement Checklist and met all requirements

Record of Signing

For City of Palmdale
Name Leonardo Torres
Title



Signed on Feb 17, 2026 11:08 AM PST

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DocumentID: 032ThiwAW54QebwxogJgfD
SigningID: 032ThivznFvKseOvobjndm
UTC Signing time: 2026-02-17 19:08:37 UTC
IP Address: 206.171.111.149
Email: ltorres@cityofpalmdaleca.gov

For bsimons@sva-architects.com
Name Robert M Simons
Title



Signed on Feb 17, 2026 4:31 PM PST

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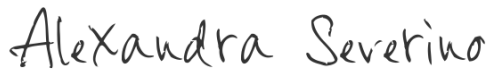
DocumentID: 032ThiwAW54QebwxogJgfD
SigningID: 032Tpe6K2RbPa6YtMQy1td
UTC Signing time: 2026-02-18 00:31:25 UTC
IP Address: 12.52.175.162
Email: bsimons@sva-architects.com

For City of Palmdale
Name Alexandra Severino
Title



Signed on Feb 19, 2026 12:52 PM PST

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UTC Signing time: 2026-02-19 20:52:00 UTC
IP Address: 72.111.122.50
Email: aseverino@harperburns.com

For smendez@cityofpalmdaleca.gov
Name Salvador Mendez
Title



Signed on Feb 19, 2026 3:51 PM PST

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DocumentID: 032ThiwAW54QebwxogJgfD
SigningID: 032UxKeVtXsUHo3bFgDkP5
UTC Signing time: 2026-02-19 23:51:01 UTC
IP Address: 206.171.111.149
Email: smendez@cityofpalmdaleca.gov

For City of Palmdale
Name Rochelle Scott
Title City Clerk



Signed on Feb 24, 2026 1:30 PM PST

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SigningID: 032XkaClCBX2st0XYuD2AI
UTC Signing time: 2026-02-24 21:30:39 UTC
IP Address: 206.171.111.149
Email: rscott@cityofpalmdale.org

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6TH AMENDMENT TO AGREEMENT A- 9097
BETWEEN THE CITY OF PALMDALE AND SVA ARCHITECTS INC

This 6TH Amendment to Agreement No. A-9097 (“Agreement”) is made and entered into by and between the City of Palmdale (hereinafter called “CITY”) and SVA ARCHITECTS INC (hereinafter called "CONSULTANT"). This Contract shall become effective on the date of the last signatory.

WHEREAS, on 12/03/2024 ("Original Agreement") the CITY and CONSULTANT entered into an agreement to provide:

Technical and Professional Design Services for PN 878 Chimbole-Library-Finance Remodeling and Renovation Project

WHEREAS, the parties desire to amend the Original Agreement to:

The consultant will provide additional services for LEED Certification Assessment for the Chimbole and Library building.

The scope of Work Includes, but not limited to the following:
1. Potential for LEED Certification of Phase 1 - Chimbole Building: Consultant to coordinate with their LEED Consultants to assess the feasibility of the design to implement LEED requirements. The design of the Phase 1 scope is currently at the begining of the Cosntrction Documents Phase which presents a more challenging task to LEED certification.
2. Potential for LEED Certification of Phase 2 - City Library: Consultant will coordinate with their LEED consultant, to assess the feasibility of the design to implement LEED requirements. The designof the Phase 2scope has completed the schematic design phase which is more ideal for beginning the LEED implementation into the overall site and building design process. The earlier phase of the scope also helps incorporate LEED requirements with potentially less cost and impact.

Detailed scope is outlined in the attached, SVA Amend #6 Revision 1 (Exhibit "A")

NOW THEREFORE, the parties agree as follows:

Section 4 - Contract time to be amended as follows:
Original Contract - (Design Dev 270 WD and Admin 270 WD)
Total Contract working days ..... 540 Working days
Contract time due to Amendment #1, #2, #3, #4, #5, & #6 .....145 Working Days
Amended Date of Completion for Design Development 08/05/2026

All other terms and conditions of the Original Agreement not amended herein remain in full force and effect. Section 9 - Compensation due to the additional scope of work, the City and the Consultant agreed to increase Thirty Seven Thousand Five Hundred Forty Dollars ($37,540), and the contract amount will be amended as follows:
Original Contract Amount $1,665,070.00
Amendment #1..... $4,500.00
Amendment #2 ..... $16,040.00
Amendment #3 ..... $9,400.00

Amendment #4 ..... $29,810.00
Amendment #5 ..... $28,180.00
Amendment #6 ..... $37,540.00

The revised contract amount, not to exceed One Million Seven Hundred Ninety Thousand Five Hundred Forty Dollars ($1,790,540.00).

See Attached signed SVA Amend #6-Revision 1 (Exhibit "A").

All other terms and conditions of the Original Agreement not amended herein, remain in full force and effect.

In Witness Whereof, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE:

Salvador Mendez
Jan 21, 2026, 9:13 AM PST

Salvador Mendez
Interim City Manager

Lee Torres
Jan 20, 2026, 12:43 PM PST

ADDRESS FOR NOTICE:
CITY OF PALMDALE
38250 Sierra Highway
Palmdale, CA 93550

APPROVE AS TO FORM:

Alexandra Severino
Jan 20, 2026, 5:53 PM PST

Alexandra Severino
City Attorney

ATTEST:

Roxanne Faber
Jan 21, 2026, 10:14 AM PST

Roxanne Faber
City Clerk

SVA ARCHITECTS INC:

Robert M Simons
Jan 20, 2026, 2:28 PM PST

Robert M. Simoms AIA
Partner & President

ADDRESS FOR NOTICE:
SVA ARCHITECTS INC
6 Hutton Centre Drive, Suite 1150
Santa Ana, CA 92707

---------- INTERNAL USE ONLY ----------

■Certificate(s) and Endorsement(s) attached
■Confirmed business name on contract with certificate(s)
■Original contract and previous amendment(s) (if any) are attached
■Attached Agreement Checklist and met all requirements

Record of Signing

For
Name
Title



Signed on Jan 20, 2026 12:43 PM PST

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SigningID: 032DmXyWd8Tk5xFfsY15YP
UTC Signing time: 2026-01-20 20:43:00 UTC
IP Address: 206.171.111.149
Email: ltorres@cityofpalmdaleca.gov

For
Name
Title



Signed on Jan 20, 2026 2:28 PM PST

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SigningID: 032Dp7ok7q4zyOvZGRjEeY
UTC Signing time: 2026-01-20 22:28:03 UTC
IP Address: 12.52.175.162
Email: bsimons@sva-architects.com

For
Name
Title



Signed on Jan 20, 2026 5:53 PM PST

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SigningID: 032Du9nRypSElyuJBVos7T
UTC Signing time: 2026-01-21 01:53:05 UTC
IP Address: 97.130.244.99
Email: aseverino@harperburns.com

For
Name
Title



Signed on Jan 21, 2026 9:13 AM PST

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SigningID: 032EGkPnQ6pfECkiyBnkJ2
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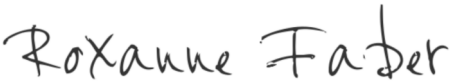
IP Address: 172.119.35.1
Email: smendez@cityofpalmdaleca.gov

For
Name
Title



Signed on Jan 21, 2026 10:14 AM PST

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IP Address: 206.171.111.149
Email: rfaber@cityofpalmdale.org

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5TH AMENDMENT TO AGREEMENT A- 9097
BETWEEN THE CITY OF PALMDALE AND SVA ARCHITECTS INC

This 5th Amendment to Agreement No. A-9097 (“Agreement”) is made and entered into by and between the City of Palmdale (hereinafter called “CITY”) and SVA ARCHITECTS INC (hereinafter called "CONSULTANT"). This Contract shall become effective on the date of the last signatory.

WHEREAS, on 12/03/2024 ("Original Agreement") the CITY and CONSULTANT entered into an agreement to provide:

Technical and Professional Design Services for PN 878 Chimbole-Library-Finance Renovation Project.

WHEREAS, the parties desire to amend the Original Agreement to:

The consultant will provide additional services (Food Service Equipment Design). The additional scope includes: 1. Floor Staging Area 106(230sf) - This area is designated to function as a staging space for food brought into the facility or transported from the second floor, a requirement that was not specified in the original RFP. 2. Second-floor Bar/Kitchenette 204 (600sf) - This space was incorporated during the schematic design phase to facilitate the simultaneous serving of multiple ballrooms. SVA will coordinate with the Food Services Consultant regarding the design of this space, as this task falls outside the original RFP scope. Overall, the original scope only included 716 sq. ft. of space for kitchen design coordination. The current scope now includes 1,546 sq. ft. of warming kitchen space. The required space within the Chimbole Cultural Center, needing food services design coordination, is approximately double the original scope. Details of the proposal are outlined in the attached signed SVA Amendment #5-R1.

NOW THEREFORE, the parties agree as follows:

Section 4 - Contract time to be amended as follows: Original Contract - (Design Dev 270 WD and Admin 270 WD) Total Contract working days ..... 540 Working days Contract time due to Amendment #1, #2, #3, #4, and #5 .....145 Working Days Amended Date of Completion for Design Development ..... 08/05/2026 All other terms and conditions of the Original Agreement not amended herein remain in full force and effect. Section 9 - Compensation due to the additional scope of work, the City and the Consultant agreed to increase Twenty Eight Thousand One Hundred Eighty Dollars ($28,180), and the contract amount will be amended as follows: Original Contract Amount ..... $1,665,070.00 Amendment #1..... $4,500.00 Amendment #2 ..... $16,040.00 Amendment #3 ..... $9,400.00 Amendment #4 ..... $29,810.00 Amendment #5 ..... $28,180.00 The revised contract amount, not to exceed One Million Seven Hundred Fifty-Three Thousand Dollars ($1,753,000.00). See Attached signed SVA Amendment #5-Revised.

All other terms and conditions of the Original Agreement not amended herein, remain in full force and effect.

In Witness Whereof, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE:

Salvador Mendez
Dec 8, 2025, 3:39 PM PST

Salvador Mendez
Interim City Manager

Lee Torres
Dec 3, 2025, 10:57 AM PST

ADDRESS FOR NOTICE:
CITY OF PALMDALE
38250 Sierra Highway
Palmdale, CA 93550

SVA ARCHITECTS INC:

Robert M Simons
Dec 4, 2025, 2:18 PM PST

Robert M. Simoms AIA
PArtner & President

ADDRESS FOR NOTICE:
SVA ARCHITECTS INC
6 Hutton Centre Drive, Suite 1150 Santa Ana, CA 92707

APPROVE AS TO FORM:

Alexandra Severino
Dec 5, 2025, 2:09 PM PST

Alexandra Severino
City Attorney

ATTEST:

Roxanne Faber
Dec 8, 2025, 5:14 PM PST

Roxanne Faber
City Clerk

---------- INTERNAL USE ONLY ----------

■Certificate(s) and Endorsement(s) attached
■Confirmed business name on contract with certificate(s)
■Original contract and previous amendment(s) (if any) are attached
■Attached Agreement Checklist and met all requirements

Record of Signing

For
Name
Title



Signed on Dec 3, 2025 10:57 AM PST

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SigningID: 031mNg6Jfyzr6s1CzsAicH
UTC Signing time: 2025-12-03 18:57:15 UTC
IP Address: 206.171.111.149
Email: ltorres@cityofpalmdaleca.gov

For
Name
Title



Signed on Dec 4, 2025 2:18 PM PST

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DocumentID: 031mNg6KSKhm8VKAeQTAFD
SigningID: 031n1whhEJAeY6VNmOAcmv
UTC Signing time: 2025-12-04 22:18:05 UTC
IP Address: 107.77.212.86
Email: bsimons@sva-architects.com

For
Name
Title



Signed on Dec 5, 2025 2:09 PM PST

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DocumentID: 031mNg6KSKhm8VKAeQTAFD
SigningID: 031nb4JU1pEAiulozNwOlv
UTC Signing time: 2025-12-05 22:09:16 UTC
IP Address: 97.131.21.135
Email: aseverino@harperburns.com

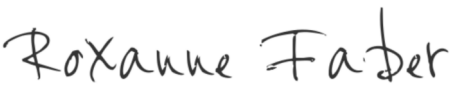
For
Name
Title



Signed on Dec 8, 2025 3:39 PM PST

Secured by Concord™
DocumentID: 031mNg6KSKhm8VKAeQTAFD
SigningID: 031pLINM7JcfXQwvE8Y34J
UTC Signing time: 2025-12-08 23:39:18 UTC
IP Address: 206.171.111.149
Email: smendez@cityofpalmdaleca.gov

For
Name
Title



Signed on Dec 8, 2025 5:14 PM PST

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UTC Signing time: 2025-12-09 01:14:41 UTC
IP Address: 206.171.111.149
Email: rfaber@cityofpalmdale.org

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Signed with https://www.concord.app/

4TH AMENDMENT TO AGREEMENT A- 9097
BETWEEN THE CITY OF PALMDALE AND SVA ARCHITECTS INC.

This 4th Amendment to Agreement No. A-9097 (“Agreement”) is made and entered into by and between the City of Palmdale (hereinafter called “CITY”) and SVA ARCHITECTS INC. (hereinafter called "CONSULTANT"). This Contract shall become effective on the date of the last signatory.

WHEREAS, on 12/03/2024 ("Original Agreement") the CITY and CONSULTANT entered into an agreement to provide:

Technical and Professional design for PN 878 Chimbele-Library-Finance Renovation Project.

WHEREAS, the parties desire to amend the Original Agreement to:

The Consultant will provide geotechnical evaluation. The purpose of the study will be to evaluate the subsurface soil conditions at the site in order to provide geotechnical recommendations for the design and construction of the building expansion and associated improvements. Due to limited space within the building addition area, we will utilize a limited-access drill rig to perform the exploratory borings.

Our scope of services for the proposed geotechnical evaluation will consist of:
• Project coordination, planning, and scheduling for subsurface exploration.
• Review of readily available topographic, geologic, fault, and flood maps, other published literature, stereoscopic aerial photographs, in-house information, and reports and/or plans provided by the client.
• Acquisition of a Los Angeles County Environmental Health Department (LACEHD) permit for borings that are deeper than 10 feet below the ground surface.
• Performance of a geotechnical site reconnaissance to observe the general site conditions and to mark proposed boring locations for utility clearance by Underground Service Alert (USA).
• Subsurface exploration consisting of the drilling, sampling, and logging of four hollow-stem auger borings using a limited-access track-mounted drill rig. One boring will be drilled to a depth of approximately 30 feet below the ground surface, two borings will be drilled to a depth of approximately 20 feet, and one boring will be drilled to a depth of 10 feet for infiltration testing. The borings will be drilled to the planned depths, or refusal, whichever is shallower. The borings will be logged by a representative from our firm, and bulk and relatively undisturbed soil samples will be collected at selected intervals for laboratory testing. The 20 and 30-foot-deep borings will be backfilled with cement-bentonite grout in accordance with the LACEHD permit requirements. The percolation testing boring will be converted into a temporary monitoring well with a 2-inch- diameter pipe for the percolation testing. Borings performed in paved areas will be patched with rapid-set concrete.
• Percolation testing will be performed in one exploratory boring in general accordance with Los Angeles County guidelines. The percolation testing will include pre-soaking followed by percolation testing over a period of at least 3 hours. The percolation rate will be measured at intervals of approximately 10 to 30 minutes depending on the soil conditions and rate of infiltration. Following percolation testing, the percolation test hole will be backfilled with onsite soils or sand.

• Laboratory testing of representative soil samples which may include in-situ moisture and dry density, sieve analyses, Atterberg limits, consolidation, direct shear strength, and soil corrosivity, as applicable.
• Data compilation and geotechnical analysis of the field and laboratory data, including analyses to evaluate and provide recommendations pertaining to the following:
- Suitability of the site for the proposed construction from a geotechnical standpoint.
- Description of the geology and on-site soils anticipated at the site, including an evaluation of the geologic hazards and groundwater conditions.
- Evaluation of the 2022 California Building Code seismic design parameters.
- Evaluation of infiltration rate and suitability of the on-site soils for infiltration.
- Excavation characteristics of the on-site materials, including anticipated difficult excavation and caving potential.
- General earthwork and grading considerations, including compaction requirements and suitability of on-site material for use as fill.
- Analysis of the temporary stability of excavations and shoring design parameters (if needed).
- Evaluation of settlement potential for the building addition and appropriate site preparation, including remedial excavation and recompaction.
- Evaluation of suitable foundation types and geotechnical engineering design parameters, including allowable bearing capacities, friction coefficients, and allowable passive pressures.
- Evaluation of the corrosion potential of the site soils and the appropriate type of concrete to be utilized during construction.
• Preparation of a geotechnical report presenting our findings, conclusions, and recommendations. Our report will include a site plan, boring location map, pertinent geologic and seismic hazard maps, boring logs, and laboratory test results.

Details of the proposal is outlined on the attached signed SVA Amendment #4-Rev.

NOW THEREFORE, the parties agree as follows:

Section 4 - Contract time to be amended as follows:
Original Contract - (Design Dev 270 WD and Admin 270 WD)
Total Contract working days ..... 540 Working days
Contract time due to Amendment #1, #2, #3 and #4 ..... 0 Working Days
Amended Date of Completion for Design Development 01/12/2026

All other terms and conditions of the Original Agreement not amended herein, remain in full force and effect.

Section 9 - Compensation Due to the additional scope of work, the City and the Consultant agreed to increase Tweenty Nine Thousand Eight Hundred Ten Dollars ($29,810), and the contract amount will be amended as follows:
Original Contract Amount $1,665,070.00
Amendment #1..... $4,500.00
Amendment #2 ..... $16,040.00
Amendment #3 ..... $9,400.00
Amendment #4 .....$29,810.00

The revised contract amount, not to exceed One Million Seven Hundred Twenty-Four Thousand Eight Hundred Twenty Ten Dollars ($1,724,820.00). See Attached signed SVA Amendment #4-Revised.

In Witness Whereof, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE:

Salvador Mendez
Signed: 5/19/2025

Salvador Mendez
City Manager Pro Tem

Lee Torres
Signed: 5/13/2025

ADDRESS FOR NOTICE:
CITY OF PALMDALE
38250 Sierra Highway
Palmdale, CA 93550

SVA ARCHITECTS INC.:

Robert M Simons
Signed: 5/14/2025

Robert M. Simons AIA
Partner & President

ADDRESS FOR NOTICE:
SVA ARCHITECTS INC.
6 Hutton Centre Drive, Suite 1150
Santa Ana, CA 92707

APPROVE AS TO FORM:

Alexandra Halfman
Signed: 5/14/2025

Alexandra Halfman
Acting City Attorney

ATTEST:

Roxanne Faber
Signed: 5/19/2025

Roxanne Faber
City Clerk

---------- INTERNAL USE ONLY ----------

■Certificate(s) and Endorsement(s) attached
■Confirmed business name on contract with certificate(s)

■Original contract and previous amendment(s) (if any) are attached
■Attached Agreement Checklist and met all requirements

Record of Signing

For
Name
Title



Signed on 2025-05-13 21:24:42 GMT

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SigningID: 02zuA8MhrHTMIu1vGsxVlR
Signing date: 5/13/2025
IP Address: 206.171.111.149
Email: ltorres@cityofpalmdaleca.gov

For
Name
Title



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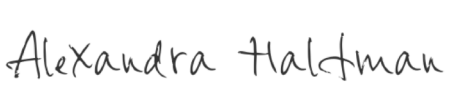
IP Address: 12.52.175.162
Email: bsimons@sva-architects.com

For
Name
Title



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IP Address: 72.111.98.115
Email: amhalfman@harperburns.com

For
Name
Title



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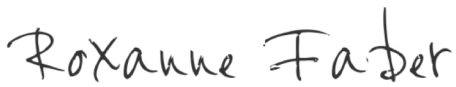
IP Address: 206.171.111.149
Email: smendez@cityofpalmdaleca.gov

For
Name
Title



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IP Address: 206.171.111.149
Email: rfaber@cityofpalmdale.org

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3RD AMENDMENT TO AGREEMENT A- 9097
BETWEEN THE CITY OF PALMDALE AND SVA ARCHITECTS, INC.

This 3rd Amendment to Agreement No. A-9097 (“Agreement”) is made and entered into by and between the City of Palmdale (hereinafter called “CITY”) and SVA ARCHITECTS, INC. (hereinafter called "CONSULTANT"). This Contract shall become effective on the date of the last signatory.

WHEREAS, on 12/03/2024 ("Original Agreement") the CITY and CONSULTANT entered into an agreement to provide:

Technical and Professional design for PN 878 Chimbele-Library-Finance Renovation Project.

WHEREAS, the parties desire to amend the Original Agreement to:

Provide the engineer's evaluation of the structural as-built drawings of the operations building to determine whether the second floor can be renovated for additional occupants as well as adding a two-stop elevator between the floors.

Assessment of Existing Operation Department's Second Floor includes:
a. Review and site observation, provide structural capacity assessment for the existing second floor. The vertical load carrying capacity of the existing second floor framing is the main scope.
b. Provide a structural assessment report.
c. Provide a structural design for the strengthening scheme (if the floor framing is not enough for the code-required live load) at the preliminary level, in; Structural Sketch format.
d. Provide draft report in a week after issuing NTP.

Section 4 - Contract time to be amended as follows:
Original Contract - (Design Dev 270 WD and Admin 270 WD)
Total Contract working days ..... 540 Working days
Contract time due to Amendment #1, #2 and #3 ..... 0 Working Days
Amended Date of Completion for Design Development 01/12/2026

NOW THEREFORE, the parties agree as follows:

Section 9 - Compensation
Due to the additional scope of work, the City and the Consultant agreed to increase Nine Thousand Four Hundred Dollars ($9,400), and the contract amount will be amended as follows:
Original Contract Amount $1,665,070.00
Amendment #1..... $4,500.00
Amendment #2 ..... $16,040.00
Amendment #3 ..... $9,400.00

The revised contract amount, not to exceed One Million Six Hundred Ninety-Five Thousand Ten Dollars ($1,695,010.00).

See attachment A5: Amendment to Agreement #3-Exhibit "A" for details.

All other terms and conditions of the Original Agreement, not amended herein, remain in full force and effect.

All other terms and conditions of the Original Agreement not amended herein, remain in full force and effect.

In Witness Whereof, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE:

Salvador Mendez
Signed: 3/25/2025

Salvador Mendez
City Manager Pro Tem

Lee Torres
Signed: 3/21/2025

ADDRESS FOR NOTICE:
CITY OF PALMDALE
38250 Sierra Highway
Palmdale, CA 93550

APPROVE AS TO FORM:

William Patrick Curley III
Signed: 3/25/2025

William P. Curley, III
City Attorney

ATTEST:

Roxanne Faber
Signed: 3/26/2025

Roxanne Faber
City Clerk

SVA ARCHITECTS, INC.:

Robert M Simons
Signed: 3/25/2025

Robert M. Simons AIA
Partner & President

ADDRESS FOR NOTICE:
SVA ARCHITECTS, INC.
6 Hutton Centre Drive, Suite 1150
Santa Ana, CA 92707

---------- INTERNAL USE ONLY ----------

■Certificate(s) and Endorsement(s) attached
■Confirmed business name on contract with certificate(s)
■Original contract and previous amendment(s) (if any) are attached
■Attached Agreement Checklist and met all requirements

Record of Signing

For
Name
Title



Signed on 2025-03-21 23:58:01 GMT

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SigningID: 02zQ0vZgFj7rgmr5PW3Hkk
Signing date: 3/21/2025
IP Address: 162.235.41.129
Email: ltorres@cityofpalmdaleca.gov

For
Name
Title



Signed on 2025-03-25 16:10:00 GMT

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SigningID: 02zS6nXas4TZiEtiJiRfhf
Signing date: 3/25/2025
IP Address: 107.77.228.142
Email: bsimons@sva-architects.com

For
Name
Title



Signed on 2025-03-25 17:10:12 GMT

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Signing date: 3/25/2025
IP Address: 107.131.11.226
Email: wcurley@harperburns.com

For
Name
Title



Signed on 2025-03-25 19:06:54 GMT

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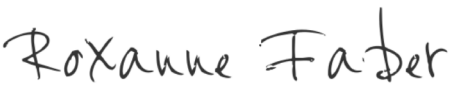
IP Address: 206.171.111.149
Email: smendez@cityofpalmdaleca.gov

For
Name
Title



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Email: rfaber@cityofpalmdale.org

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2ND AMENDMENT TO AGREEMENT A- 9097
BETWEEN THE CITY OF PALMDALE AND SVA ARCHITECTS, INC.

This 2ND Amendment to Agreement No. A-9097 (“Agreement”) is made and entered into by and between the City of Palmdale (hereinafter called “CITY”) and SVA ARCHITECTS, INC. (hereinafter called "CONSULTANT"). This Contract shall become effective on the date of the last signatory.

WHEREAS, on 12/3/2024 ("Original Agreement") the CITY and CONSULTANT entered into an agreement to provide:

Technical and professional design for PN 878 Chimbele-Library-Finance Renovation Project.

WHEREAS, the parties desire to amend the Original Agreement to:

Provide an additional Scope of Work and perform the following assessment of the existing Library Building:
a. Feasibility study for 2nd Floor addition in its entirety (remove mezzanine and low and high roof framings and keep only exterior wall).
b. Provide structural assessment/feasibility report.
c. Structural design for the retrofit/strengthening is not included.
d. A draft report will be provided a week after NTP, and any follow-up, if needed, within a few days.

Section 4 - Contract time to be amended as follows:
Original Contract - (Design Dev 270WD and Admin 270 WD)
Total Contract working days ..... 540 Working days
Contract time due to Amendment #1 and #2 ..... 0 Working Days
Amended Date of Completion for Design Development 01/12/2026

NOW THEREFORE, the parties agree as follows:

Section 9 - Compensation
Due to the additional scope of work, the City and the Consultant agreed to increase Sixteen Thousand Forty Dollars ($16,040) and the contract amount will be amended as follows:
Original Contract Amount $1,665,070.00
Amendment #1.....$4,500.00
Amendment #2 .....$16,040.00

The revised contract amount not to exceed One Million Six Hundred Eighty-Five Thousand Six Hundred Ten Dollars ($1,685,610.00).

See attachment A4: Amendment to Agreement #2-Exhibit "A" for details.

All other terms and conditions of the Original Agreement not amended herein, remain in full force and effect.

In Witness Whereof, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE:

Ronda Perez
Signed: 3/1/2025

Ronda PErez
City Manager

Lee Torres
Signed: 2/27/2025

ADDRESS FOR NOTICE:
CITY OF PALMDALE
38250 Sierra Highway
Palmdale, CA 93550

SVA ARCHITECTS, INC.:

Robert M Simons
Signed: 2/28/2025

Robert M. Simons AIA
Partner & President

ADDRESS FOR NOTICE:
SVA ARCHITECTS, INC.
6 Hutton Centre Drive, Suite 1150
Santa Ana, CA 92707

APPROVE AS TO FORM:

William Patrick Curley III
Signed: 2/28/2025

William P. Curley, III
City Attorney

ATTEST:

Roxanne Faber
Signed: 3/3/2025

Roxanne Faber
City Clerk

---------- INTERNAL USE ONLY ----------

■Certificate(s) and Endorsement(s) attached
■Confirmed business name on contract with certificate(s)
■Original contract and previous amendment(s) (if any) are attached
■Attached Agreement Checklist and met all requirements

Record of Signing

For
Name
Title



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Signing date: 2/27/2025
IP Address: 206.171.111.149
Email: ltorres@cityofpalmdaleca.gov

For
Name
Title



Signed on 2025-02-28 01:32:52 GMT

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IP Address: 107.77.230.36
Email: bsimons@sva-architects.com

For
Name
Title



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Signing date: 2/28/2025
IP Address: 107.131.11.226
Email: wcurley@harperburns.com

For
Name
Title



Signed on 2025-03-01 02:56:48 GMT

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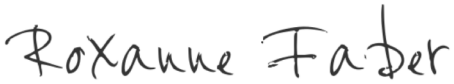
SigningID: 02zE7CBmUUTXBg0zcp3r2M
Signing date: 3/1/2025
IP Address: 216.201.70.74
Email: rperez@cityofpalmdale.org

For
Name
Title



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Signing date: 3/3/2025
IP Address: 206.171.111.149
Email: rfaber@cityofpalmdale.org

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1ST AMENDMENT TO AGREEMENT A- 9097
BETWEEN THE CITY OF PALMDALE AND SVA ARCHITECTS, INC.

This 1ST Amendment to Agreement No. A-9097 (“Agreement”) is made and entered into by and between the City of Palmdale (hereinafter called “CITY”) and SVA ARCHITECTS, INC. (hereinafter called "CONSULTANT"). This Contract shall become effective on the date of the last signatory.

WHEREAS, on 12/3/2024 ("Original Agreement") the CITY and CONSULTANT entered into an agreement to provide:

Technical and professional design services for PN 878 Chimbole-Library-Finance Renovation project.

WHEREAS, the parties desire to amend the Original Agreement to:

Provide an additional scope of work and perform structural investigation at the Library mezaninne floor. The Consultant to provide the City with the structural report prepared and stamped by a licensed structural engineer.

Section 4 Contract Time tobe amended as follows:

Original Contract (Design Dev. 270 WD/Const. Admin 270 WD) .... 540 Working Days
Contract Time due to Amendment #1 ..... 0 Working Days
Amended Date of Completion for (Design Development) 01/12/2026

NOW THEREFORE, the parties agree as follows:

Section 9 Compensation
To Increase the contract amount for the additional scope of work. The City and the Consultant agreed to increase $4,500 for the structural investigation and the contract amount will be amended as follow:

Original Contract Amount $1,665,070.00
Amendment #1 (CO #1) $4,500.00

The revised contract amount not to exceed One Million Six Hundred Sixty-Nine Thousand Five Hundred Seventy dollars ($1,669,570.00)

See attachement A3: Amendment to Agreement #1 with EXHIBIT "A" CO details.

All other terms and conditions of the Original Agreement not amended herein, remain in full force and effect.

In Witness Whereof, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE:

Ronda Perez
Signed: 2/14/2025

Ronda Perez
City Manager

Lee Torres
Signed: 2/13/2025

ADDRESS FOR NOTICE:
CITY OF PALMDALE
38250 Sierra Highway
Palmdale, CA 93550

SVA ARCHITECTS, INC.:

Robert M Simons
Signed: 2/13/2025

Robert M. Simons AIA
Partner & President

ADDRESS FOR NOTICE:
SVA ARCHITECTS, INC.
6 Hutton Centre Drive, Suite 1150
Santa Ana, CA 92707

APPROVE AS TO FORM:

William Patrick Curley III
Signed: 2/14/2025

William P. Curley, III
City Attorney

ATTEST:

Roxanne Faber
Signed: 2/14/2025

Roxanne Faber
City Clerk

---------- INTERNAL USE ONLY ----------

■Certificate(s) and Endorsement(s) attached
■Confirmed business name on contract with certificate(s)
■Original contract and previous amendment(s) (if any) are attached
■Attached Agreement Checklist and met all requirements

Record of Signing

For
Name
Title



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Email: ltorres@cityofpalmdaleca.gov

For
Name
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Signing date: 2/13/2025
IP Address: 12.52.175.162
Email: bsimons@sva-architects.com

For
Name
Title



Signed on 2025-02-14 02:41:53 GMT

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Signing date: 2/14/2025
IP Address: 107.131.11.226
Email: wcurley@harperburns.com

For
Name
Title



Signed on 2025-02-14 16:54:33 GMT

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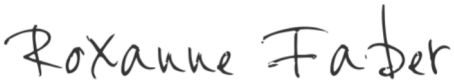
Signing date: 2/14/2025
IP Address: 199.187.125.143
Email: rperez@cityofpalmdale.org

For
Name
Title



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Signing date: 2/14/2025
IP Address: 104.32.101.219
Email: rfaber@cityofpalmdale.org

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AGREEMENT NO. A-9097
CONTRACT FOR DESIGN PROFESSIONAL SERVICES
BETWEEN THE CITY OF PALMDALE AND SVA ARCHITECTS
ARPA FUNDING

THIS CONTRACT FOR DESIGN PROFESSIONAL SERVICES ("Contract" herein) is made and entered into by and between the City of Palmdale a public body corporate and politic, (hereinafter called "CITY") and SVA ARCHITECTS (hereinafter called "PROJECT DESIGNER"). This Contract shall become effective on the date of the last signatory.

RECITALS

WHEREAS**,** City desires to engage PROJECT DESIGNER to perform certain technical and professional services, as provided herein, in connection with that certain project identified as PN 878 Chimbole-Library-Finance Renovation.

WHEREAS, PROJECT DESIGNER represents that PROJECT DESIGNER has the expertise and is qualified to perform the services described in this Contract and is duly registered under the laws of the State of California.

WHEREAS, PROJECT DESIGNER desires to accept such engagement.

NOW, THEREFORE, the parties agree as follows:

1 DESCRIPTION OF WORK

1.1 The City hereby engages PROJECT DESIGNER, and PROJECT DESIGNER accepts such engagement, to perform the following design professional services in a manner satisfactory to CITY:

A. Project Designer to provide design and construction adminstration services for the following:
a. Chimbole Cultural Center: Remodel and renovate to repair damage at the first floor and second floor of the building. Provide design for the upgrades and improvements to the exterior of the Cultural Center to include accessibility, lighting, and parking lot upgrades as necesary.
b. Palmdale City Library: Provide design to expand the existing Library to the south, eliminating the breezeway, connecting tot he Cultural Center and utilizing some of the first floor of the Cultural Center for Library functions. The existing Library will be provided with design to renovate for more up-to-date technology and programming.
c. Finance/Operations Department Space Planning: Provide employee space planning study and layout as Phase 1 of this project. Scope includes study planning and/or occupancy impacts these improvements have on existing entitlements and prepare appropriate planning and environmental documents per applicable codes and ordinances.

B. Detailed Scope of Work are outlined in the following attachments:
- Attachment #1 - SVAA RFQ-Exhibit "A"
- Attachment #2 - SVAA REvsied RFP-Exhibit "B"
- Attachment #3 - P&R Design Consideration-Exhibit "C"
- Attachment #4 - SVAA Fee Schedule-Exhibit "D"

C. The Project Designer shall complete the work in accordance with the following Project Schedule:
1. Design Development - 270 Working days
2. Construction Administration - 270 Working Days

1.2 Project deliverables shall be reviewed and approved by CITY to determine acceptable completion. CITY shall have the right to review and inspect the work during the course of its performance at such times as may be specified by CITY.

1.3 PROJECT DESIGNER shall not accept any change of scope, or change in contract provisions, unless issued in writing, as a contract change order or amendment and signed by CITY. Any extensions of time must be mutually agreed upon in writing and executed by both parties.

1.4 CITY shall provide to PROJECT DESIGNER, without charge, all data, program information, including reports, records, maps, and other information, now in CITY's possession, which may facilitate the timely performance of the work.

1.5 CONTRACTOR, understands, acknowledges, and agrees that the funding source for its work is from the American Rescue Plan, Coronavirus State and Local Fiscal Recovery Funds (collectively "ARPA") and as such, CONTRACTOR is required to comply with the regulations associated with ARPA funds pursuant to 31 CFR Part 35. Those regulations and reporting requirements are set forth in Exhibit "A" attached hereto and incorporated herein by reference. By executing this Contract, CONTRACTOR agrees to comply with all such regulations and reporting requirements and shall familiarize itself with those requirements.

2 CITY PROJECT MANAGER

To provide the design professional services required by this Contract, PROJECT DESIGNER shall act under the authority and approval of a Project Manager appointed by the Director of Public Works/designee. The City Project Manager will oversee the work under this Contract, assist PROJECT DESIGNER with any necessary information, audit billings, and approve payments. PROJECT DESIGNER shall channel reports, deliverables and special requests through the City Project Manager.

3 PROJECT DESIGNER'S KEY PERSONNEL

PROJECT DESIGNER's Team and Key Personnel are as follows:

SVA Architect Key Personnel:
1. Robert Simons - Architect of Records
2. Mel Tan - Sr. Project Architect
3. Doug Brown - Sr. Project Manager
4. Robert Puleo - Director of Interior
Subconsultants:
1. Virgil Aoanan - VCA, Civil Engineer
2. Young Nam - VCA, Structural Engineer
3. Tarkan Altay - Alfa Tech, MEP Project Manager
4. Sahil Asif - Alfa Tech, Mechanical Lead
5. Ray Park - Alfa Tech, Electrical Lead
6. Art Urroz - Alfa Tech, Plumbing Lead
7. Rich Garrison - Alfa Tech, Low Voltage Lead
8. Dennis Crable - Cable and Associates, Environmental Consultant
6. John Moreno - Sierra West Group, Chief Estimator

This Design Professional Services Contract has been awarded to PROJECT DESIGNER based on its representation that those personnel and subcontractors listed above will perform the portions of the work listed above. PROJECT DESIGNER shall not deviate nor substitute any of these team members without prior written approval by CITY.

4 COMMENCEMENT AND COMPLETION OF WORK

The services for the Project shall commence when CITY, acting by and through its Project Manager, issues a written authorization to proceed. PROJECT DESIGNER shall complete all work described in the Description of Work and submit final deliverables within Five Hundred Forty (540) working days of said authorization. PROJECT DESIGNER shall have no claim for compensation for any services or work, which has not been authorized by CITY's authorization to proceed.

5 TAXES

5.1 PROJECT DESIGNER shall pay all sales, consumer, use, and other similar taxes required to be paid by PROJECT DESIGNER in accordance with state and local laws.

5.2 PROJECT DESIGNER is an independent contractor and shall have no power or authority to incur any debt, obligation, or liability on behalf of CITY. No person employed by PROJECT DESIGNER or acting on its behalf, in connection with this Contract shall be considered the Agent or employee of CITY.

5.3 PROJECT DESIGNER shall be required to obtain a current City of Palmdale business license, as required by the Palmdale Municipal Code, before an Authorization to Proceed is issued.

6 PATENT FEES AND ROYALTIES

PROJECT DESIGNER shall pay all license fees and royalties and assume all costs incident to the use, in the performance of the work or the incorporation in the work of any invention, design, process, product or device which is the subject of patent rights or copyrights held by others. If a particular invention, design, process, product or device is specified by CITY for use in the performance of the work and if, to the actual knowledge of CITY, its use is subject to patent rights or copyrights calling for the payment of any license fee or royalty to others, the existence of such rights shall be disclosed by CITY in the contract documents. PROJECT DESIGNER shall indemnify and hold harmless CITY and anyone directly or indirectly employed by CITY from and against all claims, damages, losses and expenses (including attorneys' fees) arising out of any infringement of patent rights or copyrights incident to the use in the performance of the work, or resulting from the incorporation in the work of any invention, design, process, product or device not specified by CITY, and shall defend all such claims in connection with any alleged infringement of such rights.

7 STANDARDS OF PERFORMANCE

7.1 PROJECT DESIGNER shall be responsible for the completeness and accuracy of its services and work and documents resulting there from, and CITY shall not be responsible for discovering deficiencies therein. PROJECT DESIGNER shall correct any such deficiencies or errors without additional compensation and without cost to CITY, except to the extent any such deficiency is directly attributable to deficiencies in CITY-furnished information.

7.2 PROJECT DESIGNER shall be familiar with CITY’s Standard Details and Specifications and other relevant CITY regulations. PROJECT DESIGNER shall ensure there are no conflicts among the Contract Documents including, but not limited to, the CITY’s Standard Specifications and Special Provisions for Construction Contracts, the plans and specifications prepared by PROJECT DESIGNER, any standard details or specifications incorporated therein by reference, and the Construction Contract.

8 PROJECT DESIGNER’S PERSONNEL

8.1 All services required under this Contract shall be performed by PROJECT DESIGNER, or under PROJECT DESIGNER’s direct supervision, and all personnel shall possess the qualifications, permits and licenses required by State and local law to perform such services.

8.2 PROJECT DESIGNER shall be solely responsible for the satisfactory work performance of all personnel engaged in performing services required by this Contract, and compliance with all reasonable performance standards established by CITY.

8.3 PROJECT DESIGNER shall be responsible for payment of all PROJECT DESIGNER’s employees’ and subcontractor’s wages and benefits and shall comply

with all requirements pertaining to the employer's liability, workers' compensation, unemployment insurance, and Social Security.

8.4 PROJECT DESIGNER shall indemnify and hold harmless CITY, and its respective officers, agents and employees from and against all claims, demands, damages or costs arising from PROJECT DESIGNER's acts or omissions with respect to any liability, damages, claims, costs and expenses of any nature arising from alleged violations of personnel practices.

8.5 PROJECT DESIGNER shall pay, if required by applicable law, not less than the general prevailing hourly wage rates, as determined by the Director of the Department of Industrial Relations pursuant to the California Labor Code, for each craft, classification, or type of worker needed to perform the Contract. Copies of the prevailing rate of per diem wages are on file in the office of the Director of Public Works.

9 COMPENSATION

9.1 For all of work and services including the various phases of tasks as described in Section 1, Scope of Services, CITY shall pay to PROJECT DESIGNER an amount not to exceed the sum of ONE MILLION SIX HUNDRED SIXTY FIVE THOUSAND SEVENTY dollars ($1665070), as follows:

FEE SCHEDULE:

Detailed Fee is outlined on Attachment #4-Fee Schedule_Exhibit "D"
1. Completion of Conceptual Design/Programming.....$ 47,550.00
2. Completion of Schematic Design.....$164,260.00
3. Completion of Design Dev lopment & Environmental.....$416,988.00
4. Completion of Construction Documents.....$640,518.00
5. Completion of Construction Adminstration.....$328,754.00

TOTAL Design & Cosntruction Adminsitration Services Fee.....$1,598,070.00

Completion of Additional Services:
a. Topographical Survey.....$24,000.00
b. Underground Utility Survey.....$13,000.00
c. Reimbursable Allowance.....$30,000.00

TOTAL Additional Services Fee (If Needed).....$67,000.00

TOTAL CONTRACT AMOUNT.....$1,665,070.00

PROJECT DESIGNER shall perform no work in excess of the total contract price without prior approval of CITY. Total contract price includes expenses related to

travel to and from CITY to meet with City and to appear before City Council or any other board or commission of CITY.

9.2 An application and certification for payment form must be submitted to CITY which shall include the following: a clear, detailed invoice reflecting hours being billed for, a summary sheet showing percentage of work completed to date, amount/percent billed to date and current status of all tasks within the project; any/all backup documentation supporting the above items. Work schedule updates must also be included in the monthly progress payment requests.

9.3 PROJECT DESIGNER shall maintain adequate records and shall permit inspection and audit by CITY of PROJECT DESIGNER's charges under this Contract. PROJECT DESIGNER shall make such records available to CITY during normal business hours upon reasonable notice. Nothing herein shall convert such records into public records, and they will be available only to CITY and any specified public agencies. Such records shall be maintained by PROJECT DESIGNER for one (1) year following completion of the work under this Contract unless a longer period of time is required by state or federal law, in which event PROJECT DESIGNER shall retain its records for the time required by such laws.

9.4 No payment made hereunder by CITY to PROJECT DESIGNER, shall be construed as an acceptance by CITY of any work or materials, nor as evidence of satisfactory performance by PROJECT DESIGNER of its obligations under this Contract.

10 INDEMNIFICATION

To the fullest extent of the law, and consistent with Civil Code section 2782.8, PROJECT DESIGNER agrees to defend, indemnify, hold free and harmless the CITY, its elected and appointed officials, officers, agents and employees, at PROJECT DESIGNER's sole expense, from and against any and all claims, demands, actions, suits or other legal proceedings brought against CITY, its elected and appointed officials, officers, agents, and employees to the extent arising out of, pertaining to, or relating to the negligence, recklessness, or willful misconduct of the PROJECT DESIGNER, its employees, and/or authorized subcontractors, in performing design professional services pursuant to this Agreement. The defense obligation provided for hereunder shall apply without any advance showing of negligence, recklessness or willful misconduct of the PROJECT DESIGNER, its employees, and/or authorized subcontractors, but shall be required whenever any claim, action, complaint, or suit asserts as its basis the negligence, recklessness, or willful misconduct of PROJECT DESIGNER, its employees, and/or authorized subcontractors, and/or whenever any claim, action, complaint or suit asserts liability against the CITY, its elected and appointed officials, officers, agents, and employees based upon such negligence, recklessness, or willful misconduct, whether or not the PROJECT DESIGNER, its employees, and/or authorized subcontractors are specifically named or otherwise asserted to be liable. Notwithstanding the foregoing,

the PROJECT DESIGNER shall not be liable for the defense or indemnification of the CITY for claims, actions, complaints or suits arising out of the sole or active negligence or willful misconduct of the CITY. Further, in no event shall the cost to defend charged to the design professional exceed the design professional's proportionate percentage of fault, unless otherwise specified in Civil Code section 2782.8. This provision shall supersede and replace all other indemnity provisions contained either in the CITY's specifications or PROJECT DESIGNER's Proposal, which shall be of no force and effect.

11 INSURANCE

11.1 PROJECT DESIGNER, at its expense, shall maintain in effect at all times during the performance of work under this Contract not less than the following coverage and limits of insurance, which shall be maintained with insurers listed "A" or better in the Best's Insurance Guide and authorized to do business in the State of California. **Proof of Insurance, as identified in Section 11.8, must be reviewed, and accepted by the City Attorney**.

11.1.1 Workers' Compensation and Employer's Liability

- Workers' Compensation -- coverage as required by the State of California
- Employer's Liability --
  $1,000,000 each accident
  $1,000,000.00 policy limit bodily injury
  $1,000,000.00 each employee bodily injury by disease

11.1.2 Professional Liability (Errors & Omissions) Insurance*

- $1,000,000 limit on a per occurrence basis

11.1.3 Commercial General Liability

- $1,000,000.00 limit on per occurrence basis
- $2,000,000.00 general aggregate limit

11.1.4 Commercial Automobile Liability

- $1,000,000.00 combined single limit including owned, non-owned and hired automobile coverage

11.2 All of PROJECT DESIGNER's policies shall contain an endorsement providing that written notice shall be given to CITY at least thirty (30) calendar days prior to termination, cancellation or reduction of coverage in the policy.

11.3 Policies providing for bodily injury and property damage coverage shall contain the following:

A. An endorsement extending coverage to the City as an additional insured, in the same manner as the named insured, as respects liability arising out of the performance of any work under the Contract. Such insurance shall be primary insurance, as respects the interest of the City, and any other insurance

maintained by the City shall be considered excess coverage and not contributing insurance with the insurance required hereunder. The Certificate and endorsements shall state that: “The City of Palmdale, City of Palmdale in its capacity as the Successor Agency to the CRA, Palmdale Civic Authority, Housing Authority, Industrial Development Authority, Airport Authority, their officers, agents, employees and volunteers are named as additional insured”.

B. “Severability of Interest” clause.

11.4 Promptly on execution of this Contract, and prior to commencement of any work, PROJECT DESIGNER shall deliver to CITY certificates of insurance and endorsements to all required policies demonstrating that PROJECT DESIGNER has the required coverage and showing the required named insureds. Within five (5) days of written request from CITY, PROJECT DESIGNER shall deliver to CITY full and complete copies of all insurance policies required by this Contract.

11.5 The requirements as to the types and limits of insurance to be maintained by PROJECT DESIGNER are not intended to and shall not in any manner limit or qualify PROJECT DESIGNER’s liabilities and obligations under this Contract.

11.6 Any policy or policies of insurance that PROJECT DESIGNER elects to carry as insurance against loss or damage to its equipment and tools or other personal property used in the performance of this Contract shall include a provision waiving the insurer’s right of subrogation against CITY.

11.7 All insurance coverages must be maintained throughout the duration of this Contract.

11.8 Acceptable Proof of Insurance:

11.8.1 ACORD Certificate of Insurance listing all coverages, limits, deductibles and insureds; and endorsements for all applicable coverages if agent has authority to issue it; Additional insured Form CG20101185 or CG20100707 and CG20370704 or equivalent must be provided for general liability coverage. Additional insured form CA0001 must be provided for automobile liability coverage.

11.8.2 Agents must confirm that policy endorsements have been ordered from the respective insurance companies. Upon issuance, policy endorsements listing all insurers must be submitted to the City Attorney.

11.8.3 *When professional (E&O) liability coverage is provided on a “claims made basis”, PROJECT DESIGNER will continue to renew the insurance for a period of five (5) years after this Agreement expires or is terminated. Such insurance will have the same coverage and limits as the policy that was in effect during the term of this Agreement, and will cover PROJECT DESIGNER, or its officers, employees, or agents during the time this Agreement was in effect.

11.9 Notwithstanding any other provision of this Contract, CITY may immediately terminate this Contract if, at any time PROJECT DESIGNER fails to maintain the required insurance for any period of time or fails to comply with any of the insurance requirements listed above.

11.10 PROJECT DESIGNER shall require any and all subcontractor's working on its behalf to provide insurance coverages and limits that are based on the scope of work and nature of risk being performed by the subcontractor. Any and all subcontractors working on behalf of PROJECT DESIGNER shall be subject to all other insurance requirements that are stated herein.

Any deviation in this requirement will be PROJECT DESIGNER's sole risk. PROJECT DESIGNER's insurance requirements in Section 11 will not be impacted and/or limited by such deviation.

12 TERMINATION WITHOUT CAUSE

City reserves the right to terminate this Contract or any part thereof for its sole convenience with fifteen (15) days written notice. In the event of such termination, PROJECT DESIGNER shall immediately stop all work hereunder, and shall immediately cause any of its suppliers and sub-consultants to cease such work. PROJECT DESIGNER shall also surrender to CITY all finished or unfinished documents or programs and other materials, which shall be City's property. As compensation in full for services performed to the date of such termination, the PROJECT DESIGNER shall receive an amount equal to the value of the work completed as of the termination date in accordance with the fee schedule or as negotiated between the parties. In no event shall the amount payable upon termination exceed the total maximum compensation provided for in this Contract.

13 TERMINATION FOR CAUSE

13.1 If the City determines that the PROJECT DESIGNER has failed to supply an adequate working force, or to provide services of proper quality, or has failed in any other respect to satisfactorily perform the services specified in this Contract, the City shall give written notice to the PROJECT DESIGNER specifying all defaults to be remedied within thirty (30) days. Such notice shall set forth the basis for the City's dissatisfaction and suggest corrective measures. If, after thirty days, the PROJECT DESIGNER has failed to implement the corrective measures, the City may elect to terminate this Contract, in whole or in part.

13.2 In the event the City terminates this Contract in whole or in part as provided herein above, the City may procure, upon such terms and in such manner, as it may deem appropriate, services similar to those terminated.

13.3 If this Contract is terminated as provided above, the City may require the PROJECT DESIGNER to provide all finished or unfinished documents, data, studies, software, drawings, maps, photographs, reports, etc., prepared by the PROJECT

DESIGNER. Upon such termination, the PROJECT DESIGNER shall be paid an amount equal to the value of the services provided and work performed as of the date of termination. Such payment by the City may take into consideration the costs associated with hiring another PROJECT DESIGNER to complete the services. In the event no new PROJECT DESIGNER is employed, the PROJECT DESIGNER shall be paid an amount equal to the value of the work performed. In ascertaining the value of the work performed up to the date of termination, consideration shall be given to both completed work and work in progress, to complete and incomplete drawings, and to other documents when such are delivered to CITY, and to authorized reimbursement expenses.

The above is in addition to any other remedies available by law or equity to the City.

13.4 If, after notice of termination of the Contract under the provisions of this Section 13, it is determined, for any reason, that the PROJECT DESIGNER was not in default, or that the default was excusable, then the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Section 12.

14 DISPUTE RESOLUTION

All claims, disputes, and other matters in question between CITY and PROJECT DESIGNER arising out of, or relating to this Contract, or the breach thereof shall, to the extent reasonably feasible, be resolved through good faith negotiations between the parties.

15 OWNERSHIP OF DOCUMENTS

All documents, including, but not limited to, tracings, drawings, plans, specifications, original mylars, estimates, field notes, investigations, design analysis and studies which are prepared in the performance of this Contract are to be, and remain the property of, CITY. PROJECT DESIGNER shall furnish CITY, upon its request, originals or reproducible or electronic copies of technical specifications and of all other documents listed above. PROJECT DESIGNER shall endorse, by his professional seal, all plans and data furnished by him.

16 RE-USE OF DOCUMENTS

The parties agree the documents, drawings, specifications, and designs, although the property of CITY, are prepared for a specific project and are not intended nor represented by PROJECT DESIGNER to be suitable for re-use for any other project. Any reuse without written verification or adaptation by PROJECT DESIGNER for the specific purpose intended will be at CITY’s sole risk and without liability or legal exposure to PROJECT DESIGNER.

17 SUBCONTRACTING, DELEGATION AND ASSIGNMENT

17.1 PROJECT DESIGNER shall not delegate, subcontract or assign its duties or rights hereunder, either in whole or in part, without the prior written consent of CITY; provided, however, that claims for money due or to become due to PROJECT DESIGNER from CITY under this Contract may be assigned to a bank, trust company or other financial institution without such approval. Any proposed delegation, assignment or subcontract shall provide a description of the services covered, identification of the proposed assignee, delegee or subcontractor, and an explanation of why and how the same was selected, including the degree of competition involved. Any proposed agreement with an assignee, delegee or subcontractor shall include the following:

A. The amount involved, together with PROJECT DESIGNER's analysis of such cost or price; and

B. A provision requiring that any subsequent modification or amendment shall be subject to the prior written consent of CITY.

C. The requirement to hire only those persons authorized by federal law to work in the United States.

17.2 Any assignment, delegation or subcontract shall be made in the name of PROJECT DESIGNER and shall not bind or purport to bind CITY and shall not release PROJECT DESIGNER from any obligations under this Contract including, but not limited to, the duty to properly supervise and coordinate the work of employees, assignees, delegees and subcontractors. No such assignment, delegation or subcontract shall result in any increase in the amount of total compensation payable to PROJECT DESIGNER under this Contract.

18 NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY

18.1 In performance of this Contract, PROJECT DESIGNER shall not discriminate against any employee, subcontractor, or applicant for employment because of sex, color, race, religion, ancestry, national origin, disability, medical condition, marital status, sexual orientation, or age. PROJECT DESIGNER will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, ancestry, sex, national origin, handicap, or age. Affirmative action relating to employment shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

18.2 The provisions of subsection 18.1 above shall be included in all solicitations or advertisements placed by or on behalf of PROJECT DESIGNER for personnel to perform any services under this Contract. CITY shall have access to all documents, data and records of PROJECT DESIGNER and its subcontractors for purposes of determining compliance with the equal employment opportunity and non-

discrimination provisions of this Section, and all applicable provisions of Executive Order No. 11246 which is incorporated herein by this reference. A copy of Executive Order No. 11246 is available for inspection at, and on file with, the Palmdale City Clerk's Office.

19 FINANCIAL INTEREST CERTIFICATION

19.1 PROJECT DESIGNER warrants that no person has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee; and that no officer or employee of the CITY has any interest, financially or otherwise, in PROJECT DESIGNER's firm.

19.2 For breach or violation of this warranty, CITY shall have the right to annul this Contract without liability, or at its discretion to deduct from the Contract Price or consideration, the full amount of such commission, percentage, brokerage or contingent fee.

20 CONFLICT OF INTEREST

20.1 PROJECT DESIGNER stipulates that its officers and employees do not now have a conflict of interest and it further agrees for itself, its officers and its employees that it will not contract for or accept employment for the performance of any work or services with any individual business, corporation or government unit that would create a conflict of interest in the performance of its obligations pursuant to this Contract or which would cause PROJECT DESIGNER to be "financial interested" (as provided in California Government Code Section 1090 et seq. or 87100 et seq.) in any contract or decision made by CITY on any matter.

20.2 PROJECT DESIGNER shall not employ any City official or employee to perform any work required pursuant to this Contract.

20.3 If PROJECT DESIGNER is a registered professional engineer or licensed land surveyor and the scope of work requires PROJECT DESIGNER's recommendation of the actual formula to spread the costs of an assessment district's improvements, then PROJECT DESIGNER shall not participate in making that recommendation if the additional elements set forth in Government Code section 87100.1(c) apply. Those additional elements are: (1) PROJECT DESIGNER has received income of $250 or more for professional services in connection with any parcel included in the benefit assessment district within 12 months prior to the creation of the district; and (2) the district includes other parcels in addition to those parcels for which PROJECT DESIGNER received the income. In the event a conflict of interest does arise in that context, City shall select a different PROJECT DESIGNER to recommend the actual formula to spread the costs of the assessment district's improvements and the costs of such services shall be deducted from the compensation to be paid to PROJECT DESIGNER.

20.4 To the extent required by the City Manager/designee, PROJECT DESIGNER shall complete and file with the City Clerk a Form 700 Statement of Economic Interests disclosing any reportable property interests, income, gifts, investments, or business positions.

21 COMPLIANCE WITH LAW

21.1 PROJECT DESIGNER shall comply with all state and federal laws, including but not limited to, the requirement to hire only those persons authorized by federal law to work in the United States. If PROJECT DESIGNER uses any subcontractors to complete this Contract, this same requirement shall be included in all subcontracts and strictly enforced by PROJECT DESIGNER.

21.2 The law of the state of California shall govern this Contract. The venue of any legal action, either formal or informal, shall be the County of Los Angeles.

22 NOTICES

Any notice required under this Contract shall be in writing, addressed to the appropriate party at its address on the signature page and given personally or by registered or certified mail postage prepaid, or by a commercial courier service. All notices shall be effective upon the date of receipt.

23 ENTIRE CONTRACT AND AMENDMENTS

23.1 This Contract is the complete agreement between the parties and supersedes all prior proposals, agreements, and understandings between the parties and may not be modified or terminated orally.

23.2 No attempted waiver of any of the provisions hereof, nor any modification in the nature, extent or duration of the work to be performed by PROJECT DESIGNER hereunder, shall be binding unless in writing and signed by the party against whom the same is sought to be enforced.

23.3 The failure of any party to enforce against another party any provision of this Contract shall not constitute a waiver of that party’s right to enforce such a provision at a later time, and shall not serve to vary the terms of this Contract.

24 ATTORNEY'S FEES

If any action at law or in equity is brought to enforce or interpret any provisions of this Contract, the prevailing party in such action shall be entitled to reasonable attorney's fees, costs and necessary disbursements, in addition to such other relief as may be sought and awarded.

In Witness Whereof, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE:

Ronda Perez
Signed: 12/3/2024

Ronda Perez
City Manager

SVA ARCHITECTS:

Robert M Simons
Signed: 12/2/2024

Robert M. Simons AIA
Partner & President

ADDRESS FOR NOTICE:
CITY OF PALMDALE
30250 Sierra Highway
Palmdale, CA 93550

ADDRESS FOR NOTICE:
SVA ARCHITECTS
6 Hutton Centre Drive, Suite 1150 Santa Ana, CA 92707

APPROVE AS TO FORM:

William Patrick Curley III
Signed: 12/3/2024

William P. Curley, III
City Attorney

Lee Torres
Signed: 11/28/2024

ATTEST:

Roxanne Faber
Signed: 12/3/2024

Roxanne Faber
City Clerk

EXHIBIT "A"
ARPA REQUIREMENTS

RECITAL:
On March 11, 2021, the American Rescue Plan Act ("ARP Act") was signed into law. The ARP Act was intended to provide increased aid to individuals, families, businesses, and governments affected by the COVID-19 pandemic. The ARP Act established and funded the Coronavirus State and Local Fiscal Recovery Funds (the "CSLFRF"), which included two hundred forty (240) billion dollars for state, territorial, local, and Tribal governments that are being used to fight the pandemic and accelerate local economic recovery.

MANDATORY CONTRACT PROVISIONS FOR ARP ACT EXPENDITURES:
Procurement processes for expenditures using American Rescue Plan Act (ARPA) funds generally follow state and local rules. In most cases, city procurement policies will satisfy the federal requirements. One notable difference is that federal procurement regulations mandate specific contract provisions in certain circumstances. There are no requirements for contracts or expenditures of less than $10,000. However, using ARPA funds for contracts in excess of $10,000 triggers the mandatory contract provisions in 2 CFR Part 200, Appendix II.

Most contract provisions are required only on those exceeding $100,000 or those for construction projects of any amount. However, mandatory contract provisions will apply if a city obligates ARPA funds to a contract that exceeds $100,000.

For ease of administration, below is an explanation of the mandatory contract provisions and model language necessary for compliance with federal law disclosures.

2 C.F.R. PART 200: APPENDIX II, CONTRACT PROVISIONS

- For contracts over $10,000, cities must include a provision that addresses termination for cause and convenience by the local government, including the process for termination and the basis for settlement.
- For contracts over $100,000, cities must include a provision that addresses administrative, contractual, or legal remedies if a contractor violates or breaches the contract, including sanctions and penalties for the breach.
- In accepting the ARPA award, local governments agreed to include an EEO statement in any federally assisted construction contract defined in 41 CFR Part 60-1.3. A federally assisted construction contract is defined as follows:
    - Any agreement or modification thereof between any applicant and a person for construction work which is paid for in whole or in part with funds obtained from the government or borrowed on the credit of the government pursuant to any federal program involving a grant, contract, loan, insurance, or guarantee, or undertaken pursuant to any federal program involving such grant, contract, loan, insurance, or guarantee, or any application or modification thereof approved by the government

for a grant, contract, loan, insurance, or guarantee under which the applicant itself participates in the construction work.

EQUAL EMPLOYMENT OPPORTUNITY:

During the performance of this contract, the contractor agrees as follows:

(1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following:

1. *Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.*
2. *The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.*
3. *The contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.*
4. *The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.*
5. *The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.*
6. *The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his*

books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

7. *In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part, and the contractor may be declared ineligible for further government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.*

8. *The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:*

***Provided**, however, that in the event a contractor becomes involved in or is threatened with litigation with a subcontractor or vendor as a result of such direction by the administering agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.*

Contracts that are in excess of $100,000 and involve the employment of mechanics or laborers must include provisions requiring compliance with the Contract Work Hours and Safety Standards Act as follows:

(1) Overtime requirements: No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such a workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such a workweek.

(2) Violation: liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (1) of this section, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory) for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1) of this section, in the sum of $10 for each calendar day on which such individual was required or permitted

to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The City of Palmdale shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2) of this section.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower-tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower-tier subcontractor with the clauses set forth in paragraphs (1) through (4) of this section.

Contracts and subgrants in excess of $150,000 must contain a provision that requires the non-federal award to agree to comply with all applicable standards, orders, or regulations of the Clean Air Act and Federal Water Pollution Control Act.

CLEAN AIR ACT

(1) The contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.

(2) The contractor agrees to report each violation to the City of Palmdale and understands and agrees that the City of Palmdale will, in turn, report each violation as required to assure notification to the Treasury Department and the appropriate Environmental Protection Agency Regional Office.

(3) The contractor agrees to include these requirements in each subcontract exceeding $100,000 financed in whole or in part with American Rescue Plan Act funding.

FEDERAL WATER POLLUTION CONTROL ACT

(1) The contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.

(2) The contractor agrees to report each violation to the City of Palmdale and understands and agrees that the City of Palmdale will, in turn, report each violation as required to assure notification to the Treasury Department and the appropriate Environmental Protection Agency Regional Office.

(3) The contractor agrees to include these requirements in each subcontract exceeding $100,000 financed in whole or in part with American Rescue Plan Act funds.

Federal Water Pollution Control Act

(1) The contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.

(2) The contractor agrees to report each violation to the City of Palmdale and understands and agrees that the City of Palmdale will, in turn, report each violation as required to assure notification to the Treasury Department and the appropriate Environmental Protection Agency regional office.

(3) The contractor agrees to include these requirements in each subcontract exceeding $100,000 financed in whole or in part with American Rescue Plan Act funds.

In order to contract with the City, all parties must:

(a) Be registered in SAM.gov (https://sam.gov/content/home); and
(b) Maintain an active SAM registration with current information, including information on a recipient's immediate and highest-level owner and subsidiaries; and
(c) Provide its unique entity identifier to the City before a contract is executed; and
(d) Not have an active exclusion record on SAM.gov which would indicate the entity has been debarred.

As of April of 2022, all entities doing business with the federal government must use a Unique Entity ID created in SAM.gov The federal government has stopped using the DUNS number to uniquely identify entities.

Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352: Contractors that apply for a bid or award exceeding $100,000 must file the required certification that it will not and has not used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency. Cities should include the Byrd Anti-Lobbying contract clause is as follows:

Contractors who apply or bid for an award of $100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier, up to the recipient.

BUY AMERICA PREFERENCE IN FEDERAL FINANCIAL ASSISTANCE PROGRAMS FOR INFRASTRUCTURE – RESTORE ACT

On November 15, 2021, President Biden signed into law the Infrastructure Investment and Jobs Act ("IIJA"), Pub. L. No. 117-58, which includes the Build America, Buy America Act ("the Act"). Pub. L. No. 117-58, §§ 70901-52. The Act strengthens Made in America Laws and will bolster America's industrial base, protect national security, and support high-paying jobs. The Act requires that no later than May 14, 2022—180 days after the enactment of the IIJA—the head of each covered Federal agency shall ensure that "none of the funds made available for a Federal financial assistance program for infrastructure, including each deficient program, may be obligated for a project unless all of the iron, steel, manufactured products, and construction materials used in the project are produced in the United States."
RESTORE Act - Buy America Preference | U.S. Department of the Treasury."

TITLE VI OF THE CIVIL RIGHTS ACT OF 1964

In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable.

1. Recipient ensures its current and future compliance with Title VI of the Civil Rights Act of 1964, as amended, which prohibits exclusion from participation, denial of the benefits of, or subjection to discrimination under programs and activities receiving federal financial assistance, of any person in the United States on the ground of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Department of the Treasury Title VI regulations at 31 CFR Part 22 and other pertinent executive orders such as Executive Order 13166, directives, circulars, policies, memoranda, and/or guidance documents.

2. Recipient acknowledges that Executive Order 13166, "Improving Access to Services for Persons with Limited English Proficiency," seeks to improve access to federally assisted programs and activities for individuals who, because of national origin, have Limited English proficiency (LEP). Recipient understands that denying a person access to its programs, services, and activities because of LEP is a form of national origin discrimination prohibited under Title VI of the Civil Rights Act of 1964 and the Department of the Treasury's implementing regulations. Accordingly, Recipient shall initiate reasonable steps, or comply with the Department of the Treasury's directives, to ensure that LEP persons have meaningful access to its programs, services, and activities. Recipient understands and agrees that meaningful access may entail providing language assistance services, including oral interpretation and written translation where necessary, to ensure effective communication in the Recipient's programs, services, and activities.

3. Recipient agrees to consider the need for language services for LEP persons when Recipient develops applicable budgets and conducts programs, services, and activities. As a resource, the Department of the Treasury has published its LEP guidance at 70 FR 6067. For more information on taking reasonable steps to provide meaningful access for LEP persons, please visit http://www.lep.gov.

4. Recipient acknowledges and agrees that compliance with the assurances constitutes a condition of continued receipt of federal financial assistance and is

binding upon Recipient and Recipient's successors, transferees, and assignees for the period in which such assistance is provided.

5. Recipient acknowledges and agrees that it must require any sub-grantees, contractors, subcontractors, successors, transferees, and assignees to comply with assurances 1-4 above, and agrees to incorporate the following language in every contract or agreement subject to Title VI and its regulations between the Recipient and the Recipient's sub-grantees, contractors, subcontractors, successors, transferees, and assignees:

> *The sub-grantee, contractor, subcontractor, successor, transferee, and assignee shall comply with Title VI of the Civil Rights Act of 1964, which prohibits recipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this contract (or agreement). Title VI also includes protection to persons with "Limited English Proficiency" in any program or activity receiving federal financial assistance, 42 U.S.C. § 2000d et seq., as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, and herein incorporated by reference and made a part of this contract or agreement*.

6. Recipient understands and agrees that if any real property or structure is provided or improved with the aid of federal financial assistance by the Department of the Treasury, this assurance obligates the Recipient, or in the case of a subsequent transfer, the transferee, for the period during which the real property or structure is used for a purpose for which the federal financial assistance is extended or for another purpose involving the provision of similar services or benefits. If any personal property is provided, this assurance obligates the Recipient for the period during which it retains ownership or possession of the property.

7. Recipient shall cooperate in any enforcement or compliance review activities by the Department of the Treasury of the aforementioned obligations. Enforcement may include investigation, arbitration, mediation, litigation, and monitoring of any settlement agreements that may result from these actions. The Recipient shall comply with information requests, on-site compliance reviews and reporting requirements.

8. Recipient shall maintain a complaint log and inform the Department of the Treasury of any complaints of discrimination on the grounds of race, color, or national origin, and limited English proficiency covered by Title VI of the Civil Rights Act of 1964 and implementing regulations and provide, upon request, a list of all such reviews or proceedings based on the complaint, pending or completed, including outcome. Recipient also must inform the Department of the Treasury if Recipient has received no complaints under Title VI.

9. Recipient must provide documentation of an administrative agency's or court's findings of non-compliance of Title VI and efforts to address the non-compliance, including any voluntary compliance or other agreements between the Recipient and the administrative agency that made the finding. If the Recipient settles a case or matter alleging such discrimination, the Recipient must provide documentation of the

settlement. If Recipient has not been the subject of any court or administrative agency finding of discrimination, please so state.

10. If the Recipient makes sub-awards to other agencies or other entities, the Recipient is responsible for ensuring that sub-recipients also comply with Title VI and other applicable authorities covered in this document State agencies that make sub-awards must have in place standard grant assurances and review procedures to demonstrate that that they are effectively monitoring the civil rights compliance of subrecipients.

The United States of America has the right to seek judicial enforcement of the terms of this assurances document and nothing in this document alters or limits the federal enforcement measures that the United States may take in order to address violations of this document or applicable federal law.

Under penalty of perjury, the undersigned official(s) certifies that official(s) has read and understood the Recipient's obligations as herein described, that any information submitted in conjunction with this assurances document is accurate and complete, and that the Recipient is in compliance with the aforementioned nondiscrimination requirements.

ARPA Regulations, 31 CFR Part 35 (“Regulations”) are incorporated herein and made a part of this Contract.

CONTRACTOR agrees to be bound by the reporting requirements set out in the Regulations. This includes submitting quarterly reports by the 15th of the month following the end of each quarter to the Director of Finance. The reports must include, but is not limited to, the use of the funds, documentation/receipts of the funds spent, description of the project and status of completion of the project. The Director of Finance may require additional information of CONTRACTOR for compliance with ARPA Regulations.

CONTRACTOR, in the performance of this Contract and as a sub-recipient of ARPA funds, as well as all of its subcontractors, must comply with the following:

1. CONTRACTOR, and any and all of its subcontractors, must ensure that they do not deny benefits, services or otherwise discriminate on the basis of race, color, national origin (including limited English proficiency), disability, age, or sex (including sexual orientation and gender identity) in accordance with Title VI of the Civil Rights Act of 1964, Public Law 88-352, 42 U.S.C. 2000d-1 et seq., and the Department's implementing regulations, 31 CFR part 22; Section 504 of the Rehabilitation Act of 1973 (Section 504), Public Law 93-112, as amended by Public Law 93-516, 29 U.S.C. 794; Title IX of the Education Amendments of 1972 (Title IX), 20 U.S.C. 1681 et seq., and the Department's implementing regulations, 31 CFR part 28; Age Discrimination Act of 1975, Public Law 94-135, 42 U.S.C. 6101 et seq., and the Department implementing regulations at 31 CFR part 23. CONTRACTOR will be required to submit data showing compliance with the above.

2. Universal Identifier and System for Award Management (SAM), 2 C.F.R. Part 25, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 25 is hereby incorporated by reference.
3. Reporting Subaward and Executive Compensation Information, 2 C.F.R. Part 170, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 170 is hereby incorporated by reference.
4. OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement), 2 C.F.R. Part 180, including the requirement to include a term or condition in all lower-tier covered transactions. (2 C.F.R. Part 180, subpart B) and that the award is subject to 2 C.F.R. Part 180 and Treasury's implementing regulation at 31 C.F.R. Part 19.
5. The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards found at 2 CFR Part 200 Appendix II.
6. Recipient Integrity and Performance Matters, pursuant to which the award term set forth in 2 C.F.R. Part 200, Appendix XII to Part 200 is hereby incorporated by reference.
7. Governmentwide Requirements for Drug-Free Workplace, 31 C.F.R. Part 20.
8. New Restrictions on Lobbying, 31 C.F.R. Part 21
9. Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (42 U.S.C. §§ 4601-4655) and implementing regulations.
10. Section 2 CFR 200.323 regarding Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act (EPA guidelines at 40 CFR Part 247).
11. Section 200.322 of 2 CFR 200.322, Domestic preferences for procurements.
12. Generally applicable federal environmental laws and regulations.

---------- INTERNAL USE ONLY ----------

■Certificate(s) and Endorsement(s) attached
■Confirmed business name on contract with certificate(s)
■Attached Agreement Checklist and met all requirements

Record of Signing

For
Name
Title



Signed on 2024-11-28 15:16:40 GMT

Secured by Concord™
DocumentID: 02yNOp2QG1mThLkLqU5TZ7
SigningID: 02yNOp2Q3wLzyw7Vntmv5w
Signing date: 11/28/2024
IP Address: 174.239.49.83
Email: ltorres@cityofpalmdaleca.gov

For
Name
Title



Signed on 2024-12-02 19:57:21 GMT

Secured by Concord™
DocumentID: 02yNOp2QG1mThLkLqU5TZ7
SigningID: 02yPn4BZm611y3Txp8S7FS
Signing date: 12/2/2024
IP Address: 12.52.175.162
Email: bsimons@sva-architects.com

For
Name
Title



Signed on 2024-12-03 17:21:09 GMT

Secured by Concord™
DocumentID: 02yNOp2QG1mThLkLqU5TZ7
SigningID: 02yQIZXofQAAILkyZXCIXb
Signing date: 12/3/2024
IP Address: 107.131.11.226
Email: wcurley@harperburns.com

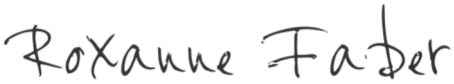
For
Name
Title



Signed on 2024-12-03 19:46:04 GMT

Secured by Concord™
DocumentID: 02yNOp2QG1mThLkLqU5TZ7
SigningID: 02yQM82V5SiUFWcB3NqjtK
Signing date: 12/3/2024
IP Address: 216.61.113.62
Email: rperez@cityofpalmdale.org

For
Name
Title



Signed on 2024-12-03 23:10:26 GMT

Secured by Concord™
DocumentID: 02yNOp2QG1mThLkLqU5TZ7
SigningID: 02yQR90iOrGg0qP6aMKoqR
Signing date: 12/3/2024
IP Address: 206.171.111.149
Email: rfaber@cityofpalmdale.org

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Signed with www.concordnow.com

City Council Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **PUBLIC WORKS DEPARTMENT**
CAPITAL IMPROVEMENT PROGRAM DIVISION

DISTRICT: **4**

SUBJECT: **RATIFY THE APPROVAL OF CHANGE ORDER NO. 2 AND APPROVE AMENDMENT NO. 1 TO AGREEMENT NO. A-9352 WITH E&M CONSTRUCTORS INC. FOR THE DOMENIC MASSARI PARK ADA WALKWAY PROJECT, PN 853, TO INCREASE COMPENSATION BY $27,924 AND EXTEND THE TERM TO JANUARY 31, 2027**

RECOMMENDATION

Staff recommend that the City Council:

1. Ratify the approval of Change Order No. 2 and approve Amendment No. 1 to Agreement No. A-9352 with E&M Constructors Inc. for the Domenic Massari Park ADA Walkway Project, PN 853, to increase compensation by $27,924, for a total not to exceed contract amount of $151,123, and to extend the term of the Agreement to January 31, 2027, to allow the City to process outstanding payments and complete project closeout; and,

2. Authorize the City Manager to execute Amendment No. 1, in substantially the form attached, subject to approval as to form by the City Attorney.

BACKGROUND

The Domenic Massari Park ADA Walkway Project, PN 853 (Project), was initiated to improve accessibility and pedestrian connectivity within the park. The Project consists of constructing an approximately 500-foot-long and 5-foot-wide concrete walkway designed to provide an accessible pedestrian route through the park.

The scope of work includes clearing and grubbing, grading and compaction, construction of concrete walkways, and installation of two switchbacks located on the north and south sides of the walkway. The walkway is designed to maintain a maximum longitudinal slope of five percent (5%) along the switchbacks to meet the Project's accessibility

requirements. The improvements also incorporate measures to protect existing trees and their root systems during construction.

On October 6, 2025, the City of Palmdale entered into Agreement No. A-9352 with E&M Constructors Inc. for construction of the Project in the original not-to-exceed amount of $112,212, with a construction duration of 20 working days from the issuance of the Notice to Proceed.

During construction, additional work was identified to address field conditions and accommodate the necessary improvements. Change Order No. 1, approved by the City Manager for $10,987 for additional irrigation sleeves under the new pathway pursuant to PMC Section 3.08.240(B), resulted in an amended contract amount of $123,199.

DISCUSSION

During construction, field adjustments were required to address site conditions and maintain ADA accessibility standards, including additional grading, slope stabilization, and re-compaction of irrigation trench areas. Change Order No. 2 increased the contract amount by $27,924 to complete these improvements and ensure a safe, compliant, and accessible walkway.

Both contract change orders were necessary to address ADA accessibility requirements, obtain final approval for the ADA inspection, and restore compliant access to the park. The cumulative value of the change orders represents 24.88% of the original contract amount, exceeding the previously authorized 10% contingency by 14.88%. Therefore, staff is requesting City Council authorization for an additional $27,924 to compensate the contractor for the necessary additional work performed.

ENVIRONMENTAL REVIEW

Approval of Amendment No. 1 is categorically exempt from the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) (“CEQA”) pursuant to CEQA Guidelines Section 15301 (Existing Facilities), including subdivision (c), because the additional work consists of minor alterations to a pedestrian walkway within an existing public park involving negligible or no expansion of use, and CEQA Guidelines Section 15304 (Minor Alterations to Land), because the additional work consists of minor grading, slope stabilization, and re-compaction of existing irrigation trench areas that will not result in the removal of healthy, mature, scenic trees. None of the exceptions to the categorical exemptions set forth in CEQA Guidelines Section 15300.2 apply. Additionally, the action is exempt under CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility the action may have a significant effect on the environment.

FISCAL IMPACT

$27,924; Sufficient funds are budgeted and available for the Project utilizing Park Development funds.

STRATEGIC PLAN

Goal III: Invest in infrastructure to improve community livability.

> C. Plan and maintain safe and attractive neighborhoods, streets, facilities, and public spaces with existing programming that promotes active fun for everyone.

Prepared by:	Leonardo Torres, P.E. Director of Public Works
Certified as to availability of Funds:	Janelle Samson, Deputy City Manager
Approved by:	Salvador Mendez, City Manager
Approved as to form:	Taylor Anderson, Deputy City Attorney

ATTACHMENTS

Agrmt No. A-9352 First Amendment with E&M Constructors, Inc.
Agrmt No. A-9352 with E&M Constructors, Inc.

FIRST AMENDMENT TO AGREEMENT A- 9352
BETWEEN THE CITY OF PALMDALE AND E&M CONSTRUCTORS INC

This 1st Amendment to Agreement No. A-9352 (“Agreement”) is made and entered into by and between the City of Palmdale (hereinafter called “CITY”) and E&M CONSTRUCTORS INC (hereinafter called "CONTRACTOR"). This Contract shall become effective on the date of the last signatory.

WHEREAS, on October 6, 2025 ("Original Agreement") the CITY and CONTRACTOR entered into an agreement to provide:

Construction services for CITY Project No. PN 853 Domenic Massari Park ADA Walkway

WHEREAS, the parties desire to amend the Original Agreement to:

Amend the Original Agreement to increase the contract compensation by $27,923.54 and to establish a contract term, solely for administrative purposes, to allow for the processing of final invoices, release of retention, and contract closeout.

NOW THEREFORE, the parties agree as follows:

Section 3 Compensation
Section 3 of the Original Agreement is hereby amended to increase the contract compensation by $27,923.54.

The Original Agreement compensation amount of $112,212.00 was previously increased by $10,987.14 through approved Change Order No. 1, resulting in an adjusted contract amount of $123,199.14. This First Amendment provides an additional $27,923.54 to cover the remaining project work necessary for completion under Change Order No. 2. Accordingly, the revised total not-to-exceed contract amount shall be $151,122.68.

The additional funds are intended to cover the remaining project work necessary for completion of the Domenic Massari Park ADA Walkway Project.

Section 4 Completion Date is amended as follows:

The construction of the Project shall commence upon Contractor being given a written notice to proceed, and shall be completed within 20 working days of said notice.

The term of this Contract shall commence on the effective date of this Contract and shall expire on January 31, 2027, unless earlier terminated in accordance with this Contract. The term of this Contract is solely for administrative purposes, including the processing of final invoices, release of retention, and contract closeout, and shall not be construed to amend, modify, or extend the time for completion of the project set forth in this Section 4, to authorize Contractor to perform additional work after that time, or to waive any right or remedy of City with respect to the time for completion of the project.

All other terms and conditions of the Original Agreement not amended herein, remain in full force and effect.

In Witness Whereof, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE:

SIGNATURE AREA

Salvador Mendez
City Manager

SIGNATURE AREA

ADDRESS FOR NOTICE:
CITY OF PALMDALE
38250 Sierra Highway
Palmdale, CA 93550

APPROVE AS TO FORM:

SIGNATURE AREA

Aleks Giragosian
City Attorney

ATTEST:

SIGNATURE AREA

Rochelle Scott
City Clerk

E&M CONSTRUCTORS INC:

SIGNATURE AREA

Eddie Padilla
Owner

ADDRESS FOR NOTICE:
E&M CONSTRUCTORS INC
308 S. Maclay Ave #510
San Fernando, California 91340

---------- INTERNAL USE ONLY ----------

■Certificate(s) and Endorsement(s) attached
□Confirmed business name on contract with certificate(s)
■Original contract and previous amendment(s) (if any) are attached
□Attached Agreement Checklist and met all requirements
□Attach Quotes, Solicitation Docs, City's Best Interest, Government Code, etc.

AGREEMENT NO. A- 9352
CONSTRUCTION CONTRACT
BETWEEN THE CITY OF PALMDALE AND E&M CONSTRUCTORS INC

THIS CONTRACT (“Contract”) is made and entered into by and between City of Palmdale, a public entity ("City"), and E&M CONSTRUCTORS INC, a Contractor ("Contractor"). Contractor and City are collectively referred to herein as the “parties.” This Contract shall become effective on the date of the last signatory.

1 Scope of Work

Contractor shall complete the Project in accordance with this Contract. Contractor shall furnish all materials and perform all work required for the completion of the following Project:

PN 853 Domenic Massari Park ADA Walkway. The walkway will be built of concrete and will be approximately 500 feet long (more or less) and 5 feet wide. This involves clearing, grubbing grass on fields as well as on the slopes. Grade and compact to prepare for concrete ADA walkway. As required by ADA guidelines, it will be no more than five percent (5%) slope in the direction of travel on the switchbacks. To meet these ADA requirements, the walkway will have two switchbacks, one on the south side and one on the north side. Since it would be situated between trees and will require boundary edges; care will be taken to ensure that the walkway does not disturb the trees' root systems. Tree protection needs to be in place. The duration of the project to complete all site improvements and installation shall be 20 working days.

2 Standard Specifications

Standard Specifications for City projects are those contained in the 2024 Greenbook edition of the "Standard Specifications for Public Works Construction" (the "Greenbook"). Except as otherwise expressly provided herein, the Standard Specifications shall control the general provisions, construction materials, and construction methods for this Contract (except as amended by the Plans for the Project), the General Specifications for the Project, the Special Provisions for the Project, any technical specifications for the Project, and any other contract documents.

3 Compensation

City shall pay Contractor the total, all-inclusive, NOT-TO-EXCEED amount of One Hundred Twelve Thousand Two Hundred Twelve Dollars ($112212) for the construction of the Project. This amount shall cover all expenses for labor, materials, and any and all other costs incurred by Contractor to satisfactorily construct the Project. Unless otherwise provided in the bid documents or agreed upon by the

parties, Contractor shall submit detailed, monthly invoices for work actually performed.

4 Completion Date

The construction of the Project shall commence upon Contractor being given a written notice to proceed, and shall be completed within 20 working days of said notice.

5 Payment and Performance Bonds; Guaranty

Unless otherwise expressly provided in the bid documents, prior to commencing work, Contractor shall provide a payment bond and performance bond, each in an amount equal to 100% of the projected annual recurring services price for each year of the term of the contract. Contractor shall submit all bonds electronically through Surety 2000. Pursuant to the bid documents for this Project, the Contractor is required to provide a written guaranty of Contractor's work. In furtherance thereof, Contractor shall execute the written form of Guaranty attached hereto and incorporated by reference herein.

6 Licenses

At all times during the term of this Contract, Contractor shall possess a valid and current Class A, Contractor's License **or Specialty Contractor License consisting of Class A licensee** to perform the required work ("Work"). Contractor's DIR registration number is 1001187450. Contractor hereby certifies that it holds the required license(s).

CONTRACTOR shall maintain in current status all Federal, State, and local licenses and permits required for the operation of the business conducted by the CONTRACTOR as applicable to this contract.

CONTRACTOR shall be required to obtain a current City of Palmdale business license, as required by the Palmdale Municipal Code, before an Authorization to Proceed is issued.

7 Subcontracting

Subject to any self-performance requirements herein, Contractor may subcontract any portion of the work required by this Contract to other persons or firms, and Contractor submitted with its bid a list of those subcontractors who will perform work in an amount in excess of one-half of one percent (1%) of the Contractor's total bid, in compliance with the Subletting and Subcontracting Fair Practices Act,

California Public Contract Code § 4100, et seq. Only such listed subcontractors may perform on this Project.

8 Non-Assignability

Neither this Contract nor any rights, title, interest, duties or obligations under this Contract may be assigned, transferred, conveyed or otherwise disposed of by Contractor without the prior written consent of City.

9 Administration

This Contract will be administered by the Public Works Department of the City. The Director of Public Works or his or her designee shall be considered the Project Administrator and shall have the authority to act for the City under this Contract.

10 Indemnification

To the maximum extent permitted by law, Contractor shall indemnify, protect, defend and hold harmless the City, its Board of Director, the City's officers, employees, agents, volunteers, and representatives (“Indemnitees”) with respect to any and all claims, suits, actions, stop notices, liabilities and/or damages, including related expenses, attorney's fees and costs, based on, arising out of, or in any way related to the work undertaken by Contractor pursuant to this Contract, and in connection with the Project.

11 Insurance

11.1 Without limiting Contractor's indemnification of City, as described in paragraph 10, and unless modified by City, Contractor shall obtain, provide and maintain, at its own expense, during the term of this Contract, a policy or policies of insurance, satisfactory to the City, from insurance carriers admitted to do business in the State of California and rated in A.M. Best’s Insurance Guide with a rating of A:VII or better, which contain the coverage described below.

11.1.1 Commercial General Liability
- $2,000,000.00 limit on a per occurrence basis
- $5,000,000.00 general aggregate limit

11.1.2 Commercial Automobile Liability
- $2,000,000.00 combined single limit including owned, non-owned and hired automobile coverage

11.1.3 Workers’ Compensation and Employer’s Liability
- Workers’ Compensation -- coverage as required by the State of California
- Employer’s Liability --
  $1,000,000.00 each accident

$1,000,000.00 policy limit bodily injury
$1,000,000.00 each employee bodily injury by disease

11.1.4 Pollution/Environmental Liability*

- $2,000,000.00 limit on a per occurrence basis

11.2 Policies providing for bodily injury and property damage coverage shall contain the following:

A. An endorsement extending coverage to the City as an additional insured, as respects liability arising out of the performance of any work under the Contract. Such insurance shall be primary insurance, as respects the interest of the City, and any other insurance maintained by the City shall be considered excess coverage and not contributing insurance with the insurance required hereunder. The certificates shall state: “The City of Palmdale, Successor Agency to the Community Redevelopment Agency of the City of Palmdale, Palmdale Civic Authority, Housing Authority, Industrial Development Authority, Airport Authority, their officers, agents, employees and volunteers are named as additional insured”.

B. “Severability of Interest” Clause.

11.3 Promptly upon execution of this Contract, and prior to commencement of any work, CONTRACTOR shall deliver to CITY certificates of insurance and endorsements to all required policies demonstrating that CONTRACTOR has the required coverage and showing the required named insured. Within five (5) days of written request from CITY, CONTRACTOR shall deliver to CITY full and complete copies of all insurance policies required by this Contract.

11.4 Said Certificates of Insurance shall provide that thirty (30) days’ prior written notice of cancellation shall be given to the City in the event of cancellation and/or reduction in coverage of any nature.

11.5 The required policies of insurance shall be endorsed to waive all rights of subrogation. Contractors waives all rights of subrogation.

11.6 Acceptable Proof of Insurance:

A. ACORD Certificate of Insurance listing all coverage, limits, deductibles and insured; and endorsements for all applicable coverage if agent has authority to issue it; or additional insured Form CG20100704 and CG20370704 or equivalent must be provided for general liability coverage. Additional insured form CA0001 must be provided for automobile liability coverage.

B. Binders of insurance for all coverage. Agents must confirm that policy endorsements have been ordered from the respective insurance companies. Upon issuance, policy endorsements and a corresponding Certificate of

Insurance listing all insurers and coverage must be submitted to the City Attorney.

C. *When pollution/environmental liability coverage is provided on a “claims made basis”, CONTRACTOR will continue to renew the insurance for a period of five (5) years after this Agreement expires or is terminated. Such insurance will have the same coverage and limits as the policy that was in effect during the term of this Agreement, and will cover CONTRACTOR, or its officers, employees, or agents during the time this Agreement was in effect.

11.7 The requirements as to the types and limits of insurance to be maintained by CONTRACTOR are not intended to and shall not in any manner limit or qualify CONTRACTOR’s liabilities and obligations under this Contract.

11.8 Any policy or policies of insurance that CONTRACTOR elects to carry as insurance against loss or damage to its equipment and tools or other personal property used in the performance of this Contract shall include a provision waiving the insurer’s right of subrogation against CITY.

11.9 Notwithstanding any other provision of this Contract, CITY may immediately terminate this Contract if, at any time CONTRACTOR fails to maintain the required insurance for any period of time or fails to comply with any of the insurance requirements listed above.

11.10 CONTRACTOR shall require any and all subcontractors working on its behalf to provide insurance coverages and limits that are based on the scope of work and nature of risk being performed by the subcontractor. Any and all subcontractors working on behalf of CONTRACTOR shall be subject to all other insurance requirements that are stated herein.

Any deviation in this requirement will be CONTRACTOR's sole risk. CONTRACTOR's insurance requirements in Section 11 will not be impacted and/or limited by such deviation.

12 State Labor Code

12.1 This Contract calls for work to be performed constituting public works. Contractor and all subcontractors shall pay the general prevailing rate of per diem wages as determined and as published by the State Director of the Department of Industrial Relations pursuant to Article 2 of Chapter 1 of Part 7, of Division 2 of the State Labor Code, including, but not limited to, Sections 1770, 1771, 1773, 1773.2 and 1774.

12.2 This is a public work and requires the payment of prevailing wages for the work or craft in which the worker is employed for any public work done under the contract by Contractor or by any subcontractor pursuant to Section 1771 of the Labor Code. Pursuant to the provisions of Section 1773 of the Labor Code of the State of

California, the City has obtained the general prevailing rate of per diem wages and the general rate for holiday and overtime work in this locality for each craft, classification, or type of workman needed to execute this contract from the Director of the Department of Industrial Relations. These rates are on file with the City or may be obtained at http://www.dir.ca.gov/OPRL/DPreWageDetermination.htm.

Contractor shall post a copy of such wage rates at the job site and shall pay the adopted prevailing wage rates as a minimum. Contractor shall comply with the provisions of Sections 1775, 1776, 1777.5, 1777.6, and 1813 of the Labor Code. Pursuant to the provisions of 1775 of the Labor Code, Contractor shall forfeit to the City, as a penalty, not more than $200.00 for each calendar day, or portion thereof, for each laborer, worker, or mechanic employed, paid less than the stipulated prevailing rates for any work done under this Contract, by him or by any subcontractor under him, in violation of the provisions of this Agreement.

12.3 Contractors and subcontractors who are ineligible to bid for work on, or be awarded, a public works project pursuant to Labor Code Sections 1777.1 and 1777.7 are prohibited from bidding on, being awarded, or performing work as a subcontractor, on this Project pursuant to Public Contract Code Section 6109.

12.4 Contractor's attention is directed to the provisions in Sections 1774, 1775, 1776, 1777.5 and 1777.6 of the Labor Code. Contractor shall comply with the provisions in these Sections. The statutory provisions for penalties for failure to comply with the State's wage and hours laws will be enforced. Pursuant to Section 1775 of the Labor Code, the Contractor and any subcontractors, shall, as a penalty to the City forfeit the prescribed amounts per calendar day, or portion thereof, for each worker paid less than the prevailing wage rates.

12.5 Pursuant to Labor Code Section 1771.4, the Project is subject to compliance monitoring and enforcement by the California Department of Industrial Relations.

12.6 Each Contractor and subcontractor shall furnish the records specified in Labor Code Section 1776 directly to the State Labor Commissioner at least monthly in the format prescribed by the State Labor Commissioner.

12.7 Sections 1774 and 1775 require the Contractor and all subcontractors to pay not less than the prevailing wage rates to all workmen employed in the execution of the Contract and specify forfeitures and penalties for failure to do so. The minimum wages to be paid are those determined by the State Director of the Department of Industrial Relations. Section 1776 requires the Contractor and all subcontractors to keep accurate payroll records, specifies the contents thereof, their inspection and duplication procedures and certain notices required of the Contractor pertaining to their location.

12.8 Section 1777.5 of the Labor Code requires Contractor or subcontractor employing workers in any apprenticeable occupation to apply to the Joint Apprenticeship Committee nearest the site of the public works project, which administers the apprenticeship program in that trade for a certificate of approval. The certificate will also fix the ratio of apprentices to journeymen to be used in the performance of the Contract. The Contractor is required to make contributions to funds established for the administration of apprenticeship programs if he employs registered apprentices or journeymen in any apprenticeable trade and if other contractors on the public works site are making such contributions. Information relative to apprenticeship standards, contributions, wage schedules and other requirements may be obtained from the State Director of Industrial Relations or from the Division of Apprenticeship Standards. Section 1777.6 of the Labor Code provides that it shall be unlawful to refuse to accept otherwise qualified employees as registered apprentices solely on the grounds of race, religious creed, color, national origin, ancestry, sex, or age.

12.9 Eight hours labor constitutes a legal day's work, as set forth in Labor Code

Section 1810. The statutory provisions for penalties for failure to comply with the State's wage and hour laws will be enforced as set forth in Labor Code Section 1813.

13 Antitrust Claims

In entering into this Agreement, Contractor offers and agrees to assign to the City all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the California Business and Professions Code) arising from purchases of goods, services, or materials pursuant to the Agreement. This assignment shall be made and become effective at the time the City tenders final payment to Contractor without further acknowledgment by the parties.

14 Trenching and Excavations

Pursuant to Public Contract Code Section 7104, if the Project involves trenching more than four (4) feet deep, Contractor shall promptly and before the following conditions are disturbed notify the City in writing of any:

14.1 Material that Contractor believes may be material that is hazardous waste, as defined in California Health and Safety Code Section 25117, that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law; and/or

14.2 Subsurface or latent physical conditions at the site differing from those indicated; and/or

14.3 Unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract.

14.4 As required by Labor Code Section 6705 and in addition thereto, whenever work under the Contract that involves an estimated expenditure in excess of twenty-five thousand dollars ($25,000) for the excavation of any trench or trenches five (5) feet or more in depth, Contractor shall submit for acceptance by City in advance of excavation, a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from the hazard of caving ground during the excavation, of such trench or trenches. If such plan varies from the shoring system standards established by the Construction Safety Orders of the Division of Industrial Safety, the plan shall be prepared by a registered civil or structural engineer employed by Contractor, and all costs therefor shall be included in the price of the Contract. Nothing in this provision shall be deemed to allow the use of a shoring, sloping, or other protective system less effective than that required by the Construction Safety Orders. Nothing in this provision shall be construed to impose tort liability on the City or on any City officer, agent, consultant, representative, or employee. All plans, processing and shoring costs are Contractor's responsibility and must be included in Contractor's bid.

15 Location of Existing Elements

Pursuant to Government Code Sections 4216 to 4216.9, the methods used and costs involved to locate existing elements, points of connection and all construction methods are Contractor's sole responsibility. Accuracy of information furnished, as to existing conditions, is not guaranteed. Contractor, at its sole expense, must make all investigations necessary to determine locations of existing elements, which may include, without limitation, contacting U.S.A. alert and other private underground locating firm(s), and/or utilizing potholes, specialized locating equipment and/or hand trenching.

16 Third Party Claims

Pursuant to Public Contract Code Section 9201, the City has full authority to compromise or otherwise settle any claim relating to this Contract at any time. The City shall timely notify Contractor of the receipt of any third-party claim relating to the Contract. The City shall be entitled to recover its reasonable costs incurred in providing the notification required by Public Contract Code Section 9201(b).

17 Non-Collusion

Contractor hereby certifies that this bid is genuine and not a sham or collusive, or made in the interest or on behalf of any person or business not herein named. Contractor further certifies that Contractor has not directly or indirectly induced or solicited any other bidder to furnish a sham bid, or any other person or

business to refrain from bidding, and Contractor has not in any manner sought by collusion to secure itself an advantage over any other bidder. Contractor also affirms that it has signed and submitted with its bid to the City a Non-collusion Declaration as required by Public Contract Code Section 7106.

18 Conflicts of Interest

Contractor agrees not to accept any employment or representation during the term of this Contract or within twelve (12) months after completion of the work under this Contract which is or may likely make Contractor "financially interested," as provided in Government Code Section 1090 and 87100, in any decisions made by City on any matter in connection with which Contractor has been retained pursuant to this Contract.

19 Audit

The City or its representative shall have the option of inspecting and/or auditing all records and other written materials used by Contractor in preparing its billings to the City as a condition precedent to any payment to Contractor. Contractor will promptly furnish documents requested by the City. Additionally, pursuant to Government Code Section 8546.7, if this Contract involves the expenditure of public funds in excess of ten thousand dollars ($10,000), Contractor shall be subject to State Auditor examination and audit at the request of the City or as part of any audit of the City, for a period of three (3) years after final payment under this Contract.

20 Substitute Security

Pursuant to Public Contract Code Section 22300, the substitution of securities for any moneys withheld by the City to ensure performance under a contract is permitted, except where financing will be provided by the Farmers Home Administration of the United States Department of Agriculture pursuant to the Consolidated Farm and Rural Development Act (7 U.S.C. Sec. 1921 *et seq*.) or where federal regulations or policies, or both, do not allow the substitution of securities. At the request and expense of Contractor, securities equivalent to the amount withheld shall be deposited with the City, or with a state or federally chartered bank in the State of California as the escrow agent, that shall then pay those moneys to Contractor. Upon satisfactory completion of the Contract, the securities shall be returned to Contractor.

Alternatively, Contractor may request and the City shall make payment of retentions earned directly to the escrow agent at the expense of Contractor. At the expense of Contractor, Contractor may direct the investment of the payments into securities, and Contractor shall receive the interest earned on the investments upon the same terms provided for securities deposited by Contractor. Upon satisfactory completion of the Contract, Contractor shall receive from the escrow agent all securities, interest, and payments received by the escrow agent from the City, pursuant to the terms of this section.

Securities eligible for investment shall include those listed in California Government Code Section 16430, bank or savings and loan certificates of deposit, interest-bearing demand deposit accounts, standby letters of credit, or any other security to which Contractor and the City agree in writing. Contractor shall be the beneficial owner of any securities substituted for moneys withheld and shall receive any interest thereon.

If Contractor elects to receive interest on moneys withheld in retention by the City, it shall, at the request of any subcontractor performing more than five percent (5%) of Contractor's total bid, make that option available to the subcontractor regarding any moneys withheld in retention by Contractor from the subcontractor. If Contractor elects to receive interest on any moneys withheld in retention by the City, then the subcontractor shall receive the identical rate of interest received by Contractor on any retention moneys withheld from the subcontractor by Contractor, less any actual pro rata costs associated with administering and calculating that interest. In the event that the interest rate is a fluctuating rate, the rate for the subcontractor shall be determined by calculating the interest rate paid during the time that retentions were withheld from the subcontractor. If Contractor elects to substitute securities in lieu of retention, then, by mutual consent of Contractor and its subcontractor, the subcontractor may substitute securities in exchange for the release of moneys held in retention by Contractor. No Contractor shall require any subcontractor to waive any provision of this paragraph.

The escrow agreement for security deposits in lieu of retention shall be substantially similar to the form provided in Public Contract Code Section 22300(f).

21 Claims Dispute Resolution

In the event of any dispute or controversy with the City over any matter whatsoever, the Contractor shall not cause any delay or cessation in or of Work, but shall proceed with the performance of the Work in dispute. The Contractor shall retain any and all rights provided that pertain to the resolution of disputes and protests between the parties. The Disputed Work will be categorized as an "unresolved dispute" and payment, if any, shall be as later determined by mutual agreement or a court of law. The Contractor shall keep accurate, detailed records of all Disputed Work, claims and other disputed matters.

All claims arising out of or related to the Contract documents or this Project, and the consideration and payment of such claims, are subject to the Government Claims Act (Government Code Section 810 et seq.) with regard to filing claims. All such claims are also subject to Public Contract Code Section 9204 and Public Contract Code Section 20104 et seq. (Article 1.5), where applicable. This Contract hereby incorporates those provisions as though fully set forth herein. Thus, the Contractor or any Subcontractor must file a claim in accordance with the Government Claims Act as a prerequisite to filing a construction claim in compliance with Section 9204 and

Article 1.5 (if applicable), and must then adhere to Section 9204 and Article 1.5 (as applicable), pursuant to the definition of “claim” as individually defined therein.

22 Non-discrimination and Equal Employment Opportunity

22.1 In performance of this Contract, CONTRACTOR shall not discriminate against any employee, subcontractor, or applicant for employment because of sex, color, race, religion, ancestry, national origin, disability, medical condition including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sexual orientation, age, gender, gender identity, gender expression, genetic information, or military and veteran status. CONTRACTOR will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their sex, color, race, religion, ancestry, national origin, disability, medical condition including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sexual orientation, age, gender, gender identity, gender expression, genetic information, or military and veteran status . Affirmative action relating to employment shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

22.2 The provisions of subsection 16.1 above shall be included in all solicitations or advertisements placed by or on behalf of CONTRACTOR for personnel to perform any services under this Contract. CITY shall have access to all documents, data and records of CONTRACTOR and its subcontractors for purposes of determining compliance with the equal employment opportunity and non-discrimination provisions of this Section, and all applicable provisions of Executive Order No. 11246 which is incorporated herein by this reference. A copy of Executive Order No. 11246 is available for inspection at, and on file with, the Palmdale City Clerk’s Office.

23 Integration

This Contract supersedes any and all agreements, either oral or written, between the parties hereto with respect to the construction of the Project by Contractor for City and contains all of the covenants and agreements between the parties with respect to the construction of the Project. Each party to this Contract acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made with regard to the construction of the Project by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement, or promise regarding work not contained in this Contract shall be valid or binding. Any modification or amendment of this Contract will be effective only if it is in writing and signed by the parties to this Contract. Any changes to the work required by this Contract will be by change order signed by the parties.

24 Debarment and Suspension Certification

Title 2, Code of Federal Regulations, Part §180.300
The bidder, under penalty of perjury, certifies that, except as noted in a separate document, he/she or any other person associated therewith in the capacity of owner, partner, director, officer, or manager:

- is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any Federal agency;
- has not been suspended, debarred, voluntarily excluded or determined ineligible by any Federal agency within the past 3 years;
- does not have a proposed debarment pending; and
- has not been indicted, convicted, or had a civil judgment rendered against it by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past 3 years.

25 Governing Law

This Contract will be governed by and construed in accordance with the laws of the State of California without reference to change of venue laws. Any legal action in which enforcement of the terms and conditions of this Contract is requested, or in which it is alleged that a breach of this Contract has taken place, shall be filed and prosecuted in the County of Los Angeles, California.

26 Successors and Assigns

The terms and conditions of this Contract shall be binding on the successors and assigns of the parties to this Contract.

27 Exhibits

The exhibits and attachments referenced in this Contract are attached hereto and incorporated herein by this reference as though set forth in full in the Contract.

28 Authority to Sign

The person or persons executing this Contract on behalf of the Contractor warrant and represent that they have the authority to execute this Contract on behalf of the Contractor and have the authority to bind Contractor to the construction of the Project.

29 Time is of the Essence

Time is of the essence in every provision of this Agreement in which time to perform is a factor.

In Witness Whereof, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE

Salvador Mendez
Signed: 10/6/2025

Salvador Mendez Date
Interim City Manager

Lee Torres
Signed: 9/30/2025

ADDRESS FOR NOTICE:
CITY OF PALMDALE
38250 Sierra Hwy, Suite A
Palmdale, CA 93550

APPROVE AS TO FORM:

Alexandra Haltman
Signed: 10/6/2025

Alexandra Severino
City Attorney

ATTEST:

Roxanne Faber
Signed: 10/6/2025

Roxanne Faber
City Clerk

E&M CONSTRUCTORS INC

Eddie Padilla
Signed: 10/2/2025

Eddie Padilla Date
Owner

ADDRESS FOR NOTICE:
E&M CONSTRUCTORS INC
308 S. Maclay Ave #510
San Fernando, California 91340

ATTEST: If Corporation

Secretary

[Signatures of contractor on bond(s) must be notarized. Obtain two corporate signatures if contractor is a corporation.]

---------- INTERNAL USE ONLY ----------

■Certificate(s) and Endorsement(s) attached
■Confirmed business name on contract with certificate(s)
■Attached notarized bond(s), Worker's Compensation Certificate, and Guaranty
■Attached Agreement Checklist and met all requirements
□2 CFR 200 Checklist (if federally funded)

Record of Signing

For
Name
Title



Signed on 2025-09-30 17:14:40 GMT

Secured by Concord™
DocumentID: 031BrSjpPbncXMYurKTWqP
SigningID: 031BrSjopLW8QYio7Zo8qX
Signing date: 9/30/2025
IP Address: 206.171.111.149
Email: ltorres@cityofpalmdaleca.gov

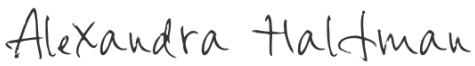
For
Name
Title



Signed on 2025-10-02 17:06:05 GMT

Secured by Concord™
DocumentID: 031BrSjpPbncXMYurKTWqP
SigningID: 031Czvive5ASZvrtZ7ul9m
Signing date: 10/2/2025
IP Address: 76.168.1.48
Email: emconstructors@yahoo.com

For
Name
Title



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SigningID: 031EuV575FhcLsDijTbRGG
Signing date: 10/6/2025
IP Address: 97.131.21.135
Email: amhalfman@harperburns.com

For
Name
Title



Signed on 2025-10-06 18:48:19 GMT

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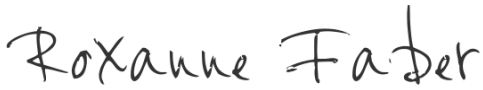
Signing date: 10/6/2025
IP Address: 206.171.111.149
Email: smendez@cityofpalmdaleca.gov

For
Name
Title



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Signing date: 10/6/2025
IP Address: 206.171.111.149
Email: rfaber@cityofpalmdale.org

concord
Where agreements happen.

Signed with https://www.concord.app/

City Council Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **PUBLIC WORKS DEPARTMENT**
CAPITAL IMPROVEMENT PROGRAM DIVISION

DISTRICT: **ALL**

SUBJECT: **APPROVE AGREEMENT WITH SELECT ELECTRIC, INC., FOR CONSTRUCTION SERVICES FOR HIGHWAY SAFETY IMPROVEMENT PROGRAM (HSIP) CYCLE 11 CITYWIDE SIGNAL MODERNIZATION PROJECT, PN 895, FOR A TOTAL NOT TO EXCEED AMOUNT OF $3,525,670 FOR A TERM OF 90 WORKING DAYS FROM THE DATE OF THE NOTICE TO PROCEED**

RECOMMENDATION

Staff recommend that the City Council:

1. Approve Agreement No. A-10157 with Select Electric, Inc., for Construction Services HSIP Cycle 11 Citywide Signal Modernization Project, PN 895, (Project), for a total not to exceed amount of $3,525,670, which includes a contract amount of $3,065,800, plus a 15% contingency amount of $459,870 for a term of 90 working days from the date of the Notice to Proceed;

2. Authorize the City Manager or his designee to execute Agreement No. A-10157 with Select Electric, Inc., including minimal and/or non-substantial changes; and,

3. Authorize the City Manager or his designee to approve change orders for additional or changed scopes of work up to the 15% contingency amount approved by the Council.

BACKGROUND

In September 2022, Caltrans awarded the City of Palmdale $5.85 million in Highway Safety Improvement Program (HSIP) Cycle 11 grant funding for a citywide traffic signal modernization project. The Project aims to enhance visibility and safety of both pedestrians and motorists throughout the City. The goal of this project is to reduce traffic fatalities and serious injuries among all roadway users.

The Project scope consists of, but is not limited to, installing 2-inch reflective yellow tape on existing traffic signal head backplates for enhanced visibility; replacing pedestrian push buttons with current standard devices; removing and reinstalling high-visibility continental crosswalks at intersections; and replacing identified substandard pedestrian signal heads with the latest models, including countdown signals; utility coordination; striping improvements; traffic control; and all other work as indicated in the construction documents.

Construction is anticipated to take approximately ninety (90) working days from the date the City issues the Notice to Proceed.

DISCUSSION

The Project was advertised for construction bids via the PlanetBids electronic platform on September 1, 2026. Six (6) bids were received by the bid closing date of October 13, 2026, and are listed below:

Bidder	Location	Amount
1. Select Electric, Inc	Anaheim, CA	$3,065,800.00
2. Alfaro Communications Construction, Inc	Compton, CA	$3,806,161.20
3. Sterndahl Enterprises LLC	Sun Valley, CA	$4,550,000.00
4. Elecnor Belco Electric, Inc.	Chino, CA	$4,630,901.00
5. Crosstown Electrical & Data, Inc.	Irwindale, CA	$5,204,987.00
6. Servitek Electric, Inc.	Norwalk, CA	$5,738,950.00

Based on the bid analysis, Select Electric, Inc. submitted the lowest responsive and responsible bid, provided the required 10% bid bond, and received satisfactory reference checks. The contractor has successfully completed projects for Caltrans Districts 7 and 11 and the City of Palm Springs. Accordingly, staff recommend that the City Council award Project No. 895 to Select Electric, Inc. for $3,525,670, including a 15% contingency.

FISCAL IMPACT

$3,525,670; The HSIP Cycle 11 grant will provide $3,173,103 (90%) in funding, while the City is responsible for $352,567 (10%) as a matching fund. Sufficient funds are budgeted and available using the HSIP Cycle 11 Federal Grant fund and Measure R as a local funding source.

STRATEGIC PLAN

Goal III: Invest in infrastructure to improve community livability.

C. Plan and maintain safe and attractive neighborhoods, streets, facilities, and public spaces with exciting programming that promotes active fun for everyone

Prepared by:	Leonardo Torres, P.E., Director of Public Works
Certified as to availability of Funds:	Janelle Samson, Deputy City Manager
Approved by:	Salvador Mendez, City Manager
Approved as to form:	Taylor Anderson, Deputy City Attorney

ATTACHMENTS

Agrmt No. A-10157 with Select Electric, Inc.
Bid Schedule
Location Map

AGREEMENT NO. A- 10157
LOCAL ASSISTANCE FEDERAL-AID CONSTRUCTION CONTRACT
BETWEEN THE CITY OF PALMDALE AND SELECT ELECTRIC, INC.

THIS CONTRACT (“Contract”) is made and entered into by and between City of Palmdale, a public entity ("City"), and SELECT ELECTRIC, INC., a California S-Corporation ("Contractor"). Contractor and City are collectively referred to herein as the “parties.” This Contract shall become effective on the date of the last signatory ("Effective Date").

1 Scope of Work

1.1 Contractor shall complete the Project in accordance with this Contract. Contractor shall furnish all materials and perform all work required for the completion of the following Project:

City Project No. 895, Federal Project No. HSIPL 5378(051), HSIP Cycle 11 Citywide Signal Modernization, which includes but is not limited to: Provide traffic control; Install 2-inch reflective yellow tape on existing traffic signal head backplate for enhanced visibility; replace pedestrian push buttons with current standard devices; remove and reinstall high-visibility continental crosswalks at intersections; and replace identified substandard pedestrian signal heads with the latest models, including countdown signals; furnishment and installation of all appurtenances; utility coordination; and striping improvements.

1.2 Contract Documents. The contract documents for the HSIP CYCLE 11 – CITYWIDE SIGNAL MODERNIZATION PROJECT (PN 895), shall consist of the Notice Inviting Sealed Bids, Instructions To Bidders, Bid Proposal, Bid Schedule, Standard Specifications, Special Provisions, and all referenced specifications, plans, details, standard drawings, and appendices; together with two signed copies of this Contract, including its exhibits; two signed copies of required bonds; one copy of the insurance certificates, permits, notices, and affidavits; and also including any and all addenda or supplemental agreements clarifying, amending, or extending the work contemplated as may be required to ensure its completion in an acceptable manner (collectively referred to herein as the “Contract Documents”). All of the provisions of the Contract Documents are made a part hereof as though fully set forth herein.

2 Standard Specifications

Standard Specifications for City projects are those contained in the 2024 Greenbook edition of the "Standard Specifications for Public Works Construction" (the "Greenbook"). Except as otherwise expressly provided herein, and subject in all cases to Section 2.1, the Standard Specifications shall control the general provisions, construction materials, and construction methods for this Contract (except as amended by the Plans for the Project), the General Specifications for the Project, the Special Provisions for the Project, any technical specifications for the Project, and any other contract documents.

2.1 Federal-Aid Provisions; Order of Precedence. This Project is funded in whole or in part with federal-aid highway funds (Federal Project No. HSIPL 5378(051)). The Required Federal-Aid Contract Language (Caltrans Local Assistance Procedures Manual Exhibit 12-G), including Form FHWA-1273, attached hereto as Exhibit "A", is incorporated herein by reference. In the event of any conflict or inconsistency between Exhibit "A", any provision required by the Code of Federal Regulations, and any other provision of this Contract, the Standard Specifications, the Special Provisions, the Plans, or any other contract document, the provisions of Exhibit "A" and any provision required by the Code of Federal Regulations shall control. Where state law and federal law both apply to the same subject matter, Contractor shall comply with the more stringent requirement.

As used in Exhibit "A", "Agency," "Local Agency," "contracting agency," and "recipient" mean the City, and "engineer" and "contracting officer" mean the City Engineer.

Should it apply, the Successor Community Workforce Agreement policies and procedures must be followed as outlined in the attached agreement.

3 Compensation

3.1 City shall pay Contractor the total, all-inclusive, NOT-TO-EXCEED amount of Three Million, Sixty-Five Thousand, Eight Hundred Dollars ($3065800) for the construction of the Project. This amount shall cover all expenses for labor, materials, and any and all other costs incurred by Contractor to satisfactorily construct the Project. Unless otherwise provided in the bid documents or agreed upon by the parties, Contractor shall submit detailed, monthly invoices for work actually performed.

3.2 The City shall make all project progress payment within 30 days after receipt of an undisputed and properly submitted payment request from the Contractor on a construction contract. If the City fails to pay promptly, the City shall pay interest to the Contractor, which accrues at the rate of 10 percent per annum on the principal amount of a money judgment remaining unsatisfied and pro-rated as necessary. Upon receipt of the payment request, the City shall act in accordance with both of the following:

(a) The City shall review each payment request as soon as feasible after receipt to verify it is a proper payment request.

(b) The City must return any payment request deemed improper by the City to the Contractor as soon as feasible, but not later than seven (7) days, after receipt. A request returned pursuant to this paragraph shall include documentation setting forth in writing the reasons why it is an improper payment request.

3.3 The City shall hold retainage from the Contractor and shall make prompt and regular incremental acceptances of portions, as determined by the City of the contract work and pay retainage to the Contractor based on these acceptances. The Contractor or subcontractor shall return all monies withheld in retention from all

subcontractors within seven (7) days after receiving payment for work satisfactorily completed and accepted including incremental acceptances of portions of the contract work by the City. Any delay or postponement of payment may take place only for good cause and with the City's prior written approval. Any violation of these provisions of Prompt Progress Payment and Prompt Payment of Withheld Funds to Subcontractors shall subject the violating Contractor or subcontractor to the penalties, sanctions, and other remedies specified in Section 7108.5 of the California Business and Professions Code and Section 10262 of the California Public Contract Code. This requirement shall not be construed to limit or impair any contractual, administrative or judicial remedies otherwise available to the Contractor or subcontractor in the event of a dispute involving late payment or nonpayment by the Contractor; deficient subcontractor performance and/or noncompliance by a subcontractor. This clause applies to both DBE and non-DBE subcontractors.

3.4 In accordance with California Business and Professions Code section 7108.5, the Contractor or subcontractor shall pay to any subcontractor, not later than seven days after receipt of each progress payment, unless otherwise agreed to in writing, the respective amounts allowed the Contractor on account of the work performed by the subcontractors, to the extent of each subcontractor's interest therein. In the event that there is a good faith dispute over all or any portion of the amount due on a progress payment from the Contractor or subcontractor to a subcontractor, the Contractor or subcontractor may withhold no more than 150 percent of the disputed amount. Any violation of this requirement shall constitute a cause for disciplinary action and shall subject the licensee to a penalty, payable to the subcontractor, of 2 percent of the amount due per month for every month that payment is not made.

In any action for the collection of funds wrongfully withheld, the prevailing party shall be entitled to his or her attorney's fees and costs. The sanctions authorized under this requirement shall be separate from, and in addition to, all other remedies, either civil, administrative, or criminal.

3.5 The Contractor must submit Caltrans Exhibit 9-P to the City by the 15th of the month following the month of any payment(s). If the Contractor does not make any payments to subcontractors, supplier(s) and/or manufacturers they must report "no payments were made to subs this month" and write this visibly and legibly on Exhibit 9-P. Caltrans Exhibit 9-P may be found at https://dot.ca.gov/programs/local-assistance/forms/local-assistance-procedures-manual-forms.

4 Completion Date

4.1 The Contractor shall begin work within 15 calendar days after the issuance of the Notice to Proceed. This work shall be diligently prosecuted to completion before the expiration of 90 WORKING DAYS beginning on the fifteenth calendar day after the date shown on the Notice to Proceed.

4.2 The Contractor shall pay to the City the sum of $1000 per day, for each and every calendar days' delay in finishing the work in excess of the number of working days prescribed above.

5 Payment and Performance Bonds; Guaranty

5.1 Unless otherwise expressly provided in the bid documents, prior to commencing work, Contractor shall provide a payment bond and performance bond, each in an amount equal to 100% of the project price for each year of the term of the contract. Contractor shall submit all bonds electronically through Surety 2000. Pursuant to the bid documents for this Project, the Contractor is required to provide a written guaranty of Contractor's work. In furtherance thereof, Contractor shall execute the written form of Guaranty attached hereto and incorporated by reference herein.

5.2 Funding Contingency; Suspension or Termination. Notwithstanding any other provision of this Contract, Contractor acknowledges that performance under this Contract is contingent upon the availability and continued appropriation of sufficient funding. A "Funding Shortfall" exists if CITY determines, in its sole discretion, that anticipated, allocated, or appropriated funding for this Contract has been reduced, delayed, withdrawn, or not received, in whole or in part.

If a Funding Shortfall occurs, CITY may suspend all or any part of the Project under this Contract by written notice to Contractor with the scope of the suspension and effective date. After receipt of the notice, Contractor shall cease all suspended Project and not incur any new costs for the suspended Project by the effective date. If the Funding Shortfall continues for a period of 30 days following such notice, CITY may terminate this Contract, in whole or in part, without penalty or further liability, upon additional written notice to Contractor. CITY may also terminate under this Section without first suspending the Project. Any suspension or termination pursuant to this Section shall not constitute a breach of this Contract.

In the event of suspension or termination due to a Funding Shortfall, the parties shall equitably adjust compensation to reflect Project properly performed and authorized expenses incurred prior to the effective date of suspension or termination. CITY shall not be liable for any penalty, damages, or further obligation other than for Project performed and costs reasonably incurred prior to the suspension or termination effective date. Contractor shall not be entitled to anticipated profits, overhead on unperformed Project, or any other damages. CITY will make best efforts to give Contractor prompt notice of a Funding Shortfall, but failing to do so does not limit CITY's rights under this Section.

A suspension under this Section 5.2 shall be treated as a suspension of work ordered by the City Engineer for purposes of Section 14.6, and Contractor may request an adjustment as provided therein.

6 Licenses

At all times during the term of this Contract, Contractor shall possess a valid and current Class A Contractor's License to perform the required work ("Project"). Contractor's DIR registration number is 1000001036. Contractor hereby certifies that it holds the required license(s).

Contractor shall maintain in current status all Federal, State, and local licenses and permits required for the operation of the business conducted by the Contractor as applicable to this contract.

Contractor shall be required to obtain a current City of Palmdale business license, as required by the Palmdale Municipal Code, before an Authorization to Proceed is issued.

7 Subcontracting

Subject to any self-performance requirements herein, Contractor may subcontract any portion of the work required by this Contract to other persons or firms, and Contractor submitted with its bid a list of those subcontractors who will perform work in an amount in excess of one-half of one percent (1%) of the Contractor's total bid, in compliance with the Subletting and Subcontracting Fair Practices Act, California Public Contract Code § 4100, et seq. Only such listed subcontractors may perform on this Project.

7.1 The Contractor shall perform with its own organization contract work amounting to not less than 30 percent (or a greater percentage if specified elsewhere in the contract) of the total original contract price, excluding any specialty items designated by the City. Specialty items may be performed by subcontract and the amount of any such specialty items performed may be deducted from the total original contract price before computing the amount of work required to be performed by the Contractor's own organization (23 CFR 635.116).

7.2 No portion of the contract shall be sublet, assigned or otherwise disposed of except with the written consent of the City Engineer, or authorized representative, and such consent when given shall not be construed to relieve the Contractor of any responsibility for the fulfillment of the contract. Written consent will be given only after the City has assured that each subcontract is evidenced in writing and that it contains all pertinent provisions and requirements of the prime contract. (based on long-standing interpretation of 23 CFR 635.116).

8 Non-Assignability

Neither this Contract nor any rights, title, interest, duties or obligations under this Contract may be assigned, transferred, conveyed or otherwise disposed of by Contractor without the prior written consent of City.

9 Administration

This Contract will be administered by the Public Works Department of the City. The Director of Public Works or his or her designee shall be considered the Project Administrator and shall have the authority to act for the City under this Contract.

10 Indemnification

To the maximum extent permitted by law, Contractor shall indemnify, protect, defend and hold harmless the City, its Board of Director, the City's officers, employees, agents, volunteers, and representatives (“Indemnitees”) with respect to any and all claims, suits, actions, stop notices, liabilities and/or damages, including related expenses, attorney's fees and costs, based on, arising out of, or in any way related to the work undertaken by Contractor pursuant to this Contract, and in connection with the Project.

11 Insurance

11.1 Without limiting Contractor's indemnification of City, as described in paragraph 10, and unless modified by City, Contractor shall obtain, provide and maintain, at its own expense, during the term of this Contract, a policy or policies of insurance, satisfactory to the City, from insurance carriers admitted to do business in the State of California and rated in A.M. Best’s Insurance Guide with a rating of A:VII or better, which contain the coverage described below.

11.1.1 Commercial General Liability
$2,000,000.00 limit on a per occurrence basis
$4,000,000.00 general aggregate limit

11.1.2 Commercial Automobile Liability
$2,000,000.00 combined single limit including owned, non-owned and hired automobile coverage

11.1.3 Workers’ Compensation and Employer’s Liability
Workers’ Compensation -- coverage as required by the State of California
Employer’s Liability --
$1,000,000.00 each accident
$1,000,000.00 policy limit bodily injury
$1,000,000.00 each employee bodily injury by disease

11.1.4 Pollution/Environmental Liability*
$2,000,000.00 limit on a per occurrence basis

11.2 Policies providing for bodily injury and property damage coverage shall contain the following:

A. An endorsement extending coverage to the City as an additional insured, as respects liability arising out of the performance of any work under the Contract. Such insurance shall be primary insurance, as respects the interest of the City, and any other insurance maintained by the City shall be considered excess coverage and not contributing insurance with the insurance required hereunder. The certificates shall state: “The City of Palmdale, Successor Agency to the Community Redevelopment Agency of the City of Palmdale, Palmdale Civic Authority, Housing Authority, Industrial Development Authority, Airport Authority,

their officers, agents, employees and volunteers are named as additional insured".

B. "Severability of Interest" Clause.

The insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.
The inclusion of the City and its officers, employees, agents, and volunteers as
additional insureds shall not affect any rights the Contractor has under the policy, nor shall it limit the insurer's ability to deny coverage to any insured based on that insured's own acts or omissions.

11.3 Upon Notice of Intent to Award, and prior to commencement of any work, CONTRACTOR shall deliver to CITY certificates of insurance and endorsements to all required policies demonstrating that CONTRACTOR has the required coverage and showing the required named insured. Within five (5) days of written request from CITY, CONTRACTOR shall deliver to CITY full and complete copies of all insurance policies required by this Contract.

11.4 Said Certificates of Insurance shall provide that thirty (30) days' prior written notice of cancellation shall be given to the City in the event of cancellation and/or reduction in coverage of any nature.

11.5 The required policies of insurance shall be endorsed to waive all rights of subrogation. Contractors waives all rights of subrogation.

11.6 Acceptable Proof of Insurance:

A. ACORD Certificate of Insurance listing all coverage, limits, deductibles and insured; and endorsements for all applicable coverage if agent has authority to issue it; or additional insured Form CG20100704 and CG20370704 or equivalent must be provided for general liability coverage. Additional insured form CA0001 must be provided for automobile liability coverage.

B. Binders of insurance for all coverage. Agents must confirm that policy endorsements have been ordered from the respective insurance companies. Upon issuance, policy endorsements and a corresponding Certificate of Insurance listing all insurers and coverage must be submitted to the City Attorney.

C. *When pollution/environmental liability coverage is provided on a "claims made basis", CONTRACTOR will continue to renew the insurance for a period of five (5) years after this Contract expires or is terminated. Such insurance will have the same coverage and limits as the policy that was in effect during the term of this Contract, and will cover CONTRACTOR, or its officers, employees, or agents during the time this Contract was in effect.

11.7 The requirements as to the types and limits of insurance to be maintained by CONTRACTOR are not intended to and shall not in any manner limit or qualify CONTRACTOR's liabilities and obligations under this Contract.

11.8 Any policy or policies of insurance that CONTRACTOR elects to carry as insurance against loss or damage to its equipment and tools or other personal property used in the performance of this Contract shall include a provision waiving the insurer's right of subrogation against CITY.

11.9 Notwithstanding any other provision of this Contract, CITY may immediately terminate this Contract if, at any time CONTRACTOR fails to maintain the required insurance for any period of time or fails to comply with any of the insurance requirements listed above.

11.10 CONTRACTOR shall require any and all subcontractors working on its behalf to provide insurance coverages and limits that are based on the scope of work and nature of risk being performed by the subcontractor. Any and all subcontractors working on behalf of CONTRACTOR shall be subject to all other insurance requirements that are stated herein.

Any deviation in this requirement will be CONTRACTOR's sole risk. CONTRACTOR's insurance requirements in Section 11 will not be impacted and/or limited by such deviation.

12 State Labor Code

12.1 This Contract calls for work to be performed constituting public works. Contractor and all subcontractors shall pay the general prevailing rate of per diem wages as determined and as published by the State Director of the Department of Industrial Relations pursuant to Article 2 of Chapter 1 of Part 7, of Division 2 of the State Labor Code, including, but not limited to, Sections 1770, 1771, 1773, 1773.2 and 1774.

12.2 This is a public work and requires the payment of prevailing wages for the work or craft in which the worker is employed for any public work done under the contract by Contractor or by any subcontractor pursuant to Section 1771 of the Labor Code. Pursuant to the provisions of Section 1773 of the Labor Code of the State of California, the City has obtained the general prevailing rate of per diem wages and the general rate for holiday and overtime work in this locality for each craft, classification, or type of workman needed to execute this contract from the Director of the Department of Industrial Relations. These rates are on file with the City or may be obtained at http://www.dir.ca.gov/OPRL/DPreWageDetermination.htm.

Contractor shall post a copy of such wage rates at the job site and shall pay the adopted prevailing wage rates as a minimum. Contractor shall comply with the provisions of Sections 1775, 1776, 1777.5, 1777.6, and 1813 of the Labor Code. Pursuant to the provisions of 1775 of the Labor Code, Contractor shall forfeit to the City, as a penalty, not more than $200.00 for each calendar day, or portion thereof, for each laborer, worker, or mechanic employed, paid less than the stipulated

prevailing rates for any work done under this Contract, by him or by any subcontractor under him, in violation of the provisions of this Contract.

12.3 Contractors and subcontractors who are ineligible to bid for work on, or be awarded, a public works project pursuant to Labor Code Sections 1777.1 and 1777.7 are prohibited from bidding on, being awarded, or performing work as a subcontractor, on this Project pursuant to Public Contract Code Section 6109.

12.4 Contractor's attention is directed to the provisions in Sections 1774, 1775, 1776, 1777.5 and 1777.6 of the Labor Code. Contractor shall comply with the provisions in these Sections. The statutory provisions for penalties for failure to comply with the State's wage and hours laws will be enforced. Pursuant to Section 1775 of the Labor Code, the Contractor and any subcontractors, shall, as a penalty to the City forfeit the prescribed amounts per calendar day, or portion thereof, for each worker paid less than the prevailing wage rates.

12.5 Pursuant to Labor Code Section 1771.4, the Project is subject to compliance monitoring and enforcement by the California Department of Industrial Relations.

12.6 Each Contractor and subcontractor shall furnish the records specified in Labor Code Section 1776 directly to the State Labor Commissioner at least monthly in the format prescribed by the State Labor Commissioner.

12.7 Sections 1774 and 1775 require the Contractor and all subcontractors to pay not less than the prevailing wage rates to all workmen employed in the execution of the Contract and specify forfeitures and penalties for failure to do so. The minimum wages to be paid are those determined by the State Director of the Department of Industrial Relations. Section 1776 requires the Contractor and all subcontractors to keep accurate payroll records, specifies the contents thereof, their inspection and duplication procedures and certain notices required of the Contractor pertaining to their location.

12.8 Section 1777.5 of the Labor Code requires Contractor or subcontractor employing workers in any apprenticeable occupation to apply to the Joint Apprenticeship Committee nearest the site of the public works project, which administers the apprenticeship program in that trade for a certificate of approval. The certificate will also fix the ratio of apprentices to journeymen to be used in the performance of the Contract. The Contractor is required to make contributions to funds established for the administration of apprenticeship programs if he employs registered apprentices or journeymen in any apprenticeable trade and if other contractors on the public works site are making such contributions. Information relative to apprenticeship standards, contributions, wage schedules and other requirements may be obtained from the State Director of Industrial Relations or from the Division of Apprenticeship Standards. Section 1777.6 of the Labor Code provides that it shall be unlawful to refuse to accept otherwise qualified employees as registered apprentices solely on the grounds of race, religious creed, color, national origin, ancestry, sex, or age.

12.9 Eight hours labor constitutes a legal day's work, as set forth in Labor Code

Section 1810. The statutory provisions for penalties for failure to comply with the State's wage and hour laws will be enforced as set forth in Labor Code Section 1813.

13 Antitrust Claims

In entering into this Contract, Contractor offers and agrees to assign to the City all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the California Business and Professions Code) arising from purchases of goods, services, or materials pursuant to the Contract. This assignment shall be made and become effective at the time the City tenders final payment to Contractor without further acknowledgment by the parties.

14 Trenching and Excavations

Pursuant to Public Contract Code Section 7104, if the Project involves trenching more than four (4) feet deep, Contractor shall promptly and before the following conditions are disturbed notify the City in writing of any:

14.1 Material that Contractor believes may be material that is hazardous waste, as defined in California Health and Safety Code Section 25117, that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law; and/or

14.2 Subsurface or latent physical conditions at the site differing from those indicated; and/or

14.3 Unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract.

14.4 As required by Labor Code Section 6705 and in addition thereto, whenever work under the Contract that involves an estimated expenditure in excess of twenty-five thousand dollars ($25,000) for the excavation of any trench or trenches five (5) feet or more in depth, Contractor shall submit for acceptance by City in advance of excavation, a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from the hazard of caving ground during the excavation, of such trench or trenches. If such plan varies from the shoring system standards established by the Construction Safety Orders of the Division of Industrial Safety, the plan shall be prepared by a registered civil or structural engineer employed by Contractor, and all costs therefor shall be included in the price of the Contract. Nothing in this provision shall be deemed to allow the use of a shoring, sloping, or other protective system less effective than that required by the Construction Safety Orders. Nothing in this provision shall be construed to impose tort liability on the City or on any City officer, agent, consultant, representative, or employee. All plans, processing and shoring costs are Contractor’s responsibility and must be included in Contractor’s bid.

14.5 Differing Site Conditions.

1. During the progress of the work, if subsurface or latent physical conditions are encountered at the site differing materially from those indicated in the contract or if unknown physical conditions of an unusual nature, differing materially from those ordinarily encountered and generally recognized as inherent in the work provided for in the contract, are encountered at the site, the party discovering such conditions shall promptly notify the other party in writing of the specific differing conditions before the site is disturbed and before the affected work is performed.

2. Upon written notification, the City Engineer will investigate the conditions, and if it is determined that the conditions materially differ and cause an increase or decrease in the cost or time required for the performance of any work under the contract, an adjustment, excluding anticipated profits, will be made and the contract modified in writing accordingly. The City Engineer will notify the Contractor of the determination whether or not an adjustment of the contract is warranted.

3. No contract adjustment which results in a benefit to the Contractor will be allowed unless the Contractor has provided the required written notice.

4. No contract adjustment will be allowed under this clause for any effects caused on unchanged work.

14.6 Suspensions of Work Ordered by the City Engineer.

1. If the performance of all or any portion of the work is suspended or delayed by the City Engineer in writing for an unreasonable period of time (not originally anticipated, customary, or inherent to the construction industry) and the Contractor believes that additional compensation and/or contract time is due as a result of such suspension or delay, the Contractor shall submit to the City Engineer in writing a request for adjustment within 7 calendar days of receipt of the notice to resume work. The request shall set forth the reasons and support for such adjustment.

2. Upon receipt, the City Engineer will evaluate the Contractor's request. If the City Engineer agrees that the cost and/or time required for the performance of the contract has increased as a result of such suspension and the suspension was caused by conditions beyond the control of and not the fault of the Contractor, its suppliers, or subcontractors at any approved tier, and not caused by weather, the City Engineer will make an adjustment (excluding profit) and modify the contract in writing accordingly. The Contractor will be notified of the City Engineer's determination whether or not an adjustment of the contract is warranted.

3. No contract adjustment will be allowed unless the Contractor has submitted the request for adjustment within the time prescribed.

4. No contract adjustment will be allowed under this clause to the extent that performance would have been suspended or delayed by any other cause, or for which an adjustment is provided or excluded under any other term or condition of this contract.

14.7 Significant Changes in the Character of Work.

1. The City Engineer reserves the right to make, in writing, at any time during the work, such changes in quantities and such alterations in the work as are necessary to satisfactorily complete the project. Such changes in quantities and alterations shall not invalidate the contract nor release the surety, and the Contractor agrees to perform the work as altered.

2. If the alterations or changes in quantities significantly change the character of the work under the contract, whether such alterations or changes are in themselves significant changes to the character of the work or by affecting other work cause such other work to become significantly different in character, an adjustment, excluding anticipated profit, will be made to the contract. The basis for the adjustment shall be agreed upon prior to the performance of the work. If a basis cannot be agreed upon, then an adjustment will be made either for or against the Contractor in such amount as the City Engineer may determine to be fair and equitable.

3. If the alterations or changes in quantities do not significantly change the character of the work to be performed under the contract, the altered work will be paid for as provided elsewhere in the contract.

4. The term “significant change” shall be construed to apply only to the following circumstances:

• When the character of the work as altered differs materially in kind or nature from that involved or included in the original proposed construction; or

• When a major item of work, as defined elsewhere in the contract, is increased in excess of 125 percent or decreased below 75 percent of the original contract quantity. Any allowance for an increase in quantity shall apply only to that portion in excess of 125 percent of original contract item quantity, or in case of a decrease below 75 percent, to the actual amount of work performed.

15 Location of Existing Elements

Pursuant to Government Code Sections 4216 to 4216.9, the methods used and costs involved to locate existing elements, points of connection and all construction methods are Contractor’s sole responsibility. Accuracy of information furnished, as to existing conditions, is not guaranteed. Contractor, at its sole expense, must make all investigations necessary to determine locations of existing elements, which may include, without limitation, contacting U.S.A. alert and other private underground locating firm(s), and/or utilizing potholes, specialized locating equipment and/or hand trenching. Nothing in this Section shall be construed to deprive Contractor of an adjustment to which it is entitled under Section 14.5 (Differing Site Conditions).

16 Third Party Claims

Pursuant to Public Contract Code Section 9201, the City has full authority to compromise or otherwise settle any claim relating to this Contract at any time. The City shall timely notify Contractor of the receipt of any third-party claim relating to the Contract. The City shall be entitled to recover its reasonable costs incurred in providing the notification required by Public Contract Code Section 9201(b).

17 Non-Collusion

Contractor hereby certifies that this bid is genuine and not a sham or collusive, or made in the interest or on behalf of any person or business not herein named. Contractor further certifies that Contractor has not directly or indirectly induced or solicited any other bidder to furnish a sham bid, or any other person or business to refrain from bidding, and Contractor has not in any manner sought by collusion to secure itself an advantage over any other bidder. Contractor also affirms that it has signed and submitted with its bid to the City a Non-collusion Declaration as required by Public Contract Code Section 7106.

18 Conflicts of Interest

Contractor agrees not to accept any employment or representation during the term of this Contract or within twelve (12) months after completion of the work under this Contract which is or may likely make Contractor "financially interested," as provided in Government Code Section 1090 and 87100, in any decisions made by City on any matter in connection with which Contractor has been retained pursuant to this Contract.

19 Audit

The City or its representative shall have the option of inspecting and/or auditing all records and other written materials used by Contractor in preparing its billings to the City at any time during the term of this Contract and for the period stated below, provided that the exercise of such right shall not extend the time for payment of an undisputed, properly submitted payment request under Section 3.2. Contractor will promptly furnish documents requested by the City. Additionally, pursuant to Government Code Section 8546.7, if this Contract involves the expenditure of public funds in excess of ten thousand dollars ($10,000), Contractor shall be subject to State Auditor examination and audit at the request of the City or as part of any audit of the City, for a period of three (3) years after final payment under this Contract.

20 Substitute Security

Pursuant to Public Contract Code Section 22300, the substitution of securities for any moneys withheld by the City to ensure performance under a contract is permitted, except where financing will be provided by the Farmers Home Administration of the United States Department of Agriculture pursuant to the Consolidated Farm and Rural Development Act (7 U.S.C. Sec. 1921 *et seq*.) or where federal regulations or policies, or both, do not allow the substitution of securities. At the request and expense of Contractor, securities equivalent to the amount withheld shall be deposited with the City, or with a state or federally chartered bank in the State of California as the escrow agent, that shall then pay those moneys to Contractor. Upon satisfactory completion of the Contract, the securities shall be returned to Contractor.

Alternatively, Contractor may request and the City shall make payment of retentions earned directly to the escrow agent at the expense of Contractor. At the expense of Contractor, Contractor may direct the investment of the payments into securities, and Contractor shall receive the interest earned on the investments upon the same terms

provided for securities deposited by Contractor. Upon satisfactory completion of the Contract, Contractor shall receive from the escrow agent all securities, interest, and payments received by the escrow agent from the City, pursuant to the terms of this section.

Securities eligible for investment shall include those listed in California Government Code Section 16430, bank or savings and loan certificates of deposit, interest-bearing demand deposit accounts, standby letters of credit, or any other security to which Contractor and the City agree in writing. Contractor shall be the beneficial owner of any securities substituted for moneys withheld and shall receive any interest thereon.

If Contractor elects to receive interest on moneys withheld in retention by the City, it shall, at the request of any subcontractor performing more than five percent (5%) of Contractor's total bid, make that option available to the subcontractor regarding any moneys withheld in retention by Contractor from the subcontractor. If Contractor elects to receive interest on any moneys withheld in retention by the City, then the subcontractor shall receive the identical rate of interest received by Contractor on any retention moneys withheld from the subcontractor by Contractor, less any actual pro rata costs associated with administering and calculating that interest. In the event that the interest rate is a fluctuating rate, the rate for the subcontractor shall be determined by calculating the interest rate paid during the time that retentions were withheld from the subcontractor. If Contractor elects to substitute securities in lieu of retention, then, by mutual consent of Contractor and its subcontractor, the subcontractor may substitute securities in exchange for the release of moneys held in retention by Contractor. No Contractor shall require any subcontractor to waive any provision of this paragraph.

The escrow agreement for security deposits in lieu of retention shall be substantially similar to the form provided in Public Contract Code Section 22300(f).

21 Claims Dispute Resolution

In the event of any dispute or controversy with the City over any matter whatsoever, the Contractor shall not cause any delay or cessation in or of Work, but shall proceed with the performance of the Work in dispute. The Contractor shall retain any and all rights provided that pertain to the resolution of disputes and protests between the parties. The Disputed Work will be categorized as an "unresolved dispute" and payment, if any, shall be as later determined by mutual agreement or a court of law. The Contractor shall keep accurate, detailed records of all Disputed Work, claims and other disputed matters.

All claims arising out of or related to the Contract documents or this Project, and the consideration and payment of such claims, are subject to the Government Claims Act (Government Code Section 810 et seq.) with regard to filing claims. All such claims are also subject to Public Contract Code Section 9204 and Public Contract Code Section 20104 et seq. (Article 1.5), where applicable. This Contract hereby incorporates those provisions as though fully set forth herein. Thus, the Contractor or any Subcontractor must file a claim in accordance with the Government Claims Act as a prerequisite to filing a construction claim in compliance with Section 9204 and

Article 1.5 (if applicable), and must then adhere to Section 9204 and Article 1.5 (as applicable), pursuant to the definition of “claim” as individually defined therein.

Disputes concerning labor standards. As provided in 29 CFR 5.5, disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the Contractor (or any of its subcontractors) and the City, the U.S. Department of Labor, or the employees or their representatives.

22 Ownership And Delivery Of Project Product

All documents, data, reports, studies, analyses, field notes, investigations, plans, specifications, software, programs, manuals, instructions, and other materials of any nature, whether complete or incomplete, that are prepared, developed, or produced by Contractor or Contractor’s subcontractors in the performance of this Contract (collectively, “Work Product”) shall be the exclusive property of the CITY.

All Work Product shall be delivered to or left with the CITY upon completion, expiration, or termination of this Contract. Upon request, Contractor shall provide the CITY with originals and reproducible and electronic copies of all Work Product. Electronic copies shall be provided in an unprotected format that allows the CITY to copy, reproduce, modify, and use the Work Product without restriction.

23 Ownership Of Intellectual Property

The Work Product and all intellectual property rights therein shall be deemed “works made for hire” under the United States Copyright Act (17 U.S.C. § 101 et seq.), and the CITY shall be deemed the author and exclusive owner thereof, in perpetuity and worldwide.

To the extent any Work Product does not qualify as a work made for hire, CONTRACTOR hereby irrevocably assigns, transfers, and conveys to the CITY all right, title, and interest in and to such Work Product, including all copyrights, trademarks, patents, and other proprietary rights. CONTRACTOR consents to the use of CONTRACTOR’s name in conjunction with the sale, use, performance, and distribution of Work Product, for any purpose and in any medium.

CONTRACTOR agrees to execute any documents and take any actions reasonably requested by the CITY to confirm or perfect the CITY'S ownership of such rights.

CONTRACTOR waives any and all moral rights or similar rights under California Civil Code section 980 or any other applicable law to the extent permitted by law.

24 Non-discrimination and Equal Employment Opportunity

24.1 In performance of this Contract, CONTRACTOR shall not discriminate against any employee, subcontractor, or applicant for employment because of sex, color, race, religion, ancestry, national origin, disability, medical condition including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sexual orientation, age, gender, gender identity,

gender expression, genetic information, or military and veteran status. CONTRACTOR will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their sex, color, race, religion, ancestry, national origin, disability, medical condition including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sexual orientation, age, gender, gender identity, gender expression, genetic information, or military and veteran status . Affirmative action relating to employment shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

24.2 Contract Assurance. Under 49 CFR 26.13(b): The Contractor, subrecipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The Contractor shall carry out applicable requirements of 49 CFR 26 in the award and administration of federal-aid contracts. Failure by the Contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the City deems appropriate, which may include, but is not limited to:

(1) Withholding monthly progress payments;

(2) Assessing sanctions;

(3) Liquidated damages; and/or

(4) Disqualifying the Contractor from future bidding as non-responsible.

24.3 Contractor shall comply with the Title VI Assurances (Exhibit “B”) set forth in Exhibit “E,” and Form FHWA-1273, Section II (Exhibit C).

25 SB 1383 Compliance

CONTRACTOR shall comply with all applicable requirements of California Senate Bill 1383 (SB 1383) and related regulations concerning the reduction of organic waste, diversion from landfills, and edible food recovery.

26 WCAG 2.1AA Compliance

Information and communication technology means information technology and other equipment, systems, technologies, or processes, for which the principal function is the creation, manipulation, storage, display, receipt, or transmission of electronic data and information, as well as any associated content. Examples include computers and peripheral equipment; information kiosks and transaction machines; telecommunications equipment; customer premises equipment; multifunction office machines; software; applications; Web sites; videos; and electronic documents.

Each information and communication technology (hereinafter referred to as "ICT") product or service furnished to the City under this Contract shall be accessible to and usable by individuals with disabilities in accordance with the Americans with Disabilities Act, as amended, (hereinafter referred to as the "ADA") and other applicable Federal laws, including Section 508 of the Rehabilitation Act, as amended,

and State laws and implementing regulations. For purposes of this clause, Contractor shall be considered in compliance with the ADA and other Federal and State laws if it satisfies the requirements (including exceptions) specified in the regulations 36 CFR Part 1194 implementing Section 508 of the Rehabilitation Act, including the Web Content Accessibility Guidelines (WCAG) 2.1 Level A and Level AA Success Criteria and Conformance Requirements (2008), which are incorporated by reference, and the functional performance criteria.

Contractor shall maintain and retain, subject to review by the City, full documentation of the measures taken to ensure compliance with the applicable requirements and functional performance criteria, including records of any testing or simulations conducted. For each ICT subject to the Contract, the documentation shall include a description of conformance with applicable federal and state laws by means of either a Voluntary Product Accessibility Template (VPAT) or other comparable document, upon request.

If Contractor claims its products or services satisfy the applicable requirements and standards specified above and it is later determined by the City that any furnished product or service is not in compliance with such requirements and standards, the City will promptly inform the Contractor in writing of the noncompliance. The Contractor shall, at no cost to the City, repair or replace the non-compliant products or services within the period specified by the City. If the repair or replacement is not completed within the specified time, the City may cancel the Contract or have any necessary changes made or repairs performed by employees of the City or by another contractor, and Contractor shall reimburse the City for any expenses incurred thereby. Contractor shall indemnify and hold the City harmless in the event of claims arising from inaccessibility.

27 Integration

27.1 Survival. Sections 5.1 (as to the Guaranty), 10, 11.6.C, 12, 13, 16, 18, 19, 21, 22, 23, 26, 27, and 29, the record-keeping, audit, and certification requirements of Exhibit “A,” and any other provision of this Contract that by its nature is intended to survive, shall survive the expiration or termination of this Contract.

27.2 Severability. If any term or provision of this Contract, or its application to any person or circumstance, is invalid or unenforceable to any extent, such term or provision shall be amended to, and solely to the extent necessary to, cure such invalidity or unenforceability, and shall be enforceable in its amended form. The remainder of this Contract shall not be affected and shall be enforced to the fullest extent permitted by law.

27.3 Cumulative Remedies. Each right, power, and remedy provided for in this Contract or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative and in addition to every other right, power, or remedy. The exercise of, or forbearance from exercising, any such right, power, or remedy shall not preclude the simultaneous or later exercise of any other right, power, or remedy.

27.4 No Third-Party Beneficiaries. Except as expressly stated in this Contract or required by law, there is no intended third-party beneficiary of any right or obligation

assumed by the parties, and CITY shall not be obligated or liable under this Contract to any party other than Contractor.

27.5 Successors and Assigns. Subject to Section 8, this Contract shall be binding on the successors and assigns of the parties.

27.6 Time of the Essence. Time is of the essence in Contractor's performance of under this Contract.

27.7 Construction. The captions in this Contract are for convenience of reference only and shall not govern its interpretation.

27.8 Counterparts; Electronic Signatures. This Contract may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. Electronic signatures that comply with applicable law, including Civil Code Section 1633.1 et seq. and Government Code Section 16.5, shall be treated as originals.

27.9 Cooperation in Defense of Claims. If any claim or action is brought against CITY relating to Contractor's performance in connection with this Contract, Contractor shall render any reasonable assistance that CITY may require in the defense of that claim or action.

27.10 Entire Agreement; Exhibits; Order of Precedence. All documents referenced as exhibits in this Contract are hereby incorporated into this Contract. Subject to Section 2.1, in the event of any material discrepancy between the provisions of this Contract and those of any document incorporated herein by reference, the provisions of this Contract shall prevail. This instrument contains the entire agreement between CITY and Contractor with respect to the construction of the Project. No other prior oral or written agreements are binding upon the parties. Amendments hereto or deviations herefrom shall be effective and binding only if made in writing and executed on behalf of CITY and Contractor, and any changes to the Project shall be made by change order signed by the parties. This Contract is the complete agreement between the parties and supersedes all prior proposals, agreements, and understandings between the parties (other than the bid documents, to the extent referenced in this Contract) and may not be modified or terminated orally. Nothing in this Section shall be construed to exclude, limit, or supersede any provision of Exhibit “A” or any requirement of federal law applicable to federal-aid construction contracts.

27.11 No Waiver. The failure of any party to enforce against another party any provision of this Contract shall not constitute a waiver of that party's right to enforce such a provision at a later time, and shall not serve to vary the terms of this Contract.

27.12 Notices. All notices required or permitted under this Contract shall be in writing and shall be delivered to the addresses set forth below the parties’ signatures, or to such other address as a party may designate by written notice to the other party. Notices shall be deemed received (i) on the day of delivery if delivered personally, by email, or by commercial courier during regular business hours, or on the next business day if delivered after regular business hours; or (ii) on the third business day following deposit in the United States mail, registered or certified, postage prepaid. A

courtesy copy of any notice to CITY shall be sent to the City Attorney at the address set forth below the parties' signatures.

~~**28 Debarment and Suspension Certification (Intentionally Omitted)**~~
~~Title 2, Code of Federal Regulations, Part §180.300~~
~~The bidder, under penalty of perjury, certifies that, except as noted in a separate document, he/she or any other person associated therewith in the capacity of owner, partner, director, officer, or manager:~~

- ~~is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any Federal agency;~~
- ~~has not been suspended, debarred, voluntarily excluded or determined ineligible by any Federal agency within the past 3 years;~~
- ~~does not have a proposed debarment pending; and~~
- ~~has not been indicted, convicted, or had a civil judgment rendered against it by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past 3 years.~~

29 Compliance With Law

29.1 CONTRACTOR shall comply with all state and federal laws, including but not limited to, the requirement to hire only those persons authorized by federal law to work in the United States. If CONTRACTOR uses any subcontractors to complete this Contract, this same requirement shall be included in all subcontracts and strictly enforced by CONTRACTOR.

29.2 The law of the state of California shall govern this Contract. The venue of any legal action, either formal or informal, shall be the County of Los Angeles.

29.3 Buy America; Prohibited Telecommunications Equipment. Contractor shall comply with the Buy America Requirements and with the prohibition of certain telecommunications and video surveillance equipment and services set forth in Exhibit "A", including furnishing the certificates of compliance required therein.

30 Health And Safety Provisions

A. CONTRACTOR and all subcontractors shall abide by all health and safety mandates issued by federal, state, county, City of Palmdale, and/or public health officers, and worksite-specific mandates. If multiple mandates exist, the CONTRACTOR and subcontractors shall abide by the most restrictive mandate.

B. Costs associated with adhering to health and safety mandates are the responsibility of the CONTRACTOR. CONTRACTOR is responsible for the tracking and compliance of health and safety mandates and may be audited upon request.

31 Notification And Access Revocation

The Contractor shall notify the CITY in writing prior to or no later than twenty-four (24) hours after, the termination, expiration, suspension, reassignment, or removal of any Contractor Personnel with access to the Project or Owner Resources. For Contractor Personnel with Information Technology access, notification must be immediate, or the CITY may consider the CONTRACTOR to be in breach of contract. Notice shall

include the individual’s name, role, Effective Date and time of termination or removal, and systems or resources accessed.

The CITY reserves the right, in its sole discretion, to immediately suspend or revoke access for any Contractor Personnel upon receipt of notice or upon CITY'S determination that such access is no longer required or appropriate.

32 Force Majure

Neither Party shall be liable for any failure or delay in performing its obligations under this Contract (other than payment obligations) if such failure or delay is caused by an event or circumstance beyond the reasonable control of the affected Party (“Force Majeure Event”). Force Majeure Events include, but are not limited to, acts of God; flood; fire; earthquake; explosion; war; terrorism; civil disturbance; epidemic or pandemic; quarantine; governmental actions or orders; or other similar events beyond the control of the affected Party.

The affected Party shall provide written notice to the other Party within ten (10) calendar days of the occurrence of the Force Majeure Event, describing the nature, expected duration, and anticipated impact on performance. The Party shall use all diligent efforts to mitigate the effects of the event and resume performance as soon as practicable.

33 Exhibits

The exhibits and attachments referenced in this Contract are attached hereto and incorporated herein by this reference as though set forth in full in the Contract.

34 Authority to Sign

The person or persons executing this Contract on behalf of the Contractor warrant and represent that they have the authority to execute this Contract on behalf of the Contractor and have the authority to bind Contractor to the construction of the Project.

In Witness Whereof, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE

Salvador Mendez Date
City Mananger
Michael C. Livingston
Nov 19, 2026, 4:15 PM PST

ADDRESS FOR NOTICE:
CITY OF PALMDALE
38250 Sierra Hwy
Palmdale, CA 93550

With a courtesy copy to:
CITY ATTORNEY
Colantuono, Highsmith & Whatley, PC
790 E. Colorado Blvd. Suite 850
Pasadena, CA 91101
agiragosian@chwlaw.us

APPROVED AS TO FORM:

Nov 19, 2026, 2:51 PM PST

Taylor Anderson
City Attorney

ATTEST:

Rochelle Scott
City Clerk

SELECT ELECTRIC, INC.

James Staab
Nov 20, 2026, 9:54 AM PST

James Staab Date
President

ADDRESS FOR NOTICE:
SELECT ELECTRIC, INC.
1700 E. Via Burton
Anaheim, CA 92806

ATTEST: If Corporation

Secretary

[Signatures of contractor on bond(s) must be notarized. Obtain two corporate signatures if contractor is a corporation.]

---------- INTERNAL USE ONLY ----------

■Certificate(s) and Endorsement(s) attached
■Confirmed business name on contract with certificate(s)
□Attached notarized bond(s), Worker's Compensation Certificate, and Guaranty

■Attached Agreement Checklist and met all requirements
■2 CFR 200 Checklist (if federally funded)
□Attach Quotes, Solicitation Docs, City's Best Interest, Government Code, etc.

Record of Signing

For	City of Palmdale
Name	Taylor Anderson
Title	Deputy City Attorney



Signed on Nov 19, 2026 2:51 PM PST

Secured by Concord™
DocumentID: 0350XQuL5wXmjmSxeAXknJ
SigningID: 0350XQtwj0C8Rj2I3HLR6W
UTC Signing time: 2026-11-19 22:51:42 UTC
IP Address: 20.237.142.185
Email: tanderson@chwlaw.us

For	City of Palmdale
Name	Michael C. Livingston
Title	Deputy Director Pubilc Works



Signed on Nov 19, 2026 4:15 PM PST

Secured by Concord™
DocumentID: 0350XQuL5wXmjmSxeAXknJ
SigningID: 0350ZV00EPG6XFkZXPJdKy
UTC Signing time: 2026-11-20 00:15:54 UTC
IP Address: 45.62.177.244
Email: mlivingston@cityofpalmdaleca.gov

For	James Staab
Name	James Staab
Title	James.Staab@selectelectricinc.com



Signed on Nov 20, 2026 9:54 AM PST

Secured by Concord™
DocumentID: 0350XQuL5wXmjmSxeAXknJ
SigningID: 0350zTQSVnL32zk4WOb0UN
UTC Signing time: 2026-11-20 17:54:18 UTC
IP Address: 172.85.176.50
Email: james.staab@selectelectricinc.com

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Signed with https://www.concord.app/

EXHIBIT "A"
BUY AMERICA REQUIREMENTS
(Caltrans Local Assistance Procedures Manual Exhibit 12-G, Section 8)

Buy America Requirements apply to iron or steel, manufactured products, and construction materials permanently incorporated into the project.

Buy America requirements do not apply to the following:
1. Tools and construction equipment used in performing the work
2. Temporary work that is not incorporated into the finished project
3. Excluded Materials

An article, materials, or supply to be permanently incorporated in the project should only be classified into one of the following categories based on its status at the time it is brought to the work site:
1. Iron or steel products
2. Manufactured products
3. Construction materials
4. Excluded materials including:
   a. Cement and cementitious materials
   b. Aggregates such as stone, sand, or gravel
   c. Aggregate binding agents or additives
   d. Other materials that do not meet the definition of iron or steel products, manufactured products or construction materials

Iron or Steel Products

All iron or steel products, as defined in 23 CFR 635.410, permanently incorporated into the project must be melted and manufactured in the United States except:
1. Foreign pig iron and processed, pelletized, and reduced iron ore may be used in the domestic production of the steel and iron materials [60 Fed Reg 15478 (03/24/1995)];
2. Total combined cost of the materials produced outside the United States does not exceed the greater of 0.1 percent of the total contract amount or $2,500, materials produced outside the United States may be used if authorized.

Iron or steel products are defined as articles, materials, or supplies that consist wholly or predominantly of iron or steel or a combination of both.

Furnish iron or steel products to be incorporated into the work with certificates of compliance and certified mill test reports. Every certification(s) should clearly reference the heat number. Manufacturer's certificate of compliance must identify where the iron or steel products were melted and manufactured and attest to compliance with the 23 CFR 635.410 standard. Mill test reports must indicate where the iron or steel were melted and manufactured. All melting and manufacturing processes for these materials, including an application of a coating, must occur in the United States. Coating includes all processes that protect or enhance the value of the material to which the coating is applied.

Manufactured Products

Manufactured products are defined as articles, materials, or supplies that have been:
1. Processed into a specific form and shape; or
2. Combined with other articles, materials, or supplies to create a product with different properties than the individual articles, materials, or supplies.

Per 23 CFR 635.410 manufactured products must:
1. be manufactured in the United States, and
2. the cost of the components that are mined, produced, or manufactured in the United States, as defined in 2 CFR 184.5, is greater than 55 percent of the total cost of all components of the manufactured product.

Manufacturer, in the case of manufactured products, means the entity that performs the final manufacturing process by bringing individual elements together that produces a manufactured product. If an item is classified as an iron or steel product, a construction material, or an excluded material, then it is not a manufactured product. However, an article, material, or supply classified as a manufactured product may include components that are iron or steel products, construction materials, or excluded materials.

Iron or steel used in precast concrete manufactured products or enclosures for Intelligent Transportation Systems (ITS) and other electrical hardware systems must meet the requirements of Iron or Steel Products regardless of the amount used.

If the cost of iron and steel components of a product is more than 50 percent of the cost of the product, then the product would be classified as iron or steel products, not a manufactured product and only need to meet the requirements of Iron or Steel Products.

Furnish manufactured products to be permanently incorporated into the work with certificates of compliance with each project delivery. The manufacturer's certificate of compliance must identify where the manufacturing occurred and attest to compliance with 23 CFR 635.410.

Construction Materials

The following construction materials must be produced in the United States per 2 CFR 184.6.
1. Non-ferrous metals
2. Plastic and polymer-based products such as:
   2.1 Polyvinylchloride
   2.2 Composite Building Materials
3. Glass
4. Fiber optic cable (including drop cable)
5. Optical fiber
6. Lumber
7. Engineered wood
8. Drywall

All manufacturing processes for these materials as defined in 2 CFR 184.6 must occur in the United States.

Minor additions of articles, materials, supplies, or binding agents to these construction materials do not change the categorization of the construction material.

Furnish construction materials to be incorporated into the work with certificates of compliance with each project delivery. The manufacturer's certificate of compliance must identify where the construction material was manufactured and attest specifically to Buy America compliance.

Buy America Waiver for De Minimis Cost for Manufactured Products and Construction Materials

A De Minimis Cost Waiver can waive the application of FHWA's Buy America requirements for manufactured products and construction materials under a single project when the total value of non-compliant manufactured products and construction materials is no more than the lesser of $1,000,000 or 5 percent of the total applicable material costs for the project.

The percent threshold is calculated based on the following formula:
X = NC / TA
where:
X = percent threshold
NC = total value of non-compliant manufactured products and construction material
TA = total applicable project costs (iron or steel products, manufactured products, and construction materials; does not include excluded materials)

This threshold is based on the actual cost of the iron or steel products, manufactured products, and construction materials, not the anticipated cost of those materials. Compliant and non-compliant City Furnished Materials for the project must be accounted for in a De Minimis Cost Waiver Worksheet calculation, if provided by the City.

Provide copies of invoices for the actual costs of materials including transportation to the project site.

In applying a De Minimis Cost Waiver, total cost of non-compliant construction materials and manufactured products does not include the cost of any products subject to a separate Buy America waiver.

If De Minimis Cost Waiver Worksheet calculation for materials subject to Buy America is not submitted, the City may:
1. Withhold from the next progress payment
2. Reject Contractor's request for a De Minimis Costs waiver for non-compliant construction materials or manufactured products.

PROHIBITION OF CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE EQUIPMENT AND SERVICES

In response to significant national security concerns, the agency shall check the prohibited vendor list before making any telecommunications and video surveillance

purchase because recipients and subrecipients of federal funds are prohibited from obligating or expending loan or grant funds to:

- Procure or obtain;
- Extend or renew a contract to procure or obtain; or
- Enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system.

The prohibited vendors (and their subsidiaries or affiliates) are:

- Huawei Technologies Company;
- ZTE Corporation;
- Hytera Communications Corporation;
- Hangzhou Hikvision Digital Technology Company;
- Dahua Technology Company; and
- Subsidiaries or affiliates of the above-mentioned companies.

In implementing the prohibition, the agency administering loan, grant, or subsidy programs shall prioritize available funding and technical support to assist affected businesses, institutions and organizations as is reasonably necessary for those affected entities to transition from covered communications equipment and services, to procure replacement equipment and services, and to ensure that communications service to users and customers is sustained.

EXHIBIT "B"
TITLE VI ASSURANCES
(Caltrans Local Assistance Procedures Manual Exhibit 12-G, Section 13, Appendices A and E)

APPENDIX A

During the performance of this Contract, Contractor, for itself, its assignees and successors in interest (hereinafter collectively referred to as Contractor) agrees as follows:

a. Compliance with Regulations: Contractor shall comply with the regulations relative to nondiscrimination in federally assisted programs of the Department of Transportation, Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time, (hereinafter referred to as the REGULATIONS), which are herein incorporated by reference and made a part of this Contract.

b. Nondiscrimination: Contractor, with regard to the work performed by it during the Contract, shall not discriminate on the grounds of race, color, sex, national origin, religion, age, or disability in the selection and retention of sub-applicants, including procurements of materials and leases of equipment. Contractor shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices when the Contract covers a program set forth in Appendix B of the Regulations.

c. Solicitations for Sub-agreements, Including Procurements of Materials and Equipment: In all solicitations either by competitive bidding or negotiation made by Contractor for work to be performed under a Sub-agreement, including procurements of materials or leases of equipment, each potential sub-applicant or supplier shall be notified by Contractor of Contractor's obligations under this Contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.

d. Information and Reports: Contractor shall provide all information and reports required by the Regulations, or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the City or FHWA to be pertinent to ascertain compliance with such Regulations or directives. Where any information required of Contractor is in the exclusive possession of another who fails or refuses to furnish this information, Contractor shall so certify to the City or FHWA as appropriate, and shall set forth what efforts Contractor has made to obtain the information.

e. Sanctions for Noncompliance: In the event of Contractor's noncompliance with the nondiscrimination provisions of this Contract, the City shall impose such Contract sanctions as it or the FHWA may determine to be appropriate, including, but not limited to:

i. withholding of payments to Contractor under the Contract within a reasonable period of time, not to exceed 90 days; and/or

ii. cancellation, termination or suspension of the Contract, in whole or in part.

f. Incorporation of Provisions: Contractor shall include the provisions of paragraphs a through f in every sub-agreement, including procurements of materials and leases of equipment, unless exempt by the Regulations, or directives issued pursuant thereto. Contractor shall take such action with respect to any sub-agreement or procurement as the City or FHWA may direct as a means of enforcing such provisions including sanctions for noncompliance, provided, however, that, in the event Contractor becomes involved in, or is threatened with, litigation with a sub-applicant or supplier as a result of such direction, Contractor may request the City enter into such litigation to protect the interests of the State, and, in addition, Contractor may request the United States to enter into such litigation to protect the interests of the United States.

APPENDIX E

During the performance of this Contract, Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as "Contractor") agrees to comply with the following non-discrimination statutes and authorities, including, but not limited to:

Pertinent Non-Discrimination Authorities:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252), prohibits discrimination on the basis of race, color, national origin); and 49 CFR Part 21.
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Federal-Aid Highway Act of 1973, (23 U.S.C. § 324 et seq.), prohibits discrimination on the basis of sex;
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR Part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 et seq.), prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 U.S.C. § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations 49 C.F.R. parts 37 and 38;
- The Federal Aviation Administration's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

CONTRACT PROVISIONS FOR FEDERAL-AID CONSTRUCTION CONTRACTS

I. General
II. Nondiscrimination
III. Davis-Bacon and Related Act Provisions
IV. Contract Work Hours and Safety Standards Act Provisions
V. Subletting or Assigning the Contract
VI. Safety: Accident Prevention
VII. False Statements Concerning Highway Projects
VIII. Implementation of Clean Air Act and Federal Water Pollution Control Act
IX. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion
X. Certification Regarding Use of Contract Funds for Lobbying
XI. Use of United States-Flag Vessels

ATTACHMENTS

A. Employment and Materials Preference for Appalachian Development Highway System or Appalachian Local Access Road Contracts (included in Appalachian contracts only).

I. GENERAL

1. Historically, contracting agencies using Federal-aid highway funds were required to ensure Form FHWA-1273 was physically incorporated into all contracts and subcontracts. Effective June 10, 2026, this requirement was eliminated [91 FR 25492]. Future use of Form FHWA-1273 is now optional on the part of the contracting agency using Federal-aid highway funds. FHWA continues to make Form FHWA-1273 available as a convenience to contracting agencies. Contracting agencies must continue to ensure compliance with the provisions cited in Form FHWA-1273 in accordance with the provisions regardless of the use of Form FHWA-1273. Accordingly, the contracting agency retains the authority to determine whether the contractor must use Form FHWA-1273 to physically incorporate required contract provisions in each subcontract and in lower tier contracts. Where permitted by the contracting agency, the contractor may choose other ways to include required contract provisions in each subcontract, besides incorporating Form FHWA-1273. Contract provisions in Form FHWA-1273 are not required to be physically included in subcontracts for design services on Federal-aid design-build contracts, or in purchase orders, rental agreements and other agreements for supplies or services.

The applicable provisions of Form FHWA-1273 are incorporated by reference for work done under any purchase order, rental agreement or agreement for other services. The prime contractor or design-builder shall be responsible for compliance by any subcontractor, lower-tier subcontractor or service provider.

Contracting agencies may reference Form FHWA-1273 in solicitation-for-bids or request-for-proposals documents.

2. Subject to the applicability criteria noted in the following sections, these contract provisions shall apply to all work performed on the contract by the contractor's own organization and with the assistance of workers under the contractor's immediate superintendence and to all work performed on the contract by piecework, station work, or by subcontract.

3. A breach of any of the stipulations contained in these Required Contract Provisions may be sufficient grounds for withholding of progress payments, withholding of final payment, termination of the contract, suspension / debarment or any other action determined to be appropriate by the contracting agency and FHWA.

4. Selection of Labor: During the performance of this contract, the contractor shall not use convict labor for any purpose within the limits of a construction project on a Federal-aid highway unless it is labor performed by convicts who are on parole, supervised release, or probation. 23 U.S.C. 114(b). The term Federal-aid highway does not include roadways functionally classified as local roads or rural minor collectors. 23 U.S.C. 101(a).

II. NONDISCRIMINATION

The contractor and all subcontractors must comply with the following policies: 29 CFR Parts 1625-1627, 23 U.S.C. 140, Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d et seq.), and related regulations including 49 CFR Parts 21, 26, and 27, including any amendments thereto.

Note: The U.S. Department of Labor has exclusive authority to determine compliance with 29 CFR Parts 1625-1627. The contracting agency and the FHWA have the authority and the responsibility to ensure compliance with 23 U.S.C. 140, Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), and Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d et seq.), and related regulations including 49 CFR Parts 21, 26, and 27, including any amendments thereto.

The provisions of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) set forth under 28 CFR Part 35 and 29 CFR Part 1630 are incorporated by reference in this contract.

1. Assurances Required:

a. The requirements of 49 CFR Part 26, including any amendments thereto, and the State DOT's FHWA-approved Disadvantaged Business Enterprise (DBE) program are incorporated by reference.

b. The contractor, subrecipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR part 26, including any amendments thereto, in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate, which may include, but is not limited to:

(1) Withholding monthly progress payments;
(2) Assessing sanctions;
(3) Liquidated damages; and/or
(4) Disqualifying the contractor from future bidding as non-responsible.

c. The Title VI and nondiscrimination provisions of U.S. DOT Order 1050.2A at Appendixes A and E, including any amendments thereto, are incorporated by reference. 49 CFR Part 21.

III. DAVIS-BACON AND RELATED ACT PROVISIONS

This section is applicable to all Federal-aid construction projects exceeding $2,000 and to all related subcontracts and lower-tier subcontracts (regardless of subcontract size), in accordance with 29 CFR 5.5. The requirements apply to all projects located within the right-of-way of a roadway that is functionally classified as Federal-aid highway. 23 U.S.C. 113. This excludes roadways functionally classified as local roads or rural minor collectors, which are exempt. 23 U.S.C. 101. Where applicable law requires that projects be treated as a project on a Federal-aid highway, the provisions of this subpart will apply regardless of the location of the project. Examples include: Surface Transportation Block Grant Program projects funded under 23 U.S.C. 133 [excluding recreational trails projects], the Nationally Significant Freight and Highway Projects funded under 23 U.S.C. 117, and National Highway Freight Program projects funded under 23 U.S.C. 167.

The following provisions are from the U.S. Department of Labor regulations in 29 CFR 5.5 “Contract provisions and related matters” with minor revisions to conform to the FHWA-1273 format and FHWA program requirements.

1. Minimum wages (29 CFR 5.5)

a. *Wage rates and fringe benefits.* All laborers and mechanics employed or working upon the site of the work (or otherwise working in construction or development of the project under a development statute), will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of basic hourly wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. As provided in paragraphs (d) and (e) of 29 CFR 5.5, the appropriate wage determinations are effective by operation of law even if they have not been attached to the contract. Contributions made or costs reasonably anticipated for bona fide fringe benefits under the Davis-Bacon Act (40 U.S.C. 3141(2)(B)) on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph 1.e. of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics must be paid the appropriate wage rate and fringe benefits on the wage determination for the classification(s) of work actually performed, without regard to skill, except as provided in paragraph 4. of this section. Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: *Provided,* That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classifications and wage rates conformed under paragraph 1.c. of this section) and the Davis-Bacon poster (WH–1321) must be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

b. *Frequently recurring classifications.* (1) In addition to wage and fringe benefit rates that have been determined to be prevailing under the procedures set forth in 29 CFR part 1, a wage determination may contain, pursuant to § 1.3(f), wage and fringe benefit rates for classifications of laborers and mechanics for which conformance requests are regularly submitted pursuant to paragraph 1.c. of this section, provided that:

(i) The work performed by the classification is not performed by a classification in the wage determination for which a prevailing wage rate has been determined;

(ii) The classification is used in the area by the construction industry; and

(iii) The wage rate for the classification bears a reasonable relationship to the prevailing wage rates contained in the wage determination.

(2) The Administrator will establish wage rates for such classifications in accordance with paragraph 1.c.(1)(iii) of this section. Work performed in such a classification must be paid at no less than the wage and fringe benefit rate listed on the wage determination for such classification.

c. *Conformance.* (1) The contracting officer must require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract be classified in conformance with the wage determination. Conformance of an additional classification and wage rate and fringe benefits is appropriate only when the following criteria have been met:

(i) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(ii) The classification is used in the area by the construction industry; and

(iii) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(2) The conformance process may not be used to split, subdivide, or otherwise avoid application of classifications listed in the wage determination.

(3) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the contracting officer agree on the

classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken will be sent by the contracting officer by email to *DBAconformance@dol.gov*. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30–day period that additional time is necessary.

(4) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the contracting officer do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the contracting officer will, by email to *DBAconformance@dol.gov*, refer the questions, including the views of all interested parties and the recommendation of the contracting officer, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30–day period that additional time is necessary.

(5) The contracting officer must promptly notify the contractor of the action taken by the Wage and Hour Division under paragraphs 1.c.(3) and (4) of this section. The contractor must furnish a written copy of such determination to each affected worker or it must be posted as a part of the wage determination. The wage rate (including fringe benefits where appropriate) determined pursuant to paragraph 1.c.(3) or (4) of this section must be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

d. *Fringe benefits not expressed as an hourly rate.* Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor may either pay the benefit as stated in the wage determination or may pay another bona fide fringe benefit or an hourly cash equivalent thereof.

e. *Unfunded plans.* If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, *Provided,* That the Secretary of Labor has found, upon the written request of the contractor, in accordance with the criteria set forth in § 5.28, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

f. *Interest.* In the event of a failure to pay all or part of the wages required by the contract, the contractor will be required to pay interest on any underpayment of wages.

2. Withholding (29 CFR 5.5)

a. *Withholding requirements.* The contracting agency may, upon its own action, or must, upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor so much of the accrued payments or advances as may be considered necessary to satisfy the liabilities of the prime contractor or any subcontractor for the full amount of wages and monetary relief, including interest, required by the clauses set forth in this section for violations of this contract, or to satisfy any such liabilities required by any other Federal contract, or federally assisted contract subject to Davis-Bacon labor standards, that is held by the same prime contractor (as defined in § 5.2). The necessary funds may be withheld from the contractor under this contract, any other Federal contract with the same prime contractor, or any other federally assisted contract that is subject to Davis-Bacon labor standards requirements and is held by the same prime contractor, regardless of whether the other contract was awarded or assisted by the same agency, and such funds may be used to satisfy the contractor liability for which the funds were withheld. In the event of a contractor's failure to pay any laborer or mechanic, including any apprentice or helper working on the site of the work all or part of the wages required by the contract, or upon the contractor's failure to submit the required records as discussed in paragraph 3.d. of this section, the contracting agency may on its own initiative and after written notice to the contractor, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

b. *Priority to withheld funds.* The Department has priority to funds withheld or to be withheld in accordance with paragraph 2.a. of this section or Section IV, paragraph 3.a., or both, over claims to those funds by:

(1) A contractor's surety(ies), including without limitation performance bond sureties and payment bond sureties;

(2) A contracting agency for its reprocurement costs;

(3) A trustee(s) (either a court-appointed trustee or a U.S. trustee, or both) in bankruptcy of a contractor, or a contractor's bankruptcy estate;

(4) A contractor's assignee(s);

(5) A contractor's successor(s); or

(6) A claim asserted under the Prompt Payment Act, 31 U.S.C. 3901–3907.

3. Records and certified payrolls (29 CFR 5.5)

a. *Basic record requirements* (1) *Length of record retention.* All regular payrolls and other basic records must be maintained by the contractor and any subcontractor during the course of the work and preserved for all laborers and mechanics working at the site of the work (or otherwise working in construction or development of the project under a development statute) for a period of at least 3 years after all the work on the prime contract is completed.

(2) *Information required.* Such records must contain the name; Social Security number; last known address, telephone number, and email address of each such worker; each worker's correct classification(s) of work actually performed; hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in 40 U.S.C. 3141(2)(B) of the Davis-Bacon Act); daily and weekly number

of hours actually worked in total and on each covered contract; deductions made; and actual wages paid.

(3) *Additional records relating to fringe benefits.* Whenever the Secretary of Labor has found under paragraph 1.e. of this section that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in 40 U.S.C. 3141(2)(B) of the Davis-Bacon Act, the contractor must maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits.

(4) *Additional records relating to apprenticeship.* Contractors with apprentices working under approved programs must maintain written evidence of the registration of apprenticeship programs, the registration of the apprentices, and the ratios and wage rates prescribed in the applicable programs.

b. *Certified payroll requirements* (1) *Frequency and method of submission.* The contractor or subcontractor must submit weekly, for each week in which any DBA- or Related Acts-covered work is performed, certified payrolls to the contracting agency. The prime contractor is responsible for the submission of all certified payrolls by all subcontractors. A contracting agency or prime contractor may permit or require contractors to submit certified payrolls through an electronic system, as long as the electronic system requires a legally valid electronic signature; the system allows the contractor, the contracting agency, and the Department of Labor to access the certified payrolls upon request for at least 3 years after the work on the prime contract has been completed; and the contracting agency or prime contractor permits other methods of submission in situations where the contractor is unable or limited in its ability to use or access the electronic system.

(2) *Information required.* The certified payrolls submitted must set out accurately and completely all of the information required to be maintained under paragraph 3.a.(2) of this section, except that full Social Security numbers and last known addresses, telephone numbers, and email addresses must not be included on weekly transmittals. Instead, the certified payrolls need only include an individually identifying number for each worker (*e.g.,* the last four digits of the worker's Social Security number). The required weekly certified payroll information may be submitted using Optional Form WH–347 or in any other format desired. Optional Form WH–347 is available for this purpose from the Wage and Hour Division website at *https://www.dol.gov/sites/dolgov/files/WHD/legacy/files/wh347/.pdf* or its successor website. It is not a violation of this section for a prime contractor to require a subcontractor to provide full Social Security numbers and last known addresses, telephone numbers, and email addresses to the prime contractor for its own records, without weekly submission by the subcontractor to the contracting agency.

(3) *Statement of Compliance.* Each certified payroll submitted must be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor, or the contractor's or subcontractor's agent who pays or supervises the payment of the persons working on the contract, and must certify the following:

(i) That the certified payroll for the payroll period contains the information required to be provided under paragraph 3.b. of this section, the appropriate information and basic records are being maintained under paragraph 3.a. of this section, and such information and records are correct and complete;

(ii) That each laborer or mechanic (including each helper and apprentice) working on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR part 3; and

(iii) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification(s) of work actually performed, as specified in the applicable wage determination incorporated into the contract.

(4) *Use of Optional Form WH–347.* The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH–347 will satisfy the requirement for submission of the "Statement of Compliance" required by paragraph 3.b.(3) of this section.

(5) *Signature.* The signature by the contractor, subcontractor, or the contractor's or subcontractor's agent must be an original handwritten signature or a legally valid electronic signature.

(6) *Falsification.* The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under 18 U.S.C. 1001 and 31 U.S.C. 3729.

(7) *Length of certified payroll retention.* The contractor or subcontractor must preserve all certified payrolls during the course of the work and for a period of 3 years after all the work on the prime contract is completed.

c. *Contracts, subcontracts, and related documents.* The contractor or subcontractor must maintain this contract or subcontract and related documents including, without limitation, bids, proposals, amendments, modifications, and extensions. The contractor or subcontractor must preserve these contracts, subcontracts, and related documents during the course of the work and for a period of 3 years after all the work on the prime contract is completed.

d. *Required disclosures and access* (1) *Required record disclosures and access to workers.* The contractor or subcontractor must make the records required under paragraphs 3.a. through 3.c. of this section, and any other documents that the contracting agency, the State DOT, the FHWA, or the Department of Labor deems necessary to determine compliance with the labor standards provisions of any of the applicable statutes referenced by § 5.1, available for inspection, copying, or transcription by authorized representatives of the contracting agency, the State DOT, the FHWA, or the Department of Labor, and must permit such representatives to interview workers during working hours on the job.

(2) *Sanctions for non-compliance with records and worker access requirements.* If the contractor or subcontractor fails to submit the required records or to make them available, or refuses to permit worker interviews during working hours on the job, the Federal agency may, after written notice to the contractor, sponsor, applicant, owner, or other entity, as the case may be, that maintains such records or that employs such workers, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available, or to permit worker interviews during working hours on the job, may be grounds for debarment action pursuant to § 5.12. In addition, any contractor or other person that fails to submit the required records or make those records available to WHD within the time WHD requests that the records be produced will be precluded from introducing as evidence in an administrative proceeding under 29 CFR part 6 any of the required records that were not provided or made available to WHD. WHD will take into consideration a reasonable request from the contractor or person for an extension of the time for submission of records. WHD will determine the reasonableness of the request and may consider, among other things, the location of the records and the volume of production.

(3) *Required information disclosures.* Contractors and subcontractors must maintain the full Social Security number and last known address, telephone number, and email address of each covered worker, and must provide them upon request to the contracting agency, the State DOT, the FHWA, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or other compliance action.

4. Apprentices and equal employment opportunity (29 CFR 5.5)

a. *Apprentices* (1) *Rate of pay.* Apprentices will be permitted to work at less than the predetermined rate for the work they perform when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship (OA), or with a State Apprenticeship Agency recognized by the OA. A person who is not individually registered in the program, but who has been certified by the OA or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice, will be permitted to work at less than the predetermined rate for the work they perform in the first 90 days of probationary employment as an apprentice in such a program. In the event the OA or a State Apprenticeship Agency recognized by the OA withdraws approval of an apprenticeship program, the contractor will no longer be permitted to use apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(2) *Fringe benefits.* Apprentices must be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringe benefits must be paid in accordance with that determination.

(3) *Apprenticeship ratio.* The allowable ratio of apprentices to journeyworkers on the job site in any craft classification must not be greater than the ratio permitted to the contractor as to the entire work force under the registered program or the ratio applicable to the locality of the project pursuant to paragraph 4.a.(4) of this section. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated in paragraph 4.a.(1) of this section, must be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under this section must be paid not less than the applicable wage rate on the wage determination for the work actually performed.

(4) *Reciprocity of ratios and wage rates.* Where a contractor is performing construction on a project in a locality other than the locality in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyworker's hourly rate) applicable within the locality in which the construction is being performed must be observed. If there is no applicable ratio or wage rate for the locality of the project, the ratio and wage rate specified in the contractor's registered program must be observed.

b. *Equal employment opportunity.* The use of apprentices and journeyworkers under this part must be in conformity with 29 CFR part 30, including any amendments thereto.

c. Apprentices and Trainees (programs of the U.S. DOT).

Apprentices and trainees working under apprenticeship and skill training programs which have been certified by the Secretary of Transportation as promoting EEO in connection with Federal-aid highway construction programs are not subject to the requirements of paragraph 4 of this Section III. 23 CFR 230.111(e)(2). The straight time hourly wage rates for apprentices and trainees under such programs will be established by the particular programs. The ratio of apprentices and trainees to journeyworkers shall not be greater than permitted by the terms of the particular program.

5. Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract as provided in 29 CFR 5.5.

6. Subcontracts. The contractor or subcontractor must insert in any subcontracts the clauses set forth in paragraphs (1) through (11) of this section, along with the applicable wage determination(s) and such other clauses or contract modifications as the contracting agency may by appropriate instructions require, and a clause requiring the subcontractors to include these clauses and wage determination(s) in any lower tier subcontracts. The prime contractor is responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in this section. In the event of any violations of these clauses, the prime contractor and any subcontractor(s) responsible will be liable for any unpaid wages and monetary relief, including interest from the date of the underpayment or loss, due to any workers of lower-tier subcontractors, and may be subject to debarment, as appropriate. 29 CFR 5.5.

7. Contract termination: debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the

contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8. Compliance with Davis-Bacon and Related Act requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract as provided in 29 CFR 5.5.

9. Disputes concerning labor standards. As provided in 29 CFR 5.5, disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.

10. Certification of eligibility. a. By entering into this contract, the contractor certifies that neither it nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of 40 U.S.C. 3144(b) or § 5.12(a).

b. No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of 40 U.S.C. 3144(b) or § 5.12(a).

c. The penalty for making false statements is prescribed in the U.S. Code, Title 18 Crimes and Criminal Procedure, 18 U.S.C. 1001.

11. Anti-retaliation. It is unlawful for any person to discharge, demote, intimidate, threaten, restrain, coerce, blacklist, harass, or in any other manner discriminate against, or to cause any person to discharge, demote, intimidate, threaten, restrain, coerce, blacklist, harass, or in any other manner discriminate against, any worker or job applicant for:

a. Notifying any contractor of any conduct which the worker reasonably believes constitutes a violation of the DBA, Related Acts, this part, or 29 CFR part 1 or 3;

b. Filing any complaint, initiating or causing to be initiated any proceeding, or otherwise asserting or seeking to assert on behalf of themselves or others any right or protection under the DBA, Related Acts, this part, or 29 CFR part 1 or 3;

c. Cooperating in any investigation or other compliance action, or testifying in any proceeding under the DBA, Related Acts, this part, or 29 CFR part 1 or 3; or

d. Informing any other person about their rights under the DBA, Related Acts, this part, or 29 CFR part 1 or 3.

IV. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

Pursuant to 29 CFR 5.5(b), the following clauses apply to any Federal-aid construction contract in an amount in excess of $100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by 29 CFR 5.5(a) or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchpersons and guards.

1. Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek. 29 CFR 5.5.

2. Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph 1. of this section the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages and interest from the date of the underpayment. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchpersons and guards, employed in violation of the clause set forth in paragraph 1. of this section, in the sum currently provided in 29 CFR 5.5(b)(2)* for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph 1. of this section.

* $33 as of January 15, 2025 (See 90 FR 1859) as may be adjusted annually by the Department of Labor, pursuant to the Federal Civil Penalties Inflation Adjustment Act of 1990.

3. Withholding for unpaid wages and liquidated damages

a. *Withholding process.* The FHWA or the contracting agency may, upon its own action, or must, upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor so much of the accrued payments or advances as may be considered necessary to satisfy the liabilities of the prime contractor or any subcontractor for any unpaid wages; monetary relief, including interest; and liquidated damages required by the clauses set forth in this section on this contract, any other Federal contract with the same prime contractor, or any other federally assisted contract subject to the Contract Work Hours and Safety Standards Act that is held by the same prime contractor (as defined in § 5.2). The necessary funds may be withheld from the contractor under this contract, any other Federal contract with the same prime contractor, or any other federally assisted contract that is subject to the Contract Work Hours and Safety Standards Act and is held by the same prime contractor, regardless of whether the other contract was awarded or assisted by the same agency, and such funds may be used to satisfy the contractor liability for which the funds were withheld.

b. *Priority to withheld funds.* The Department has priority to funds withheld or to be withheld in accordance with Section III paragraph 2.a. or paragraph 3.a. of this section, or both, over claims to those funds by:

(1) A contractor's surety(ies), including without limitation performance bond sureties and payment bond sureties;

(2) A contracting agency for its reprocurement costs;

(3) A trustee(s) (either a court-appointed trustee or a U.S. trustee, or both) in bankruptcy of a contractor, or a contractor's bankruptcy estate;

(4) A contractor's assignee(s);

(5) A contractor's successor(s); or

(6) A claim asserted under the Prompt Payment Act, 31 U.S.C. 3901–3907.

4. Subcontracts. The contractor or subcontractor must insert in any subcontracts the clauses set forth in paragraphs 1. through 5. of this section and a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor is responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs 1. through 5. In the event of any violations of these clauses, the prime contractor and any subcontractor(s) responsible will be liable for any unpaid wages and monetary relief, including interest from the date of the underpayment or loss, due to any workers of lower-tier subcontractors, and associated liquidated damages and may be subject to debarment, as appropriate.

5. Anti-retaliation. It is unlawful for any person to discharge, demote, intimidate, threaten, restrain, coerce, blacklist, harass, or in any other manner discriminate against, or to cause any person to discharge, demote, intimidate, threaten, restrain, coerce, blacklist, harass, or in any other manner discriminate against, any worker or job applicant for:

a. Notifying any contractor of any conduct which the worker reasonably believes constitutes a violation of the Contract Work Hours and Safety Standards Act (CWHSSA) or its implementing regulations in this part;

b. Filing any complaint, initiating or causing to be initiated any proceeding, or otherwise asserting or seeking to assert on behalf of themselves or others any right or protection under CWHSSA or this part;

c. Cooperating in any investigation or other compliance action, or testifying in any proceeding under CWHSSA or this part; or

d. Informing any other person about their rights under CWHSSA or this part.

V. SUBLETTING OR ASSIGNING THE CONTRACT

This provision is applicable to all Federal-aid construction contracts on the National Highway System pursuant to 23 CFR 635.116.

1. The contractor shall perform with its own organization contract work amounting to not less than 30 percent (or a greater percentage if specified elsewhere in the contract) of the total original contract price, excluding any specialty items designated by the contracting agency. Specialty items may be performed by subcontract and the amount of any such specialty items performed may be deducted from the total original contract price before computing the amount of work required to be performed by the contractor's own organization (23 CFR 635.116).

a. The term “perform work with its own organization” in paragraph 1. of this section refers to workers employed or leased by the prime contractor, and equipment owned or rented by the prime contractor, with or without operators. Such term does not include employees or equipment of a subcontractor or lower tier subcontractor, agents of the prime contractor, or any other assignees. The term may include payments for the costs of hiring leased employees from an employee leasing firm meeting all relevant Federal and State regulatory requirements. Leased employees may only be included in this term if the prime contractor meets all of the following conditions: (based on longstanding interpretation)

(1) the prime contractor maintains control over the supervision of the day-to-day activities of the leased employees;
(2) the prime contractor remains responsible for the quality of the work of the leased employees;
(3) the prime contractor retains all power to accept or exclude individual employees from work on the project; and
(4) the prime contractor remains ultimately responsible for the payment of predetermined minimum wages, the submission of payrolls, statements of compliance and all other Federal regulatory requirements.

b. "Specialty Items" shall be construed to be limited to work that requires highly specialized knowledge, abilities, or equipment not ordinarily available in the type of contracting organizations qualified and expected to bid or propose on the contract as a whole and in general are to be limited to minor components of the overall contract. 23 CFR 635.102.

2. Pursuant to 23 CFR 635.116(a), the contract amount upon which the requirements set forth in paragraph 1. of this section is computed includes the cost of material and manufactured products which are to be purchased or produced by the contractor under the contract provisions.

3. Pursuant to 23 CFR 635.116(c), the contractor shall furnish (a) a competent superintendent or supervisor who is employed by the firm, has full authority to direct performance of the work in accordance with the contract requirements, and is in charge of all construction operations (regardless of who performs the work) and (b) such other of its own organizational resources (supervision, management, and engineering services) as the contracting officer determines is necessary to assure the performance of the contract.

4. No portion of the contract shall be sublet, assigned or otherwise disposed of except with the written consent of the contracting officer, or authorized representative, and such consent when given shall not be construed to relieve the contractor of any responsibility for the fulfillment of the contract. Written consent will be given only after the contracting agency has assured that each subcontract is evidenced in writing and that it contains all pertinent provisions and requirements of the prime contract. (based on long-standing interpretation of 23 CFR 635.116).

5. The 30-percent self-performance requirement of paragraph (1) is not applicable to design-build contracts; however,

contracting agencies may establish their own self-performance requirements. 23 CFR 635.116(d).

VI. SAFETY: ACCIDENT PREVENTION

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts.

1. In the performance of this contract the contractor shall comply with all applicable Federal, State, and local laws governing safety, health, and sanitation (23 CFR Part 635). The contractor shall provide all safeguards, safety devices and protective equipment and take any other needed actions as it determines, or as the contracting officer may determine, to be reasonably necessary to protect the life and health of employees on the job and the safety of the public and to protect property in connection with the performance of the work covered by the contract. 23 CFR 635.108.

2. It is a condition of this contract, and shall be made a condition of each subcontract, which the contractor enters into pursuant to this contract, that the contractor and any subcontractor shall not permit any employee, in performance of the contract, to work in surroundings or under conditions which are unsanitary, hazardous or dangerous to his/her health or safety, as determined under construction safety and health standards (29 CFR Part 1926) promulgated by the Secretary of Labor, in accordance with Section 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 3704). 29 CFR 1926.10.

3. Pursuant to 29 CFR 1926.3, it is a condition of this contract that the Secretary of Labor or authorized representative thereof, shall have right of entry to any site of contract performance to inspect or investigate the matter of compliance with the construction safety and health standards and to carry out the duties of the Secretary under Section 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 3704).

VII. FALSE STATEMENTS CONCERNING HIGHWAY PROJECTS

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts.

In order to assure high quality and durable construction in conformity with approved plans and specifications and a high degree of reliability on statements and representations made by engineers, contractors, suppliers, and workers on Federal-aid highway projects, it is essential that all persons concerned with the project perform their functions as carefully, thoroughly, and honestly as possible. Willful falsification, distortion, or misrepresentation with respect to any facts related to the project is a violation of Federal law. To prevent any misunderstanding regarding the seriousness of these and similar acts, Form FHWA-1022 shall be posted on each Federal-aid highway project (23 CFR Part 635) in one or more places where it is readily available to all persons concerned with the project:

18 U.S.C. 1020 reads as follows:

"Whoever, being an officer, agent, or employee of the United States, or of any State or Territory, or whoever, whether a person, association, firm, or corporation, knowingly makes any false statement, false representation, or false report as to the character, quality, quantity, or cost of the material used or to be used, or the quantity or quality of the work performed or to be performed, or the cost thereof in connection with the submission of plans, maps, specifications, contracts, or costs of construction on any highway or related project submitted for approval to the Secretary of Transportation; or

Whoever knowingly makes any false statement, false representation, false report or false claim with respect to the character, quality, quantity, or cost of any work performed or to be performed, or materials furnished or to be furnished, in connection with the construction of any highway or related project approved by the Secretary of Transportation; or

Whoever knowingly makes any false statement or false representation as to material fact in any statement, certificate, or report submitted pursuant to provisions of the Federal-aid Roads Act approved July 11, 1916, (39 Stat. 355), as amended and supplemented;

Shall be fined under this title or imprisoned not more than 5 years or both."

VIII. IMPLEMENTATION OF CLEAN AIR ACT AND FEDERAL WATER POLLUTION CONTROL ACT (42 U.S.C. 7606; 2 CFR 200.88; EO 11738)

This provision is applicable to all Federal-aid construction contracts in excess of $150,000 and to all related subcontracts. 48 CFR 2.101; 2 CFR 200.327.

By submission of this bid/proposal or the execution of this contract or subcontract, as appropriate, the bidder, proposer, Federal-aid construction contractor, subcontractor, supplier, or vendor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal Highway Administration and the Regional Office of the Environmental Protection Agency. 2 CFR Part 200, Appendix II.

The contractor agrees to include or cause to be included the requirements of this Section in every subcontract, and further agrees to take such action as the contracting agency may direct as a means of enforcing such requirements. 2 CFR 200.327.

IX. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION

This provision is applicable to all Federal-aid construction contracts, design-build contracts, subcontracts, lower-tier subcontracts, purchase orders, lease agreements, consultant contracts or any other covered transaction requiring FHWA approval or that is estimated to cost $25,000 or more – as defined in 2 CFR Parts 180 and 1200. 2 CFR 180.220 and 1200.220.

1**. Instructions for Certification – First Tier Participants:**

a. By signing and submitting this proposal, the prospective first tier participant is providing the certification set out below.

b. The inability of a person to provide the certification set out below will not necessarily result in denial of participation in this

covered transaction. The prospective first tier participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective first tier participant to furnish a certification or an explanation shall disqualify such a person from participation in this transaction. 2 CFR 180.320.

c. The certification in this clause is a material representation of fact upon which reliance was placed when the contracting agency determined to enter into this transaction. If it is later determined that the prospective participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the contracting agency may terminate this transaction for cause of default. 2 CFR 180.325.

d. The prospective first tier participant shall provide immediate written notice to the contracting agency to whom this proposal is submitted if any time the prospective first tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances. 2 CFR 180.345 and 180.350.

e. The terms "covered transaction," "debarred," "suspended," "ineligible," "participant," "person," "principal," and "voluntarily excluded," as used in this clause, are defined in 2 CFR Parts 180, Subpart I, 180.900-180.1020, and 1200. “First Tier Covered Transactions” refers to any covered transaction between a recipient or subrecipient of Federal funds and a participant (such as the prime or general contract). “Lower Tier Covered Transactions” refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). “First Tier Participant” refers to the participant who has entered into a covered transaction with a recipient or subrecipient of Federal funds (such as the prime or general contractor). “Lower Tier Participant” refers any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).

f. The prospective first tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction. 2 CFR 180.330.

g. The prospective first tier participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transactions," provided by the department or contracting agency, entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the $25,000 threshold. 2 CFR 180.220 and 180.300.

h. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. 2 CFR 180.300; 180.320, and 180.325. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. 2 CFR 180.335. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the System for Award Management website (https://www.sam.gov/). 2 CFR 180.300, 180.320, and 180.325.

i. Nothing contained in the foregoing shall be construed to require the establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of the prospective participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

j. Except for transactions authorized under paragraph (f) of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default. 2 CFR 180.325.

* * * * *

2. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – First Tier Participants:

a. The prospective first tier participant certifies to the best of its knowledge and belief, that it and its principals:

(1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency, 2 CFR 180.335;

(2) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property, 2 CFR 180.800;

(3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (a)(2) of this certification, 2 CFR 180.700 and 180.800; and

(4) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default. 2 CFR 180.335(d).

(5) Are not a corporation that has been convicted of a felony violation under any Federal law within the two-year period preceding this proposal (USDOT Order 4200.6 implementing appropriations act requirements); and

(6) Are not a corporation with any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted, or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability (USDOT Order 4200.6 implementing appropriations act requirements).

b. Where the prospective participant is unable to certify to any of the statements in this certification, such prospective participant should attach an explanation to this proposal. 2 CFR 180.335 and 180.340.

* * * * *

3. **Instructions for Certification - Lower Tier Participants:**

(Applicable to all subcontracts, purchase orders, and other lower tier transactions requiring prior FHWA approval or estimated to cost $25,000 or more - 2 CFR Parts 180 and 1200). 2 CFR 180.220 and 1200.220.

a. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.

b. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department, or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

c. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous by reason of changed circumstances. 2 CFR 180.365.

d. The terms "covered transaction," "debarred," "suspended," "ineligible," "participant," "person," "principal," and "voluntarily excluded," as used in this clause, are defined in 2 CFR Parts 180, Subpart I, 180.900 – 180.1020, and 1200. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations. “First Tier Covered Transactions” refers to any covered transaction between a recipient or subrecipient of Federal funds and a participant (such as the prime or general contract). “Lower Tier Covered Transactions” refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). “First Tier Participant” refers to the participant who has entered into a covered transaction with a recipient or subrecipient of Federal funds (such as the prime or general contractor). “Lower Tier Participant” refers any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).

e. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated. 2 CFR 1200.220 and 1200.332.

f. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the $25,000 threshold. 2 CFR 180.220 and 1200.220.

g. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the System for Award Management website (https://www.sam.gov/), which is compiled by the General Services Administration. 2 CFR 180.300, 180.320, 180.330, and 180.335.

h. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

i. Except for transactions authorized under paragraph e of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment. 2 CFR 180.325.

* * * * *

4. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Participants:

a. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals:

(1) is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency, 2 CFR 180.355;

(2) is a corporation that has been convicted of a felony violation under any Federal law within the two-year period preceding this proposal (USDOT Order 4200.6 implementing appropriations act requirements); and

(3) is a corporation with any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted, or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability. (USDOT Order 4200.6 implementing appropriations act requirements)

b. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant should attach an explanation to this proposal.

* * * * *

X. CERTIFICATION REGARDING USE OF CONTRACT FUNDS FOR LOBBYING

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts which exceed $100,000. 49 CFR Part 20, App. A.

1. The prospective participant certifies, by signing and submitting this bid or proposal, to the best of his or her knowledge and belief, that:

a. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

2. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

3. The prospective participant also agrees by submitting its bid or proposal that the participant shall require that the language of this certification be included in all lower tier subcontracts, which exceed $100,000 and that all such recipients shall certify and disclose accordingly.

XI. USE OF UNITED STATES-FLAG VESSELS:

This provision is applicable to all Federal-aid construction contracts, design-build contracts, subcontracts, lower-tier subcontracts, purchase orders, lease agreements, or any other covered transaction. 46 CFR Part 381.

This requirement applies to material or equipment that is acquired for a specific Federal-aid highway project. 46 CFR 381.7. It is not applicable to goods or materials that come into inventories independent of an FHWA funded-contract.

When oceanic shipments (or shipments across the Great Lakes) are necessary for materials or equipment acquired for a specific Federal-aid construction project, the bidder, proposer, contractor, subcontractor, or vendor agrees:

1. To utilize privately owned United States-flag commercial vessels to ship at least 50 percent of the gross tonnage (computed separately for dry bulk carriers, dry cargo liners, and tankers) involved, whenever shipping any equipment, material, or commodities pursuant to this contract, to the extent such vessels are available at fair and reasonable rates for United States-flag commercial vessels. 46 CFR 381.7.

2. To furnish within 20 days following the date of loading for shipments originating within the United States or within 30 working days following the date of loading for shipments originating outside the United States, a legible copy of a rated, ‘on-board’ commercial ocean bill-of-lading in English for each shipment of cargo described in paragraph (b)(1) of this section to both the Contracting Officer (through the prime contractor in the case of subcontractor bills-of-lading) and to the Office of Cargo and Commercial Sealift (MAR-620), Maritime Administration, Washington, DC 20590. (MARAD requires copies of the ocean carrier's (master) bills of lading, certified onboard, dated, with rates and charges. These bills of lading may contain business sensitive information and therefore may be submitted directly to MARAD by the Ocean Transportation Intermediary on behalf of the contractor). 46 CFR 381.7.

ATTACHMENT A - EMPLOYMENT AND MATERIALS PREFERENCE FOR APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM OR APPALACHIAN LOCAL ACCESS ROAD CONTRACTS (40 U.S.C. sections 14501(d) and 14701 and the Appalachian Regional Commission Code as authorized under 40 U.S.C. section 14302)
This provision is applicable to all Federal-aid projects funded under the Appalachian Regional Development Act of 1965.

1. During the performance of this contract, the contractor undertaking to do work which is, or reasonably may be, done as on-site work, shall give preference to qualified persons who regularly reside in the labor area as designated by the DOL wherein the contract work is situated, or the subregion, or the Appalachian counties of the State wherein the contract work is situated, except:

a. To the extent that qualified persons regularly residing in the area are not available.

b. For the reasonable needs of the contractor to employ supervisory or specially experienced personnel necessary to assure an efficient execution of the contract work.

c. For the obligation of the contractor to offer employment to present or former employees as the result of a lawful collective bargaining contract, provided that the number of nonresident persons employed under this subparagraph (1c) shall not exceed 20 percent of the total number of employees employed by the contractor on the contract work, except as provided in subparagraph (4) below.

2. The contractor shall place a job order with the State Employment Service indicating (a) the classifications of the laborers, mechanics and other employees required to perform the contract work, (b) the number of employees required in each classification, (c) the date on which the participant estimates such employees will be required, and (d) any other pertinent information required by the State Employment Service to complete the job order form. The job order may be placed with the State Employment Service in writing or by telephone. If during the course of the contract work, the information submitted by the contractor in the original job order is substantially modified, the participant shall promptly notify the State Employment Service.

3. The contractor shall give full consideration to all qualified job applicants referred to him by the State Employment Service. The contractor is not required to grant employment to any job applicants who, in his opinion, are not qualified to perform the classification of work required.

4. If, within one week following the placing of a job order by the contractor with the State Employment Service, the State Employment Service is unable to refer any qualified job applicants to the contractor, or less than the number requested, the State Employment Service will forward a certificate to the contractor indicating the unavailability of applicants. Such certificate shall be made a part of the contractor's permanent project records. Upon receipt of this certificate, the contractor may employ persons who do not normally reside in the labor area to fill positions covered by the certificate, notwithstanding the provisions of subparagraph (1c) above.

5. The provisions of 40 U.S.C. 14501 allow the contracting agency to provide a contractual preference for the use of mineral resource materials native to the Appalachian region.

6. The contractor shall include the provisions of Sections 1 through 4 of this Attachment A in every subcontract for work which is, or reasonably may be, done as on-site work.

BID SCHEDULE

FOR

HSIP CYCLE 11 – CITYWIDE SIGNAL MODERNIZATION PROJECT

PROJECT NO. 895
HSIPL 5378 (051)

The undersigned declares that he/she has carefully examined the location of the proposed work, that he/she has examined the specifications and read the accompanying instructions to bidders, and hereby proposes to do all the work in accordance with said specifications for the amounts set forth below:

Construct improvements as reiterated above, located in the City of Palmdale, California, in accordance with the specifications for the unit price set forth in the following items:

BASE BID SCHEDULE

Item No.	Description	Estimated Quantity	Unit	Unit Price $	Extended Amount $
1	Mobilization/Demobilization	1	LS	150,105	150,105
2	Provide Traffic Control	1	LS	100,000	100,000
3	Install 2" Reflective Yellow Tape on 3- Section Traffic Signal Head Backplate. Contractor to clamp/sand and paint backplate before applying tape.	1,550	EA	145	224,750
4	Install 2" Reflective Yellow Tape on 4- Section Traffic Signal Head Backplate. Contractor to clamp/sand and paint backplate before applying tape.	11	EA	200	2,200
5	Install 2" Reflective Yellow Tape on 5- Section Traffic Signal Head Backplate. Contractor to clamp/sand and paint backplate before applying tape.	214	EA	155	33,170
6	Install 2" Reflective Yellow Tape on 5- Section Cluster (Doghouse)Traffic Signal Head Backplate. Contractor to clamp/sand and paint backplate before applying tape.	3	EA	250	750
7	Replace Existing Pedestrian Push Buttons with New Accessible Pedestrian Signals (APS) System and Control unit per Current Standards including all required wiring.	422	EA	2013	849,486
8	Replace Existing Pedestrian Signal Heads with New LED Countdown Signal Heads. Each Unit shall include Standard Pedestrian Signal Indication with an Integrated Digital Countdown Timer.	420	EA	395	165,900
9	Remove Existing Crosswalk Striping and Install Thermoplastic High-Visibility Continental Crosswalks, Limit lines, and supplemental striping.	1	LS	1,539,439	1,539,439
	TOTAL AMOUNT BID IN FIGURES				$ 3,065,800.00

TOTAL AMOUNT IN WORDS BASE BID: Three Million, Sixty Five Thousand,

Eight Hundred

DOLLARS.

Select Electric, Inc.
Company Name

Bidder's Signature

IN CASE OF DISCREPANCY BETWEEN THE WORDS AND FIGURES, THE WORDS SHALL PREVAIL.

If the City determines to award a contract for this Base Bid, the City's determination will be based on the best interest of the City.

The approximate perimeter measurements of traffic signal head backplates, used for calculating the amount of yellow reflective tape needed are as follows:

- 3-section head: 13 ft
- 4-section head: 15 ft
- 5-section head: 17 ft
- 5-section doghouse head: 15 ft

The Contractor shall complete all work in every detail within ninety (90) working days, consisting of five (5) working days for mobilization and eighty-five (85) working days for construction, commencing from the effective date stated in the Notice to Proceed issued by the City.

BID SHEET

TO THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF PALMDALE:

In compliance with the Notice Inviting Bids, the undersigned hereby agrees to execute the Contract to furnish all labor, materials, equipment, and supplies for the Project in accordance with the Contract Documents to the satisfaction and under the direction of the City Engineer, at the following price:

Total Bid Price in Digits:	$3,065,800.00
Total Bid Price in Words:	Three Million, Sixty Five Thousand, Eight Hundred Dollars and Zero Cent

Note: Items and quantities are provided in the City's electronic bid management system, PlanetBids (PB™). Unit and extended prices shall be provided by Bidder in the electronic bid management system and shall equal the total bid price indicated here. In the case of any discrepancy between words and digits, the words shall prevail.

Items may not be adjusted or deleted. Therefore, regardless of total actual volume (percentage) compared to estimated quantities, the unit prices provided above by the Bidder shall be applied to the final quantity when payment is calculated for these items. No adjustment in the unit prices will be allowed. The City reserves the right to not use any of the estimated quantities; and if this right is exercised, the Contractor will not be entitled to any additional compensation. Cost of all export of material shall be included in the above unit costs; no additional compensation will be granted for such expenses.

Attached hereto is bidder's security in the following form:

- ☐ Cash deposit
- ☐ Certified check, payable to Owner
- ☐ Cashier's check, payable to Owner
- ☒ Bid bond executed by an admitted surety insurer, payable to Owner

In the amount of:

Three Hundred Six Thousand, Five Hundred Eight Dollars DOLLARS ($ 306,580.00)

Said amount being not less than ten percent (10%) of the amount of bid.

Signature:		Title:	President	Date:	10/12/26
Signature:		Title:		Date:	

BID BOND

KNOW ALL PERSONS BY THESE PRESENTS that:

WHEREAS the City of Palmdale ("Public Agency"), has issued an Invitation for Bids for the Work described as follows: PN 895 – Citywide Signal Modernization Project

WHEREAS Select Electric, Inc. 1700 E. Via Burton, Anaheim, CA 92806
Name and Address of Bidder

("Principal"), desires to submit a Bid to Public Agency for the Work.

WHEREAS, Bidders are required to furnish a form of Bidder's security with their Bids. NOW,

THEREFORE, we, the undersigned Principal, and

Fidelity and Deposit Company of Maryland 1299 Zurich Way, Schaumburg, IL 60196-1056
Name and Address of Surety

("Surety"), a duly admitted surety insurer under the laws of the State of California, as Surety, are held and firmly bound unto the Public Agency in the penal sum of:

Ten Percent of the Total Amount Bid DOLLARS ($ 10% of Bid)

being not less than ten percent (10%) of the total Bid price, in lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, if the hereby bounded Principal is awarded the Contract for the Work by the Public Agency and, within the time and in the manner required by the bidding specifications, enters into the written form of Contract included with the bidding specifications, furnishes the required Bonds (one to guarantee faithful performance and the other to guarantee payment for labor and materials), and furnishes the required insurance coverage, then this obligation shall become null and void; otherwise, it shall be and remain in full force and effect. In case suit is brought upon this instrument, Surety further agrees to pay all court costs incurred by the Public Agency in the suit and reasonable attorneys' fees in an amount fixed by the court. Surety hereby waives the provisions of Civil Code Section 2845.

CONTINUES ON NEXT PAGE

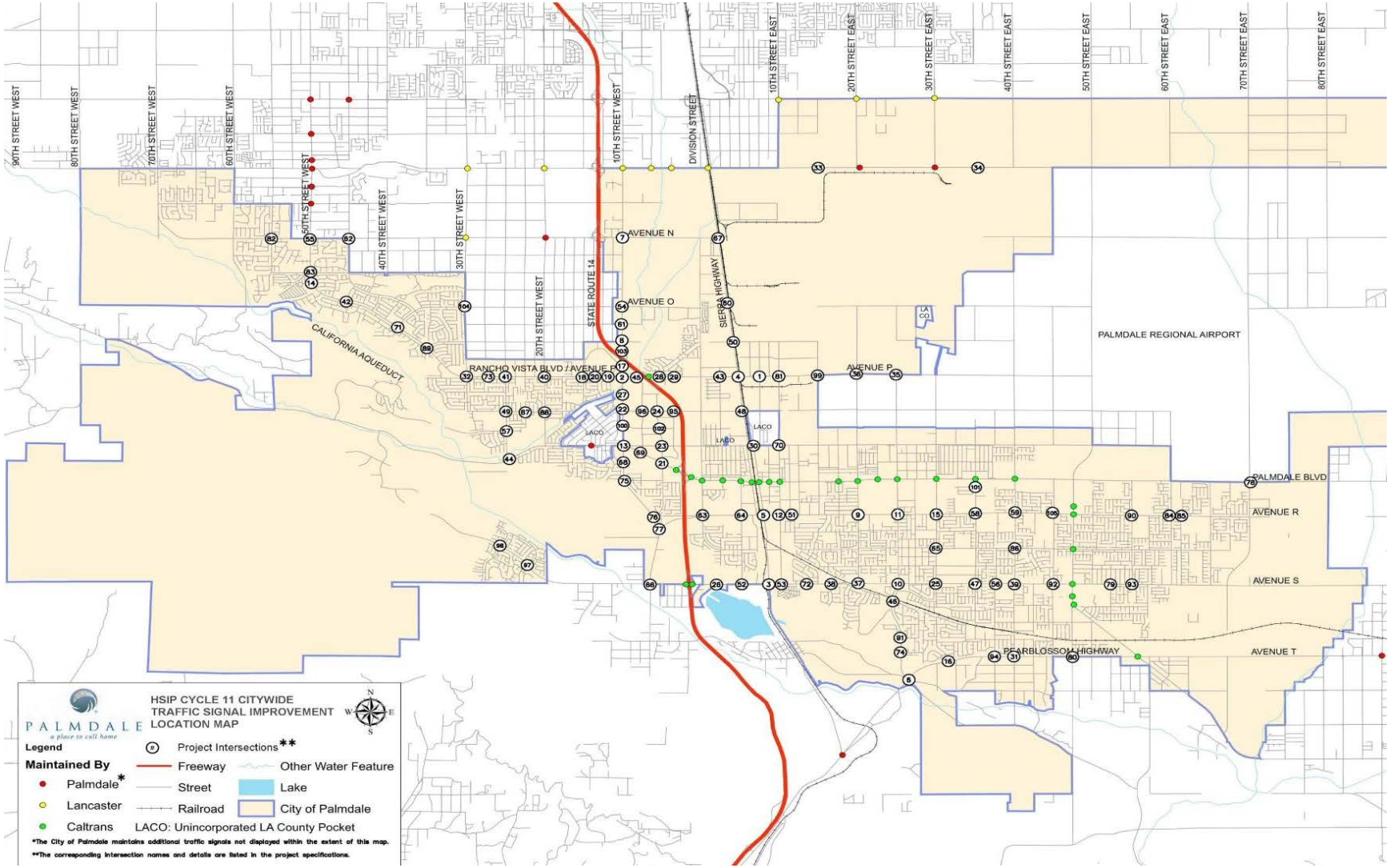
IN WITNESS WHEREOF, this instrument has been duly executed by Principal and Surety, on the date set forth below, the name of each corporate party being hereto affixed, and these presents duly signed by its undersigned representative(s) pursuant to authority of its governing body.

Dated: October 10, 2026

"Principal"	"Surety"
Select Electric, Inc.	Fidelity and Deposit Company of Maryland
By: James Staab	By: Heather Saltarelli
Its: President	Its: Attorney-in-Fact
By:	By:
Its:	Its:

Note: Evidence of the authority of any person signing as attorney-in-fact must be attached. Contractor's Bonding Company to attach appropriate Notary documents and Power of Attorney

HSIP Cycle 11 – Citywide Signal Modernization Project Location



City Council Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **PUBLIC WORKS DEPARTMENT**
CAPITAL IMPROVEMENT PROGRAM DIVISION

DISTRICT: **ALL**

SUBJECT: **APPROVE FIRST AMENDMENT TO AGREEMENT WITH NEW CREATION BUILDERS FOR DESIGN SERVICES PHASE I FOR SOUTH ANTELOPE VALLEY EMERGENCY SERVICES (SAVES) TENANT IMPROVEMENTS AND RELOCATION PROJECT FOR A TOTAL NOT TO EXCEED AMOUNT OF $712,937, AND EXTENDING THE CONTRACT TERM TO DECEMBER 31, 2026**

RECOMMENDATION

Staff recommend that the City Council:

1. Approve First Amendment to Agreement No. A-9143 with New Creation Builders for design services Phase I for SAVES Tenant Improvements and Relocation Project, PN 874, for an additional $79,937, for a total not to exceed amount of $712,937, and extending the term to December 31, 2026; and,

2. Authorize the City Manager or his designee to execute the First Amendment to Agreement No. A-9143 with New Creation Builders, including minimal and/or non-substantial changes.

BACKGROUND

For over 40 years, SAVES has supported the working poor, disadvantaged individuals, emancipated youth, the homeless, and senior citizens in the South Antelope Valley by providing food, short-term shelter, clothing, transportation passes, and programs such as holiday meal preparation, gift baskets, and back-to-school assistance. SAVES serves about 6,000 clients each year, a number that has steadily increased and has tripled in the past decade. To keep up with the growing demand, expansion is essential.

Additionally, SAVES receives more donated food and items, which requires extra storage space, and currently uses off-site storage to meet this need. To better serve the community, SAVES needs more space for various services, including:

- Storing over 900,000 pounds of donations each year;
- Expanding donation services such as clothing, household items, and toys;
- Offering healthy living classes;
- Connecting clients with local resource providers and advisors; and,
- Organizing annual food and toy drives.

DISCUSSION

On December 18, 2024, the City awarded a design-build contract to New Creation Builders to relocate the existing SAVES operations to the new site and to design the necessary improvements.

The First Amendment provides for the required additional electrical design, generator, transfer switch, and appurtenances. This design will allow SAVES to maintain emergency operations and resilience by keeping the walk-in freezer and refrigerators operational and maintaining Electric Vehicle (EV) charging capabilities during a prolonged emergency. This will fulfill their primary mission of responding to emergencies caused by natural disasters, pandemics, and economic downturns.

FISCAL IMPACT

$79,937; Sufficient funds are budgeted for the design portion of the project in Fiscal Year 2026-27

Project Summary	**Cost**
First Amendment to Agrmt No. A-9143	$79,937
Agrmt No. A-9143	$633,000
Total Contract Amount	**$712,937**

STRATEGIC PLAN

Goal III: Invest in infrastructure to improve community livability.

A. Plan and maintain safe and attractive neighborhoods, streets, facilities, and public spaces with exciting programming that promotes active fun for everyone.

Prepared by:	Leonardo Torres, P.E. Director of Public Works
Certified as to availability of Funds:	Janelle Samson, Deputy City Manager
Approved by:	Salvador Mendez, City Manager
Approved as to form:	Taylor Anderson, Deputy City Attorney

ATTACHMENTS

Agrmt No. A-9143 First Amendment with New Creation Builders
Agrmt No. A-9143 with New Creation Builders

1st AMENDMENT TO AGREEMENT A- 9143
BETWEEN THE CITY OF PALMDALE AND NEW CREATION BUILDERS

This First Amendment to Agreement No. A-9143 (“Agreement”) is made and entered into by and between the City of Palmdale (hereinafter called “CITY”) and NEW CREATION BUILDERS (hereinafter called "CONSULTANT"). This Contract shall become effective on the date of the last signatory.

WHEREAS, on December 4, 2024 ("Original Agreement") the CITY and CONSULTANT entered into an agreement to provide:

Design Services for CITY Project No. PN 874 SAVES Tenant Improvements and Relocation Phase I Design Project.

WHEREAS, the parties desire to amend the Original Agreement to:

Add Electrical, Civil, Structural and Architectural drawings to include an emergency generator and EV charging stations; extend the completion date of the contract to December 31, 2026; and Increase the contract amount by $79,937, for a total not to exceed amount of $712,937 CONSULTANT’s updated Price Proposal attached as Exhibit “A".

NOW THEREFORE, the parties agree as follows:

1. Section 1.1 shall be amended and restated as follows:
1.1 The City hereby engages PROJECT DESIGNER, and PROJECT DESIGNER accepts such engagement, to perform the following design professional services in a manner satisfactory to CITY:

To provide the services as described in Exhibit B and B-1, which includes:
a) Architectural;
b) Interior design;
c) Structural;
d) Mechanical-Electrical-Plumbing;
e) Fire-Life-Safety;
f) IT Engineering;
g) Acoustical;
h) Civil Engineering; and,
i) Landscape disciplines.

As required by the Request For Proposal ("RFP"), PROJECT DESIGNER shall provide the following services and features and perform all the elements stated in the RFP Appendix 1, Scope of Work, which include:

a) Use the existing warehouse as the primary SAVES storage facility;
b) Construct prefabricated new structure as primary office and client service center;
c) Connect the two spaces that allow pallet jacks/rolling carts to transport supplies between buildings on a concrete surface;
d) Provide ample parking for visitors and staff; and,
e) Provide truck access to the loading/receiving area.

This Contract covers the Design Phase (Phase I) of Project No. 874 SAVES Tenant Improvements and Relocation project as outlined in the RFP.

The Construction Phase (Phase II) is contingent upon the CITY securing additional funding, issuing a written Authorization to Proceed with Phase II, and will be addressed under separate Contract once funding is secured.

2. Section 4 (Commencement and Completion of Work) shall be amended as follows:

The services for the Project shall commence when CITY, acting by and through its Project Manager, issues a written authorization to proceed. PROJECT DESIGNER shall complete all work described in the Description of Work and submit final deliverables on or before December 31, 2026. PROJECT DESIGNER shall have no claim for compensation for any services or work, which has not been authorized by CITY's authorization to proceed.

3. Section 9 (Compensation) shall be amended to increase the contract amount by $79,937, for a total not to exceed amount of $712,937.

For reference, contract history:
Original Contract Amount = $633,000
Amendment No. 1 Amount = increase by $79,937
New Total Not to Exceed Contract Amount = $712,937

4. The Original Agreement's scope of services is amended as set forth in Exhibit A-1, which is attached and incorporated by reference. The services in Exhibit B-1 are in addition to those in Exhibit B of the Original Agreement.

5. All other terms and conditions of the Original Agreement not amended herein, remain in full force and effect.

All other terms and conditions of the Original Agreement not amended herein, remain in full force and effect.

In Witness Whereof, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE:

Salvador Mendez
City Manager

Lee Torres
Nov 4, 2026, 2:26 PM PST

ADDRESS FOR NOTICE:
CITY OF PALMDALE
38250 Sierra Hwy
Palmdale, CA 93550

APPROVE AS TO FORM:

Nov 4, 2026, 10:32 AM PST

Aleks Giragosian
City Attorney

ATTEST:

Rochelle Scott
City Clerk

NEW CREATION BUILDERS:

Jimmy Chung
Nov 4, 2026, 2:45 PM PST

Jimmy Chung
President

ADDRESS FOR NOTICE:
NEW CREATION BUILDERS
17809 Clark Avenue
Bellflower, CA 90706

---------- INTERNAL USE ONLY ----------

- ■Certificate(s) and Endorsement(s) attached
- ■Confirmed business name on contract with certificate(s)
- ■Original contract and previous amendment(s) (if any) are attached
- ■Attached Agreement Checklist and met all requirements
- ■Attach Quotes, Solicitation Docs, City's Best Interest, Government Code, etc.

Record of Signing

For City of Palmdale
Name Taylor Anderson
Title Deputy City Attorney



Signed on Nov 4, 2026 10:32 AM PST

Secured by Concord™
DocumentID: 034rszQuDbDGmYaJu8mKtV
SigningID: 034rszQPVoSJSjwwSKNslZ
UTC Signing time: 2026-11-04 18:32:38 UTC
IP Address: 20.237.142.185
Email: tanderson@chwlaw.us

For City of Palmdale
Name Leonardo Torres
Title



Signed on Nov 4, 2026 2:26 PM PST

Secured by Concord™
DocumentID: 034rszQuDbDGmYaJu8mKtV
SigningID: 034ryjmG3jJqPkXhmg7ga5
UTC Signing time: 2026-11-04 22:26:51 UTC
IP Address: 45.62.177.244
Email: ltorres@cityofpalmdaleca.gov

For jc@newcreationbuilders.com
Name Jimmy Chung
Title



Signed on Nov 4, 2026 2:45 PM PST

Secured by Concord™
DocumentID: 034rszQuDbDGmYaJu8mKtV
SigningID: 034rzCETu3Le4nGrsqdpVt
UTC Signing time: 2026-11-04 22:45:32 UTC
IP Address: 76.170.129.237
Email: jc@newcreationbuilders.com

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Signed with https://www.concord.app/

AGREEMENT NO. A-9143
CONTRACT FOR DESIGN PROFESSIONAL SERVICES
BETWEEN THE CITY OF PALMDALE AND NEW CREATION BUILDERS, INC.
ARPA FUNDING

THIS CONTRACT FOR DESIGN PROFESSIONAL SERVICES ("Contract" herein) is made and entered into by and between the City of Palmdale a public body corporate and politic, (hereinafter called "CITY") and NEW CREATION BUILDERS, INC. (hereinafter called "PROJECT DESIGNER"). This Contract shall become effective on the date of the last signatory.

RECITALS

WHEREAS**,** City desires to engage PROJECT DESIGNER to perform certain technical and professional services, as provided herein, in connection with that certain project identified as PN 874 SAVES Tenant Improvements and Relocation - Phase I.

WHEREAS, PROJECT DESIGNER represents that PROJECT DESIGNER has the expertise and is qualified to perform the services described in this Contract and is duly registered under the laws of the State of California.

WHEREAS, PROJECT DESIGNER desires to accept such engagement.

NOW, THEREFORE, the parties agree as follows:

1 DESCRIPTION OF WORK

1.1 The City hereby engages PROJECT DESIGNER, and PROJECT DESIGNER accepts such engagement, to perform the following design professional services in a manner satisfactory to CITY:

PROJECT DESIGNER shall include construction documents for:
a) Architectural;
b) Interior design;
c) Structural;
d) Mechanical-Electrical-Plumbing;
e) Fire-Life-Safety;
f) IT Engineering;
g) Acoustical;
h) Civil Engineering; and,
i) Landscape disciplines.

In addition, PROJECT DESIGNER shall include traffic engineering as part of the CEQA-Planning approval process.

As required by the Request For Proposal ("RFP"), PROJECT DESIGNER shall

provide the following services and features and perform all the elements stated in the RFP Appendix 1, Scope of Work:

a) Use the existing warehouse as the primary SAVES storage facility;
b) Construct prefabricated new structure as primary office and client service center;
c) Connect the two spaces that allow pallet jacks/rolling carts to transport supplies between buildings on a concrete surface;
d) Provide ample parking for visitors and staff; and,
e) Provide truck access to the loading/receiving area.

PROJECT DESIGNER's complete proposal is attached as Exhibit "B".

This Contract covers the Design Phase (Phase I) of Project No. 874 SAVES Tenant Improvements and Relocation project as outlined in the RFP.

PROJECT DESIGNER shall complete all work described in the Description of Work for Phase I and submit Phase I final deliverables within Three Hundred and Thirty (330) Calendar days of the written Authorization to Proceed.

The Construction Phase (Phase II) is contingent upon the CITY securing additional funding, issuing a written Authorization to Proceed with Phase II, and will be addressed under separate Contract once funding is secured.

PROJECT DESIGNER shall be substantially completed with Phase II Construction by October 31, 2026.

1.2 Project deliverables shall be reviewed and approved by CITY to determine acceptable completion. CITY shall have the right to review and inspect the work during the course of its performance at such times as may be specified by CITY.

1.3 PROJECT DESIGNER shall not accept any change of scope, or change in contract provisions, unless issued in writing, as a contract change order or amendment and signed by CITY. Any extensions of time must be mutually agreed upon in writing and executed by both parties.

1.4 CITY shall provide to PROJECT DESIGNER, without charge, all data, program information, including reports, records, maps, and other information, now in CITY’s possession, which may facilitate the timely performance of the work.

1.5 CONTRACTOR, understands, acknowledges, and agrees that the funding source for its work is from the American Rescue Plan, Coronavirus State and Local Fiscal Recovery Funds (collectively “ARPA”) and as such, CONTRACTOR is required to comply with the regulations associated with ARPA funds pursuant to 31 CFR Part

35. Those regulations and reporting requirements are set forth in Exhibit "A" attached hereto and incorporated herein by reference. By executing this Contract, CONTRACTOR agrees to comply with all such regulations and reporting requirements and shall familiarize itself with those requirements.

2 CITY PROJECT MANAGER

To provide the design professional services required by this Contract, PROJECT DESIGNER shall act under the authority and approval of a Project Manager appointed by the Director of Public Works/designee. The City Project Manager will oversee the work under this Contract, assist PROJECT DESIGNER with any necessary information, audit billings, and approve payments. PROJECT DESIGNER shall channel reports, deliverables and special requests through the City Project Manager.

3 PROJECT DESIGNER'S KEY PERSONNEL

PROJECT DESIGNER's Team and Key Personnel are as follows:

Arthur Magtibay, VP, Project Executive
Zuriel Crisosstomo, Construction Project Manager
Rod Cayabyab, QA / QC Manager
Edward Lok Ng, BOA Architecture, Architect, LEED AP, Project Manager

This Design Professional Services Contract has been awarded to PROJECT DESIGNER based on its representation that those personnel and subcontractors listed above will perform the portions of the work listed above. PROJECT DESIGNER shall not deviate nor substitute any of these team members without prior written approval by CITY.

4 COMMENCEMENT AND COMPLETION OF WORK

The services for the Project shall commence when CITY, acting by and through its Project Manager, issues a written authorization to proceed. PROJECT DESIGNER shall complete all work described in the Description of Work and submit final deliverables within Three Hundred and Thirty (330) calendar days of said authorization. PROJECT DESIGNER shall have no claim for compensation for any services or work, which has not been authorized by CITY's authorization to proceed.

5 TAXES

5.1 PROJECT DESIGNER shall pay all sales, consumer, use, and other similar taxes required to be paid by PROJECT DESIGNER in accordance with state and local laws.

5.2 PROJECT DESIGNER is an independent contractor and shall have no power or authority to incur any debt, obligation, or liability on behalf of CITY. No person

employed by PROJECT DESIGNER or acting on its behalf, in connection with this Contract shall be considered the Agent or employee of CITY.

5.3 PROJECT DESIGNER shall be required to obtain a current City of Palmdale business license, as required by the Palmdale Municipal Code, before an Authorization to Proceed is issued.

6 PATENT FEES AND ROYALTIES

PROJECT DESIGNER shall pay all license fees and royalties and assume all costs incident to the use, in the performance of the work or the incorporation in the work of any invention, design, process, product or device which is the subject of patent rights or copyrights held by others. If a particular invention, design, process, product or device is specified by CITY for use in the performance of the work and if, to the actual knowledge of CITY, its use is subject to patent rights or copyrights calling for the payment of any license fee or royalty to others, the existence of such rights shall be disclosed by CITY in the contract documents. PROJECT DESIGNER shall indemnify and hold harmless CITY and anyone directly or indirectly employed by CITY from and against all claims, damages, losses and expenses (including attorneys' fees) arising out of any infringement of patent rights or copyrights incident to the use in the performance of the work, or resulting from the incorporation in the work of any invention, design, process, product or device not specified by CITY, and shall defend all such claims in connection with any alleged infringement of such rights.

7 STANDARDS OF PERFORMANCE

7.1 PROJECT DESIGNER shall be responsible for the completeness and accuracy of its services and work and documents resulting there from, and CITY shall not be responsible for discovering deficiencies therein. PROJECT DESIGNER shall correct any such deficiencies or errors without additional compensation and without cost to CITY, except to the extent any such deficiency is directly attributable to deficiencies in CITY-furnished information.

7.2 PROJECT DESIGNER shall be familiar with CITY’s Standard Details and Specifications and other relevant CITY regulations. PROJECT DESIGNER shall ensure there are no conflicts among the Contract Documents including, but not limited to, the CITY’s Standard Specifications and Special Provisions for Construction Contracts, the plans and specifications prepared by PROJECT DESIGNER, any standard details or specifications incorporated therein by reference, and the Construction Contract.

8 PROJECT DESIGNER’S PERSONNEL

8.1 All services required under this Contract shall be performed by PROJECT DESIGNER, or under PROJECT DESIGNER’s direct supervision, and all personnel shall possess the qualifications, permits and licenses required by State and local law to perform such services.

8.2 PROJECT DESIGNER shall be solely responsible for the satisfactory work performance of all personnel engaged in performing services required by this Contract, and compliance with all reasonable performance standards established by CITY.

8.3 PROJECT DESIGNER shall be responsible for payment of all PROJECT DESIGNER's employees' and subcontractor's wages and benefits and shall comply with all requirements pertaining to the employer's liability, workers' compensation, unemployment insurance, and Social Security.

8.4 PROJECT DESIGNER shall indemnify and hold harmless CITY, and its respective officers, agents and employees from and against all claims, demands, damages or costs arising from PROJECT DESIGNER's acts or omissions with respect to any liability, damages, claims, costs and expenses of any nature arising from alleged violations of personnel practices.

8.5 PROJECT DESIGNER shall pay, if required by applicable law, not less than the general prevailing hourly wage rates, as determined by the Director of the Department of Industrial Relations pursuant to the California Labor Code, for each craft, classification, or type of worker needed to perform the Contract. Copies of the prevailing rate of per diem wages are on file in the office of the Director of Public Works.

9 COMPENSATION

9.1 For all of work and services including the various phases of tasks as described in Section 1, Scope of Services, CITY shall pay to PROJECT DESIGNER an amount not to exceed the sum of Six Hundred and Thirty-Three Thousand dollars ($633000.00), as follows:

Phase I - Design:

PROJECT DESIGNER shall submit to CITY an itemized invoice monthly for services provided the prior month.

PROJECT DESIGNER's Price Proposal spreadsheet with detailed line item costs for Phase I attached as Exhibit "C".

PROJECT DESIGNER shall perform no work in excess of the total contract price without prior approval of CITY. Total contract price includes expenses related to travel to and from CITY to meet with City and to appear before City Council or any other board or commission of CITY.

9.2 An application and certification for payment form must be submitted to CITY which shall include the following: a clear, detailed invoice reflecting hours being billed for, a summary sheet showing percentage of work completed to date, amount/percent

billed to date and current status of all tasks within the project; any/all backup documentation supporting the above items. Work schedule updates must also be included in the monthly progress payment requests.

9.3 PROJECT DESIGNER shall maintain adequate records and shall permit inspection and audit by CITY of PROJECT DESIGNER's charges under this Contract. PROJECT DESIGNER shall make such records available to CITY during normal business hours upon reasonable notice. Nothing herein shall convert such records into public records, and they will be available only to CITY and any specified public agencies. Such records shall be maintained by PROJECT DESIGNER for one (1) year following completion of the work under this Contract unless a longer period of time is required by state or federal law, in which event PROJECT DESIGNER shall retain its records for the time required by such laws.

9.4 No payment made hereunder by CITY to PROJECT DESIGNER, shall be construed as an acceptance by CITY of any work or materials, nor as evidence of satisfactory performance by PROJECT DESIGNER of its obligations under this Contract.

10 INDEMNIFICATION

To the fullest extent of the law, and consistent with Civil Code section 2782.8, PROJECT DESIGNER agrees to defend, indemnify, hold free and harmless the CITY, its elected and appointed officials, officers, agents and employees, at PROJECT DESIGNER's sole expense, from and against any and all claims, demands, actions, suits or other legal proceedings brought against CITY, its elected and appointed officials, officers, agents, and employees to the extent arising out of, pertaining to, or relating to the negligence, recklessness, or willful misconduct of the PROJECT DESIGNER, its employees, and/or authorized subcontractors, in performing design professional services pursuant to this Agreement. The defense obligation provided for hereunder shall apply without any advance showing of negligence, recklessness or willful misconduct of the PROJECT DESIGNER, its employees, and/or authorized subcontractors, but shall be required whenever any claim, action, complaint, or suit asserts as its basis the negligence, recklessness, or willful misconduct of PROJECT DESIGNER, its employees, and/or authorized subcontractors, and/or whenever any claim, action, complaint or suit asserts liability against the CITY, its elected and appointed officials, officers, agents, and employees based upon such negligence, recklessness, or willful misconduct, whether or not the PROJECT DESIGNER, its employees, and/or authorized subcontractors are specifically named or otherwise asserted to be liable. Notwithstanding the foregoing, the PROJECT DESIGNER shall not be liable for the defense or indemnification of the CITY for claims, actions, complaints or suits arising out of the sole or active negligence or willful misconduct of the CITY. Further, in no event shall the cost to defend charged to the design professional exceed the design professional's proportionate percentage of fault, unless otherwise specified in Civil Code section

2782.8. This provision shall supersede and replace all other indemnity provisions contained either in the CITY's specifications or PROJECT DESIGNER's Proposal, which shall be of no force and effect.

11 INSURANCE

11.1 PROJECT DESIGNER, at its expense, shall maintain in effect at all times during the performance of work under this Contract not less than the following coverage and limits of insurance, which shall be maintained with insurers listed "A" or better in the Best's Insurance Guide and authorized to do business in the State of California. **Proof of Insurance, as identified in Section 11.8, must be reviewed, and accepted by the City Attorney**.

11.1.1 Workers' Compensation and Employer's Liability

- Workers' Compensation -- coverage as required by the State of California
- Employer's Liability --
  $1,000,000 each accident
  $1,000,000.00 policy limit bodily injury
  $1,000,000.00 each employee bodily injury by disease

11.1.2 Professional Liability (Errors & Omissions) Insurance*

- $5,000,000 limit on a per occurrence basis
- $10,000,000 general aggregate limit

11.1.3 Commercial General Liability

- $2,000,000.00 limit on per occurrence basis
- $4,000,000.00 general aggregate limit

11.1.4 Commercial Automobile Liability

- $1,000,000.00 combined single limit including owned, non-owned and hired automobile coverage

11.2 All of PROJECT DESIGNER's policies shall contain an endorsement providing that written notice shall be given to CITY at least thirty (30) calendar days prior to termination, cancellation or reduction of coverage in the policy.

11.3 Policies providing for bodily injury and property damage coverage shall contain the following:

A. An endorsement extending coverage to the City as an additional insured, in the same manner as the named insured, as respects liability arising out of the performance of any work under the Contract. Such insurance shall be primary insurance, as respects the interest of the City, and any other insurance maintained by the City shall be considered excess coverage and not contributing insurance with the insurance required hereunder. The Certificate and endorsements shall state that: "The City of Palmdale, City of Palmdale in

its capacity as the Successor Agency to the CRA, Palmdale Civic Authority, Housing Authority, Industrial Development Authority, Airport Authority, their officers, agents, employees and volunteers are named as additional insured".

B. "Severability of Interest" clause.

11.4 Promptly on execution of this Contract, and prior to commencement of any work, PROJECT DESIGNER shall deliver to CITY certificates of insurance and endorsements to all required policies demonstrating that PROJECT DESIGNER has the required coverage and showing the required named insureds. Within five (5) days of written request from CITY, PROJECT DESIGNER shall deliver to CITY full and complete copies of all insurance policies required by this Contract.

11.5 The requirements as to the types and limits of insurance to be maintained by PROJECT DESIGNER are not intended to and shall not in any manner limit or qualify PROJECT DESIGNER's liabilities and obligations under this Contract.

11.6 Any policy or policies of insurance that PROJECT DESIGNER elects to carry as insurance against loss or damage to its equipment and tools or other personal property used in the performance of this Contract shall include a provision waiving the insurer's right of subrogation against CITY.

11.7 All insurance coverages must be maintained throughout the duration of this Contract.

11.8 Acceptable Proof of Insurance:

11.8.1 ACORD Certificate of Insurance listing all coverages, limits, deductibles and insureds; and endorsements for all applicable coverages if agent has authority to issue it; Additional insured Form CG20101185 or CG20100707 and CG20370704 or equivalent must be provided for general liability coverage. Additional insured form CA0001 must be provided for automobile liability coverage.

11.8.2 Agents must confirm that policy endorsements have been ordered from the respective insurance companies. Upon issuance, policy endorsements listing all insurers must be submitted to the City Attorney.

11.8.3 *When professional (E&O) liability coverage is provided on a "claims made basis", PROJECT DESIGNER will continue to renew the insurance for a period of five (5) years after this Agreement expires or is terminated. Such insurance will have the same coverage and limits as the policy that was in effect during the term of this Agreement, and will cover PROJECT DESIGNER, or its officers, employees, or agents during the time this Agreement was in effect.

11.9 Notwithstanding any other provision of this Contract, CITY may immediately terminate this Contract if, at any time PROJECT DESIGNER fails to maintain the required insurance for any period of time or fails to comply with any of the insurance requirements listed above.

11.10 PROJECT DESIGNER shall require any and all subcontractor's working on its behalf to provide insurance coverages and limits that are based on the scope of work and nature of risk being performed by the subcontractor. Any and all subcontractors working on behalf of PROJECT DESIGNER shall be subject to all other insurance requirements that are stated herein.

Any deviation in this requirement will be PROJECT DESIGNER's sole risk. PROJECT DESIGNER's insurance requirements in Section 11 will not be impacted and/or limited by such deviation.

12 TERMINATION WITHOUT CAUSE

City reserves the right to terminate this Contract or any part thereof for its sole convenience with fifteen (15) days written notice. In the event of such termination, PROJECT DESIGNER shall immediately stop all work hereunder, and shall immediately cause any of its suppliers and sub-consultants to cease such work. PROJECT DESIGNER shall also surrender to CITY all finished or unfinished documents or programs and other materials, which shall be City's property. As compensation in full for services performed to the date of such termination, the PROJECT DESIGNER shall receive an amount equal to the value of the work completed as of the termination date in accordance with the fee schedule or as negotiated between the parties. In no event shall the amount payable upon termination exceed the total maximum compensation provided for in this Contract.

13 TERMINATION FOR CAUSE

13.1 If the City determines that the PROJECT DESIGNER has failed to supply an adequate working force, or to provide services of proper quality, or has failed in any other respect to satisfactorily perform the services specified in this Contract, the City shall give written notice to the PROJECT DESIGNER specifying all defaults to be remedied within thirty (30) days. Such notice shall set forth the basis for the City's dissatisfaction and suggest corrective measures. If, after thirty days, the PROJECT DESIGNER has failed to implement the corrective measures, the City may elect to terminate this Contract, in whole or in part.

13.2 In the event the City terminates this Contract in whole or in part as provided herein above, the City may procure, upon such terms and in such manner, as it may deem appropriate, services similar to those terminated.

13.3 If this Contract is terminated as provided above, the City may require the PROJECT DESIGNER to provide all finished or unfinished documents, data, studies, software, drawings, maps, photographs, reports, etc., prepared by the PROJECT DESIGNER. Upon such termination, the PROJECT DESIGNER shall be paid an amount equal to the value of the services provided and work performed as of the date of termination. Such payment by the City may take into consideration the costs associated with hiring another PROJECT DESIGNER to complete the services. In the

event no new PROJECT DESIGNER is employed, the PROJECT DESIGNER shall be paid an amount equal to the value of the work performed. In ascertaining the value of the work performed up to the date of termination, consideration shall be given to both completed work and work in progress, to complete and incomplete drawings, and to other documents when such are delivered to CITY, and to authorized reimbursement expenses.

The above is in addition to any other remedies available by law or equity to the City.

13.4 If, after notice of termination of the Contract under the provisions of this Section 13, it is determined, for any reason, that the PROJECT DESIGNER was not in default, or that the default was excusable, then the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Section 12.

14 DISPUTE RESOLUTION

All claims, disputes, and other matters in question between CITY and PROJECT DESIGNER arising out of, or relating to this Contract, or the breach thereof shall, to the extent reasonably feasible, be resolved through good faith negotiations between the parties.

15 OWNERSHIP OF DOCUMENTS

All documents, including, but not limited to, tracings, drawings, plans, specifications, original mylars, estimates, field notes, investigations, design analysis and studies which are prepared in the performance of this Contract are to be, and remain the property of, CITY. PROJECT DESIGNER shall furnish CITY, upon its request, originals or reproducible or electronic copies of technical specifications and of all other documents listed above. PROJECT DESIGNER shall endorse, by his professional seal, all plans and data furnished by him.

16 RE-USE OF DOCUMENTS

The parties agree the documents, drawings, specifications, and designs, although the property of CITY, are prepared for a specific project and are not intended nor represented by PROJECT DESIGNER to be suitable for re-use for any other project. Any reuse without written verification or adaptation by PROJECT DESIGNER for the specific purpose intended will be at CITY's sole risk and without liability or legal exposure to PROJECT DESIGNER.

17 SUBCONTRACTING, DELEGATION AND ASSIGNMENT

17.1 PROJECT DESIGNER shall not delegate, subcontract or assign its duties or rights hereunder, either in whole or in part, without the prior written consent of CITY; provided, however, that claims for money due or to become due to PROJECT DESIGNER from CITY under this Contract may be assigned to a bank, trust company or other financial institution without such approval. Any proposed delegation,

assignment or subcontract shall provide a description of the services covered, identification of the proposed assignee, delegee or subcontractor, and an explanation of why and how the same was selected, including the degree of competition involved. Any proposed agreement with an assignee, delegee or subcontractor shall include the following:

A. The amount involved, together with PROJECT DESIGNER's analysis of such cost or price; and

B. A provision requiring that any subsequent modification or amendment shall be subject to the prior written consent of CITY.

C. The requirement to hire only those persons authorized by federal law to work in the United States.

17.2 Any assignment, delegation or subcontract shall be made in the name of PROJECT DESIGNER and shall not bind or purport to bind CITY and shall not release PROJECT DESIGNER from any obligations under this Contract including, but not limited to, the duty to properly supervise and coordinate the work of employees, assignees, delegees and subcontractors. No such assignment, delegation or subcontract shall result in any increase in the amount of total compensation payable to PROJECT DESIGNER under this Contract.

18 NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY

18.1 In performance of this Contract, PROJECT DESIGNER shall not discriminate against any employee, subcontractor, or applicant for employment because of sex, color, race, religion, ancestry, national origin, disability, medical condition, marital status, sexual orientation, or age. PROJECT DESIGNER will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, ancestry, sex, national origin, handicap, or age. Affirmative action relating to employment shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

18.2 The provisions of subsection 18.1 above shall be included in all solicitations or advertisements placed by or on behalf of PROJECT DESIGNER for personnel to perform any services under this Contract. CITY shall have access to all documents, data and records of PROJECT DESIGNER and its subcontractors for purposes of determining compliance with the equal employment opportunity and non-discrimination provisions of this Section, and all applicable provisions of Executive Order No. 11246 which is incorporated herein by this reference. A copy of Executive Order No. 11246 is available for inspection at, and on file with, the Palmdale City Clerk's Office.

19 FINANCIAL INTEREST CERTIFICATION

19.1 PROJECT DESIGNER warrants that no person has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee; and that no officer or employee of the CITY has any interest, financially or otherwise, in PROJECT DESIGNER's firm.

19.2 For breach or violation of this warranty, CITY shall have the right to annul this Contract without liability, or at its discretion to deduct from the Contract Price or consideration, the full amount of such commission, percentage, brokerage or contingent fee.

20 CONFLICT OF INTEREST

20.1 PROJECT DESIGNER stipulates that its officers and employees do not now have a conflict of interest and it further agrees for itself, its officers and its employees that it will not contract for or accept employment for the performance of any work or services with any individual business, corporation or government unit that would create a conflict of interest in the performance of its obligations pursuant to this Contract or which would cause PROJECT DESIGNER to be "financial interested" (as provided in California Government Code Section 1090 et seq. or 87100 et seq.) in any contract or decision made by CITY on any matter.

20.2 PROJECT DESIGNER shall not employ any City official or employee to perform any work required pursuant to this Contract.

20.3 If PROJECT DESIGNER is a registered professional engineer or licensed land surveyor and the scope of work requires PROJECT DESIGNER's recommendation of the actual formula to spread the costs of an assessment district's improvements, then PROJECT DESIGNER shall not participate in making that recommendation if the additional elements set forth in Government Code section 87100.1(c) apply. Those additional elements are: (1) PROJECT DESIGNER has received income of $250 or more for professional services in connection with any parcel included in the benefit assessment district within 12 months prior to the creation of the district; and (2) the district includes other parcels in addition to those parcels for which PROJECT DESIGNER received the income. In the event a conflict of interest does arise in that context, City shall select a different PROJECT DESIGNER to recommend the actual formula to spread the costs of the assessment district's improvements and the costs of such services shall be deducted from the compensation to be paid to PROJECT DESIGNER.

20.4 To the extent required by the City Manager/designee, PROJECT DESIGNER shall complete and file with the City Clerk a Form 700 Statement of Economic Interests disclosing any reportable property interests, income, gifts, investments, or business positions.

21 COMPLIANCE WITH LAW

21.1 PROJECT DESIGNER shall comply with all state and federal laws, including but not limited to, the requirement to hire only those persons authorized by federal law to work in the United States. If PROJECT DESIGNER uses any subcontractors to complete this Contract, this same requirement shall be included in all subcontracts and strictly enforced by PROJECT DESIGNER.

21.2 The law of the state of California shall govern this Contract. The venue of any legal action, either formal or informal, shall be the County of Los Angeles.

22 NOTICES

Any notice required under this Contract shall be in writing, addressed to the appropriate party at its address on the signature page and given personally or by registered or certified mail postage prepaid, or by a commercial courier service. All notices shall be effective upon the date of receipt.

23 ENTIRE CONTRACT AND AMENDMENTS

23.1 This Contract is the complete agreement between the parties and supersedes all prior proposals, agreements, and understandings between the parties and may not be modified or terminated orally.

23.2 No attempted waiver of any of the provisions hereof, nor any modification in the nature, extent or duration of the work to be performed by PROJECT DESIGNER hereunder, shall be binding unless in writing and signed by the party against whom the same is sought to be enforced.

23.3 The failure of any party to enforce against another party any provision of this Contract shall not constitute a waiver of that party’s right to enforce such a provision at a later time, and shall not serve to vary the terms of this Contract.

24 ATTORNEY'S FEES

If any action at law or in equity is brought to enforce or interpret any provisions of this Contract, the prevailing party in such action shall be entitled to reasonable attorney's fees, costs and necessary disbursements, in addition to such other relief as may be sought and awarded.

In Witness Whereof, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE:

Ronda Perez
Signed: 12/20/2024

Ronda Perez
City Manager

Lee Torres
Signed: 12/19/2024

ADDRESS FOR NOTICE:
CITY OF PALMDALE
38250 Sierra Highway
Palmdale, CA 93550

NEW CREATION BUILDERS, INC.:

Jimmy Chung
Signed: 12/20/2024

Jimmy Chung
President

ADDRESS FOR NOTICE:
NEW CREATION BUILDERS, INC.
17809 Clark Avenue
Bellflower, CA 90706

APPROVE AS TO FORM:

William Patrick Curley III
Signed: 12/20/2024

William P. Curley, III
City Attorney

ATTEST:

Rochelle Scott
Signed: 12/20/2024

Rochelle Scott
City Clerk

EXHIBIT "A"
ARPA REQUIREMENTS

RECITAL:
On March 11, 2021, the American Rescue Plan Act ("ARP Act") was signed into law. The ARP Act was intended to provide increased aid to individuals, families, businesses, and governments affected by the COVID-19 pandemic. The ARP Act established and funded the Coronavirus State and Local Fiscal Recovery Funds (the "CSLFRF"), which included two hundred forty (240) billion dollars for state, territorial, local, and Tribal governments that are being used to fight the pandemic and accelerate local economic recovery.

MANDATORY CONTRACT PROVISIONS FOR ARP ACT EXPENDITURES:
Procurement processes for expenditures using American Rescue Plan Act (ARPA) funds generally follow state and local rules. In most cases, city procurement policies will satisfy the federal requirements. One notable difference is that federal procurement regulations mandate specific contract provisions in certain circumstances. There are no requirements for contracts or expenditures of less than $10,000. However, using ARPA funds for contracts in excess of $10,000 triggers the mandatory contract provisions in 2 CFR Part 200, Appendix II.

Most contract provisions are required only on those exceeding $100,000 or those for construction projects of any amount. However, mandatory contract provisions will apply if a city obligates ARPA funds to a contract that exceeds $100,000.

For ease of administration, below is an explanation of the mandatory contract provisions and model language necessary for compliance with federal law disclosures.

2 C.F.R. PART 200: APPENDIX II, CONTRACT PROVISIONS

- For contracts over $10,000, cities must include a provision that addresses termination for cause and convenience by the local government, including the process for termination and the basis for settlement.
- For contracts over $100,000, cities must include a provision that addresses administrative, contractual, or legal remedies if a contractor violates or breaches the contract, including sanctions and penalties for the breach.
- In accepting the ARPA award, local governments agreed to include an EEO statement in any federally assisted construction contract defined in 41 CFR Part 60-1.3. A federally assisted construction contract is defined as follows:
    - Any agreement or modification thereof between any applicant and a person for construction work which is paid for in whole or in part with funds obtained from the government or borrowed on the credit of the government pursuant to any federal program involving a grant, contract, loan, insurance, or guarantee, or undertaken pursuant to any federal program involving such grant, contract, loan, insurance, or guarantee, or any application or modification thereof approved by the government

for a grant, contract, loan, insurance, or guarantee under which the applicant itself participates in the construction work.

EQUAL EMPLOYMENT OPPORTUNITY:

During the performance of this contract, the contractor agrees as follows:

(1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following:

1. *Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.*
2. *The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.*
3. *The contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.*
4. *The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.*
5. *The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.*
6. *The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his*

books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

7. *In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part, and the contractor may be declared ineligible for further government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.*

8. *The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:*

***Provided**, however, that in the event a contractor becomes involved in or is threatened with litigation with a subcontractor or vendor as a result of such direction by the administering agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.*

Contracts that are in excess of $100,000 and involve the employment of mechanics or laborers must include provisions requiring compliance with the Contract Work Hours and Safety Standards Act as follows:

(1) Overtime requirements: No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such a workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such a workweek.

(2) Violation: liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (1) of this section, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory) for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1) of this section, in the sum of $10 for each calendar day on which such individual was required or permitted

to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The City of Palmdale shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2) of this section.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower-tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower-tier subcontractor with the clauses set forth in paragraphs (1) through (4) of this section.

Contracts and subgrants in excess of $150,000 must contain a provision that requires the non-federal award to agree to comply with all applicable standards, orders, or regulations of the Clean Air Act and Federal Water Pollution Control Act.

CLEAN AIR ACT

(1) The contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.

(2) The contractor agrees to report each violation to the City of Palmdale and understands and agrees that the City of Palmdale will, in turn, report each violation as required to assure notification to the Treasury Department and the appropriate Environmental Protection Agency Regional Office.

(3) The contractor agrees to include these requirements in each subcontract exceeding $100,000 financed in whole or in part with American Rescue Plan Act funding.

FEDERAL WATER POLLUTION CONTROL ACT

(1) The contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.

(2) The contractor agrees to report each violation to the City of Palmdale and understands and agrees that the City of Palmdale will, in turn, report each violation as required to assure notification to the Treasury Department and the appropriate Environmental Protection Agency Regional Office.

(3) The contractor agrees to include these requirements in each subcontract exceeding $100,000 financed in whole or in part with American Rescue Plan Act funds.

Federal Water Pollution Control Act

(1) The contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.

(2) The contractor agrees to report each violation to the City of Palmdale and understands and agrees that the City of Palmdale will, in turn, report each violation as required to assure notification to the Treasury Department and the appropriate Environmental Protection Agency regional office.

(3) The contractor agrees to include these requirements in each subcontract exceeding $100,000 financed in whole or in part with American Rescue Plan Act funds.

In order to contract with the City, all parties must:

(a) Be registered in SAM.gov (https://sam.gov/content/home); and
(b) Maintain an active SAM registration with current information, including information on a recipient's immediate and highest-level owner and subsidiaries; and
(c) Provide its unique entity identifier to the City before a contract is executed; and
(d) Not have an active exclusion record on SAM.gov which would indicate the entity has been debarred.

As of April of 2022, all entities doing business with the federal government must use a Unique Entity ID created in SAM.gov The federal government has stopped using the DUNS number to uniquely identify entities.

Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352: Contractors that apply for a bid or award exceeding $100,000 must file the required certification that it will not and has not used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency. Cities should include the Byrd Anti-Lobbying contract clause is as follows:

Contractors who apply or bid for an award of $100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier, up to the recipient.

BUY AMERICA PREFERENCE IN FEDERAL FINANCIAL ASSISTANCE PROGRAMS FOR INFRASTRUCTURE – RESTORE ACT

On November 15, 2021, President Biden signed into law the Infrastructure Investment and Jobs Act ("IIJA"), Pub. L. No. 117-58, which includes the Build America, Buy America Act ("the Act"). Pub. L. No. 117-58, §§ 70901-52. The Act strengthens Made in America Laws and will bolster America's industrial base, protect national security, and support high-paying jobs. The Act requires that no later than May 14, 2022—180 days after the enactment of the IIJA—the head of each covered Federal agency shall ensure that "none of the funds made available for a Federal financial assistance program for infrastructure, including each deficient program, may be obligated for a project unless all of the iron, steel, manufactured products, and construction materials used in the project are produced in the United States."
RESTORE Act - Buy America Preference | U.S. Department of the Treasury."

TITLE VI OF THE CIVIL RIGHTS ACT OF 1964

In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable.

1. Recipient ensures its current and future compliance with Title VI of the Civil Rights Act of 1964, as amended, which prohibits exclusion from participation, denial of the benefits of, or subjection to discrimination under programs and activities receiving federal financial assistance, of any person in the United States on the ground of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Department of the Treasury Title VI regulations at 31 CFR Part 22 and other pertinent executive orders such as Executive Order 13166, directives, circulars, policies, memoranda, and/or guidance documents.

2. Recipient acknowledges that Executive Order 13166, "Improving Access to Services for Persons with Limited English Proficiency," seeks to improve access to federally assisted programs and activities for individuals who, because of national origin, have Limited English proficiency (LEP). Recipient understands that denying a person access to its programs, services, and activities because of LEP is a form of national origin discrimination prohibited under Title VI of the Civil Rights Act of 1964 and the Department of the Treasury's implementing regulations. Accordingly, Recipient shall initiate reasonable steps, or comply with the Department of the Treasury's directives, to ensure that LEP persons have meaningful access to its programs, services, and activities. Recipient understands and agrees that meaningful access may entail providing language assistance services, including oral interpretation and written translation where necessary, to ensure effective communication in the Recipient's programs, services, and activities.

3. Recipient agrees to consider the need for language services for LEP persons when Recipient develops applicable budgets and conducts programs, services, and activities. As a resource, the Department of the Treasury has published its LEP guidance at 70 FR 6067. For more information on taking reasonable steps to provide meaningful access for LEP persons, please visit http://www.lep.gov.

4. Recipient acknowledges and agrees that compliance with the assurances constitutes a condition of continued receipt of federal financial assistance and is

binding upon Recipient and Recipient's successors, transferees, and assignees for the period in which such assistance is provided.

5. Recipient acknowledges and agrees that it must require any sub-grantees, contractors, subcontractors, successors, transferees, and assignees to comply with assurances 1-4 above, and agrees to incorporate the following language in every contract or agreement subject to Title VI and its regulations between the Recipient and the Recipient's sub-grantees, contractors, subcontractors, successors, transferees, and assignees:

> *The sub-grantee, contractor, subcontractor, successor, transferee, and assignee shall comply with Title VI of the Civil Rights Act of 1964, which prohibits recipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this contract (or agreement). Title VI also includes protection to persons with "Limited English Proficiency" in any program or activity receiving federal financial assistance, 42 U.S.C. § 2000d et seq., as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, and herein incorporated by reference and made a part of this contract or agreement*.

6. Recipient understands and agrees that if any real property or structure is provided or improved with the aid of federal financial assistance by the Department of the Treasury, this assurance obligates the Recipient, or in the case of a subsequent transfer, the transferee, for the period during which the real property or structure is used for a purpose for which the federal financial assistance is extended or for another purpose involving the provision of similar services or benefits. If any personal property is provided, this assurance obligates the Recipient for the period during which it retains ownership or possession of the property.

7. Recipient shall cooperate in any enforcement or compliance review activities by the Department of the Treasury of the aforementioned obligations. Enforcement may include investigation, arbitration, mediation, litigation, and monitoring of any settlement agreements that may result from these actions. The Recipient shall comply with information requests, on-site compliance reviews and reporting requirements.

8. Recipient shall maintain a complaint log and inform the Department of the Treasury of any complaints of discrimination on the grounds of race, color, or national origin, and limited English proficiency covered by Title VI of the Civil Rights Act of 1964 and implementing regulations and provide, upon request, a list of all such reviews or proceedings based on the complaint, pending or completed, including outcome. Recipient also must inform the Department of the Treasury if Recipient has received no complaints under Title VI.

9. Recipient must provide documentation of an administrative agency's or court's findings of non-compliance of Title VI and efforts to address the non-compliance, including any voluntary compliance or other agreements between the Recipient and the administrative agency that made the finding. If the Recipient settles a case or matter alleging such discrimination, the Recipient must provide documentation of the

settlement. If Recipient has not been the subject of any court or administrative agency finding of discrimination, please so state.

10. If the Recipient makes sub-awards to other agencies or other entities, the Recipient is responsible for ensuring that sub-recipients also comply with Title VI and other applicable authorities covered in this document State agencies that make sub-awards must have in place standard grant assurances and review procedures to demonstrate that that they are effectively monitoring the civil rights compliance of subrecipients.

The United States of America has the right to seek judicial enforcement of the terms of this assurances document and nothing in this document alters or limits the federal enforcement measures that the United States may take in order to address violations of this document or applicable federal law.

Under penalty of perjury, the undersigned official(s) certifies that official(s) has read and understood the Recipient's obligations as herein described, that any information submitted in conjunction with this assurances document is accurate and complete, and that the Recipient is in compliance with the aforementioned nondiscrimination requirements.

ARPA Regulations, 31 CFR Part 35 (“Regulations”) are incorporated herein and made a part of this Contract.

CONTRACTOR agrees to be bound by the reporting requirements set out in the Regulations. This includes submitting quarterly reports by the 15th of the month following the end of each quarter to the Director of Finance. The reports must include, but is not limited to, the use of the funds, documentation/receipts of the funds spent, description of the project and status of completion of the project. The Director of Finance may require additional information of CONTRACTOR for compliance with ARPA Regulations.

CONTRACTOR, in the performance of this Contract and as a sub-recipient of ARPA funds, as well as all of its subcontractors, must comply with the following:

1. CONTRACTOR, and any and all of its subcontractors, must ensure that they do not deny benefits, services or otherwise discriminate on the basis of race, color, national origin (including limited English proficiency), disability, age, or sex (including sexual orientation and gender identity) in accordance with Title VI of the Civil Rights Act of 1964, Public Law 88-352, 42 U.S.C. 2000d-1 et seq., and the Department's implementing regulations, 31 CFR part 22; Section 504 of the Rehabilitation Act of 1973 (Section 504), Public Law 93-112, as amended by Public Law 93-516, 29 U.S.C. 794; Title IX of the Education Amendments of 1972 (Title IX), 20 U.S.C. 1681 et seq., and the Department's implementing regulations, 31 CFR part 28; Age Discrimination Act of 1975, Public Law 94-135, 42 U.S.C. 6101 et seq., and the Department implementing regulations at 31 CFR part 23. CONTRACTOR will be required to submit data showing compliance with the above.

2. Universal Identifier and System for Award Management (SAM), 2 C.F.R. Part 25, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 25 is hereby incorporated by reference.
3. Reporting Subaward and Executive Compensation Information, 2 C.F.R. Part 170, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 170 is hereby incorporated by reference.
4. OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement), 2 C.F.R. Part 180, including the requirement to include a term or condition in all lower-tier covered transactions. (2 C.F.R. Part 180, subpart B) and that the award is subject to 2 C.F.R. Part 180 and Treasury's implementing regulation at 31 C.F.R. Part 19.
5. The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards found at 2 CFR Part 200 Appendix II.
6. Recipient Integrity and Performance Matters, pursuant to which the award term set forth in 2 C.F.R. Part 200, Appendix XII to Part 200 is hereby incorporated by reference.
7. Governmentwide Requirements for Drug-Free Workplace, 31 C.F.R. Part 20.
8. New Restrictions on Lobbying, 31 C.F.R. Part 21
9. Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (42 U.S.C. §§ 4601-4655) and implementing regulations.
10. Section 2 CFR 200.323 regarding Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act (EPA guidelines at 40 CFR Part 247).
11. Section 200.322 of 2 CFR 200.322, Domestic preferences for procurements.
12. Generally applicable federal environmental laws and regulations.

---------- INTERNAL USE ONLY ----------

■Certificate(s) and Endorsement(s) attached
■Confirmed business name on contract with certificate(s)
■Attached Agreement Checklist and met all requirements

Record of Signing

For
Name
Title



Signed on 2024-12-19 22:05:38 GMT

Secured by Concord™
DocumentID: 02yZWyjpUCEOSCdw5h8mfM
SigningID: 02yZWyjpO9WCcQzHxrrvCG
Signing date: 12/19/2024
IP Address: 206.171.111.149
Email: ltorres@cityofpalmdaleca.gov

For
Name
Title



Signed on 2024-12-20 00:04:59 GMT

Secured by Concord™
DocumentID: 02yZWyjpUCEOSCdw5h8mfM
SigningID: 02yZZuK4HU3Fkqw64rBrIG
Signing date: 12/20/2024
IP Address: 76.89.236.12
Email: jc@newcreationbuilders.com

For
Name
Title



Signed on 2024-12-20 00:09:07 GMT

Secured by Concord™
DocumentID: 02yZWyjpUCEOSCdw5h8mfM
SigningID: 02yZa0ceU5XdLKQy766Okz
Signing date: 12/20/2024
IP Address: 107.131.11.226
Email: wcurley@harperburns.com

For
Name
Title



Signed on 2024-12-20 00:12:38 GMT

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DocumentID: 02yZWyjpUCEOSCdw5h8mfM
SigningID: 02yZa5wyrNZsW55SYkfTpl
Signing date: 12/20/2024
IP Address: 166.199.89.16
Email: rperez@cityofpalmdale.org

For
Name
Title



Signed on 2024-12-20 00:27:17 GMT

Secured by Concord™
DocumentID: 02yZWyjpUCEOSCdw5h8mfM
SigningID: 02yZaSG8q9GWcnNaCk7bgg
Signing date: 12/20/2024
IP Address: 206.171.111.149
Email: rscott@cityofpalmdale.org

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Where agreements happen.

Signed with www.concordnow.com

City Council Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **PUBLIC WORKS DEPARTMENT**
ENGINEERING DIVISION

DISTRICT: **1**

SUBJECT: **ACCEPT NOTICE OF COMPLETION (NOC) FOR PUBLIC SEWER AND DRAINAGE IMPROVEMENTS FOR TRADER JOE'S DISTRIBUTION CENTER LOCATED AT THE SOUTHEAST CORNER OF 10TH STREET WEST AND COLUMBIA WAY**

RECOMMENDATION

Staff recommend that the City Council:

1. Accept the NOC for completed public sewer and drainage improvements for Trader Joe's Distribution Center located at the southeast corner of 10th Street and Columbia Way; and,

2. Authorize the City Manager or his designee to file the NOC and release the security for the completed public sewer and drainage improvements.

BACKGROUND

This project, located at the southeast corner of 10th Street West and Columbia Way, included construction of public sewer and drainage improvements along 10th Street West and Columbia Way. The improvements included 12 Storm Drain manholes, 3,868 linear feet of storm drainpipe, two sewer manholes, 184 linear feet of sewer pipe, and one sewer lateral. The public improvements have been made in accordance with the approved sewer and drainage plan and have been inspected and approved by City Public Works staff.

DISCUSSION

The NOC is presented in accordance with Section 16.110.060 of Palmdale's Municipal Code. This action will accept the public sewer and drainage improvements as complete and initiate the City's release of applicable securities posted for this project per the City's subdivision regulations.

The public sewer and drainage improvements for the project are listed in Exhibit A and shown in the Site Map, Exhibit B, and have been completed to the City Engineer's satisfaction as required in the Subdivision/Development Improvement Agreement between the developer and the City. The pictures of improvements are included in Exhibit C. After the developer fulfills a one-year maintenance period, the improvements along 10th Street West and Columbia Way will be transferred from the developer to the City.

FISCAL IMPACT

$67,000; The future sewer and storm drain planning, maintenance, and lifecycle reinvestment allowance costs are estimated at $67,000 per year. These estimated costs will be incorporated into the applicable Public Works operating and Capital Improvement budgets.

STRATEGIC PLAN

Goal III: Invest in infrastructure to improve community livability.

C. Plan and maintain safe and attractive neighborhoods, streets, facilities, and public spaces with exciting programming that promotes active fun for everyone.

Prepared by:	Leonardo Torres, P.E. Director of Public Works
Certified as to availability of Funds:	Janelle Samson, Deputy City Manager
Approved by:	Salvador Mendez, City Manager
Approved as to form:	Taylor Anderson, Deputy City Attorney

ATTACHMENTS

NOC
List of Completed Public Improvements
Site Map
Project Photos

RECORDING REQUESTED BY:

CITY OF PALMDALE

WHEN RECORDED MAIL TO:

CITY OF PALMDALE
OFFICE OF THE CITY CLERK
38300 SIERRA HIGHWAY, SUITE C
PALMDALE, CA 93550

Space above this line is for Recorder's Use

NOTICE OF COMPLETION

Notice pursuant to Civil Code Section 9200-9208, is hereby given that:

1. The undersigned is owner or corporate officer of the interest or estate stated below in the property hereinafter described.
2. The full name of the owner is City of Palmdale, a Municipal Corporation.
3. The full address of the owner is 38300 Sierra Highway, Palmdale, CA 93550.
4. The nature of interest or estate of the owner is: **Easement.**
5. A work of improvement on the property hereinafter described was completed on **September 10, 2026.**
6. The work done was: "**Sewer & Drainage Improvements-Trader Joe's Distribution Center.**"
7. The name of the Contractor for such work of improvement: **KPRS Construction Services, Inc.**
8. The property on which said improvements were completed is in the City of Palmdale, County of Los Angeles, State of California, and is described as follows: **Southeast corner of 10th Street West and Columbia Way.**
9. The address of said property is: **700 West Columbia Way.**

Dated: **December 1, 2026**

CITY OF PALMDALE

Hamed Hashemian, City Engineer

VERIFICATION

I, the undersigned, say: I am the City Engineer, the declarant of the foregoing notice of completion; I have read the said notice of completion and know the contents thereof; the same is true of my own knowledge. I declare under penalty of perjury that the foregoing is true and correct.

Executed on **December 1, 2026,** in the City of Palmdale, California.

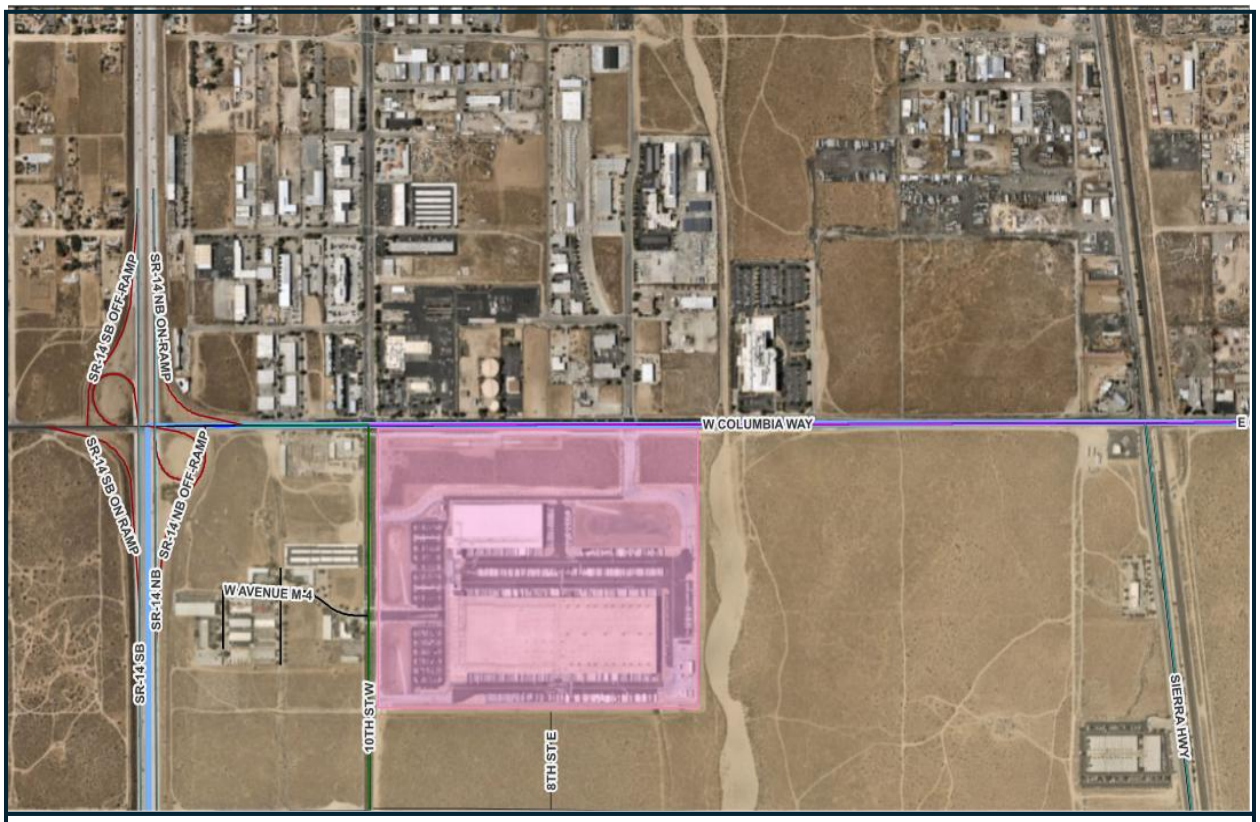
Hamed Hashemian, City Engineer

EXHIBIT A

LIST OF COMPLETED PUBLIC IMPROVEMENTS

Project	Plan #	Quantity	Security
Trader Joe's Distribution Center Sewer Improvements	PC 23-06	184 LF 2 Manholes	$35,800
Trader Joe's Distribution Center Drainage Improvements	SD 23-06	3,868 LF 12 manholes	$1,109,000

EXHIBIT B
PROJECT LOCATION



PALMDALE
a place to call home

TRADER JOE'S DEVELOPEMENT

N
W E
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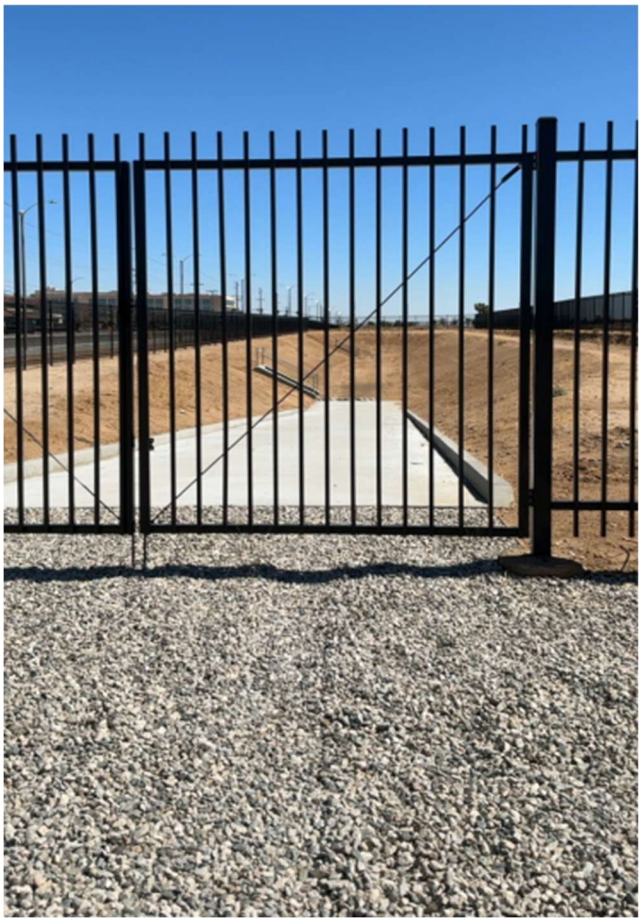
N.T.S

EXH C

10th St West & Columbia Wy







City Council Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **PUBLIC WORKS DEPARTMENT**
ENGINEERING DIVISION

DISTRICT: **1**

SUBJECT: **ACCEPT NOTICE OF COMPLETION (NOC) FOR PUBLIC DRAINAGE IMPROVEMENTS FOR COPART LOCATED AT THE NORTHWEST CORNER OF 40TH STREET EAST AND AVENUE L-8**

RECOMMENDATION

Staff recommend that the City Council:

1. Accept the NOC for completed public drainage improvements for Copart located at the northwest corner of 40th Street East and Avenue L-8; and,

2. Authorize the City Manager or his designee to file the NOC and release the security for the completed public drainage improvements.

BACKGROUND

This project, located at the northwest corner of 40th Street East and Avenue L-8, constructed public drainage improvements along Avenue L-8. Improvements consist of four parkway drains, constructed within a dedicated easement for public road and highway purposes, offered by the developer. These drainage improvements have been constructed in accordance with approved plans and have been inspected and accepted by City Public Works staff.

DISCUSSION

The NOC is presented in accordance with Section 16.110.060 of Palmdale's Municipal Code. This action will accept the drainage improvements as complete and initiate the City's release of applicable securities posted for this project per the City's subdivision regulations.

The public drainage improvements for the project are listed in Exhibit A and shown in the Site Map, Exhibit B, and have been completed to the City Engineer's satisfaction as

required in the Subdivision/Development Improvement Agreement between the developer and the City. The pictures of the improvements are included in Exhibit C. After the developer fulfills a one-year maintenance period, the improvements along Avenue L-8 will be transferred from the developer to the City.

FISCAL IMPACT

$4,000; The additional maintenance and administrative costs associated with the acceptance of the noted parkway drains are estimated to average $4,000 annually. The funds for managing and maintaining these assets will be budgeted annually within the Street Maintenance budget.

STRATEGIC PLAN

Goal III: Invest in infrastructure to improve community livability.

C. Plan and maintain safe and attractive neighborhoods, streets, facilities, and public spaces with exciting programming that promotes active fun for everyone.

Prepared by:	Leonardo Torres, P.E. Director of Public Works
Certified as to availability of Funds:	Janelle Samson, Deputy City Manager
Approved by:	Salvador Mendez, City Manager
Approved as to form:	Taylor Anderson, Deputy City Attorney

ATTACHMENTS

NOC
Exh A List of Completed Public Improvements
Exh B Site Map
Exh C Project Photos

RECORDING REQUESTED BY:

CITY OF PALMDALE

WHEN RECORDED MAIL TO:

CITY OF PALMDALE
OFFICE OF THE CITY CLERK
38300 SIERRA HIGHWAY, SUITE C
PALMDALE, CA 93550

Space above this line is for Recorder's Use

NOTICE OF COMPLETION

Notice pursuant to Civil Code Section 9200-9208, is hereby given that:

1. The undersigned is owner or corporate officer of the interest or estate stated below in the property hereinafter described.
2. The full name of the owner is City of Palmdale, a Municipal Corporation.
3. The full address of the owner is 38300 Sierra Highway, Palmdale, CA 93550.
4. The nature of interest or estate of the owner is: **roadway and utility easement**
5. A work of improvement on the property hereinafter described was completed on **September 16, 2026.**
6. The work done was: **Drainage Improvements for 4 parkway drains.**
7. The name of the Contractor for such work of improvement: **Granite Construction.**
8. The property on which said work of improvement was completed is in the City of Palmdale, County of Los Angeles, State of California, and is described as follows: **Northwest corner of 40th Street East and Avenue L-8.**
9. The address of said property is: **42425 40th St East.**

Dated: **December 1, 2026**

CITY OF PALMDALE

Hamed Hashemian, City Engineer

VERIFICATION

I, the undersigned, say: I am the City Engineer, the declarant of the foregoing notice of completion; I have read the said notice of completion and know the contents thereof; the same is true of my own knowledge. I declare under penalty of perjury that the foregoing is true and correct.

Executed on **December 1, 2026,** in the City of Palmdale, California.

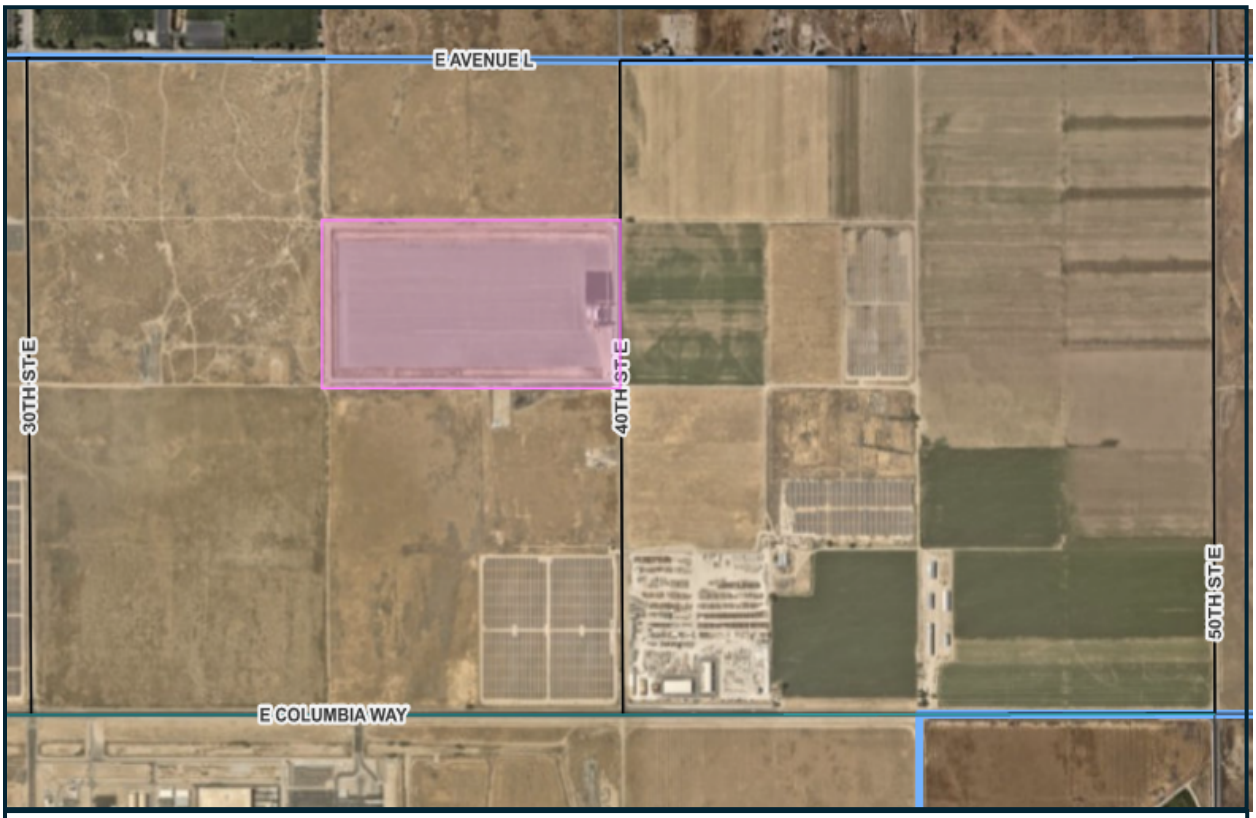
Hamed Hashemian, City Engineer

EXHIBIT A

LIST OF COMPLETED PUBLIC IMPROVEMENTS

Project	Plan #	Quantity	Security
Copart Drainage Improvements	ST 20-09	4 Parkway Drains	$16,100

EXHIBIT B
PROJECT LOCATION



PALMDALE
a place to call home

COPART DEVELOPEMENT

N
W E
S

N.T.S.

EXH C

40th St East & Ave L-8







City Council Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **PUBLIC WORKS DEPARTMENT**
CAPITAL IMPROVEMENT PROGRAM DIVISION

DISTRICT: **ALL**

SUBJECT: **APPROVE THE AMENDED AND RESTATED MEMORANDUM OF UNDERSTANDING OF THE ANTELOPE VALLEY REGIONAL WATER MANAGEMENT GROUP IRWMG COST-SHARING AGREEMENT FOR A TOTAL NOT TO EXCEED AMOUNT OF $16,923 FOR A TERM OF THREE YEARS FROM THE EFFECTIVE DATE OF JANUARY 1, 2027 TO DECEMBER 31, 2029**

RECOMMENDATION

Staff recommend that the City Council:

1. Approve the Amended and Restated Memorandum of Understanding of the Antelope Valley Regional Water Management Group IRWMG cost-sharing Agreement No. A-6389, for a total not to exceed amount of $16,923 for a term of three years from the effective date of January 1, 2027 through December 31, 2029; and,

2. Authorize the City Manager or his designee to execute the Amended and Restated Memorandum of Understanding of the Antelope Valley Regional Water Management Group IRWMG cost-sharing Agreement No. A-6389.

BACKGROUND

The Integrated Regional Water Management Planning Act of 2002, codified under California Water Sections 10530 and 10531, et seq., establishes the State of California's policy to encourage local agencies to work cooperatively to manage their available local and imported water supplies to improve the quality, quantity, and reliability of those supplies.

On January 9, 2007, eleven agencies executed a Memorandum of Understanding (MOU) to provide for the preparation of Integrated Regional Water Management Plan (IRWMP).

In April, 2009, the Parties entered into an *Agreement on the Implementation of the Integrated Regional Water Management Plan* ("RWMG Agreement") and established a new Regional Water Management Group ("RWMG") under the Act for the Antelope Valley

Region (“Region”), to pursue grant funding and facilitate implementation of the IRWMP for the Region. The RWMG Agreement formally established the relationship between the Parties in order to qualify the Region to apply for state grant funds under the Department of Water Resources ("DWR") California State Integrated Regional Water Management Grant Program (“Grant Program”).

In December 2018, the parties entered into an Amended and Restated Memorandum of Understanding (2018 Amended and Restated MOU) to prepare a full update to the IRWMP. The Full Update identified Antelope Valley Region water management issues and updated water supply and demand projections to comply with DWR guidelines for grant eligibility. The Association retained a consultant to prepare the Full Update on RWMG’s behalf.

The 2018 Amended and Restated MOU also collected from RWMG to cover 25% of the United States Geological Survey Groundwater Monitoring Program (USGS Program) for the Antelope Valley Groundwater Basin.

In April 2020, the parties adopted the 2019 Update to the Integrated Regional Water Management Plan by resolution.

On June 10, 2021, the Parties entered into the 2021 Amended and Restated MOU, which set forth the amount of new funding to be provided by each Party. The 2021 MOU also collected funds from the Parties to continue funding 25% of the USGS Program.

In 2024, the Amended and Restated MOU was revised to continue funding at 25% for the USGS Program and extended through September 2026.

DWR introduced the California Water Plan 2023, which established the Watershed Resilience Program (“WRP”), building on IRWM planning, emphasizing climate vulnerability assessment, adaptation planning, and watershed-scale collaboration and management.

DISCUSSION

The Antelope Valley Water Plan follows the Los Angeles County Water Plan and is customized to address the needs of the Antelope Valley. The elements of the program are:

- Strengthening Coordination
- Water and Economic Growth
- Small Water Systems
- Groundwater Basin Water Quality

This Amended and Restated MOU sets forth the Parties’ continued funding contributions for ongoing Region stakeholder meetings, IRWMP and WRP updates, project status

reporting, and grant support. Each Party's contribution continues to be based on its share of expenses under the 2007 MOU.

The Amended and Restated Memorandum of Understanding of the Antelope Valley Regional Water Management Group IRWMG cost-sharing Agreement, Agreement No. A-6389, is to conform to the requirements of the adopted plan (AV IRWMP). This Amended and Restated MOU is intended to set forth the Parties' continued funding contributions of 25% of the USGS Program being administered by the Antelope Valley Watermaster for the extended period of January 1, 2027, through December 31, 2029.

Storm Water Resource Plan:
Woodard & Curran presented Storm Water Resource Plan (SWRP) requirements to the agencies. Generally, the Agencies need to decide whether they want to develop a SWRP in the region, who would lead the development, how to fund the plan, and when to get started.

Several agencies already have stormwater-related projects in mind, including the City of Palmdale Avenue R Regional Drainage Basin Project (currently in the design phase), the City of Lancaster storm drain infrastructure, and the LA County Avenue P-8 conceptual plan (in the IRWM Plan project list).

The Storm Water Resource Task Force Group, comprising LA County Public Works, the City of Lancaster, and the City of Palmdale, agreed to meet to move the preparation of a potential SWRP forward.

The amendment extends the term of the agreement through December 31, 2029, with a not to exceed budget of $16,923.

FISCAL IMPACT

$16,923; Sufficient funds are budgeted and available in the current fiscal year utilizing drainage funds.

STRATEGIC PLAN

Goal III: Invest in infrastructure to improve community livability.

C. Plan and maintain safe and attractive neighborhoods, streets, facilities, and public spaces with exciting programming that promotes active fun for everyone.

Prepared by:	Leonardo Torres, P.E., Director of Public Works
Certified as to availability of Funds:	Janelle Samson, Deputy City Manager
Approved by:	Salvador Mendez, City Manager
Approved as to form:	Taylor Anderson, Deputy City Attorney

ATTACHMENTS

Amended and Restated MOU
Agrmt No. A-6389

AMENDED AND RESTATED
MEMORANDUM OF UNDERSTANDING
(Antelope Valley Regional Water Management Group IRWMP/
Watershed Resilience Program Cost Sharing)

This Amended and Restated Memorandum of Understanding ("**Amended and Restated MOU**") is entered into as of January 1, , 2027 (the "**Effective Date**") and is between the following parties (in alphabetical order):

Antelope Valley State Water Contractors Association (the "**Association**");
Antelope Valley-East Kem Water Agency
City of Lancaster
City of Palmdale
County Sanitation District No. 14 of LA County
County Sanitation District No. 20 of LA County
Littlerock Creek Irrigation District
Los Angeles County Waterworks District No. 40 ("**Waterworks District 40**")
Palmdale Water District
Quartz Hill Water District
Rosamond Community Services District

Each of these parties is referred to individually as "**Party**" and together as the "**Parties**."

A. The *Integrated Regional Water Management Planning Act of 2002* (the "**Act**"), California Water Code section 10530 and 10531, et seq., establishes the State of California's policy to encourage local agencies to work cooperatively to manage their available local and imported water supplies to improve the quality, quantity, and reliability of those supplies.

B. On or about January 9, 2007, the Parties entered a *Memorandum of Understanding* ("**2007 MOU**") to provide for the preparation of an Integrated Regional Water Management Plan ("**IRWMP**" or "**Plan**") pursuant to the Act.

C. On or about April 7, 2009, the Parties entered an Agreement on the *Implementation of the Integrated Regional Water Management Plan* ("**RWMG Agreement**") and established a new Regional Water Management Group ("**RWMG**") under the Act for the Antelope Valley Region ("**Region**"), to pursue grant funding and facilitate implementation of the IRWMP for the Region. The RWMG Agreement formally established the relationship between the Parties in order to qualify the Region to apply for state grant funds under the Department of Water Resources ("**DWR**") California State Integrated Regional Water Management Grant Program ("**Grant Program**").

D. The 2007 MOU by its own terms may be amended with the approval of all Parties to continue to update the IRWMP through January 8, 2027.

E. The DWR amended the Grant Program Guidelines in 2016 (**"2016 Guidelines");** which included an update to the IRWM Plan Standards. In order to be eligible for the first round of 2018/2019 Proposition 1 funding, the RWMG had to update the Plan to comply with the 2016 Guidelines.

F. On or about December 2018 the Parties entered into an *Amended and Restated Memorandum of Understanding* ("**2018 Amended and Restated MOU**") to prepare a full update to the IRWMP (the **"Full Update").** The Full Update identified Antelope Valley Region water management issues and updated the water supply and demand projections to comply with DWR guidelines for grant eligibility. The Association retained a consultant to prepare the Full Update on behalf of the RWMG.

G. The 2018 Amended and Restated MOU also collected funds from the RWMG to cover 25% of the United States Geological Survey Groundwater Monitoring Program ("**USGS Program**") for the Antelope Valley Groundwater Basin. The funds collected from the RWMG funded 25% of the Program period from November 2017 through October 2020. The USGS Program provides the regular and systematic groundwater monitoring required to comply with Water Code 10920. Compliance with this code is a requirement of the Grant Program.

H. On or about April 2020 the Parties adopted by resolution the 2019 Update to the Integrated Regional Water Management Plan.

I. On or about June 10, 2021 the Parties entered into an Amended and Restated MOU ("**2021 Amended and Restated MOU**") to set forth the amount of new funding to be provided by each Party for on-going Region stakeholder meetings, IRWMP project updates, and grant support. Each Party's contribution is based on its share of expenses under the 2007 MOU. Each Party's contribution is set forth in **Exhibit 1**, which is attached hereto and incorporated herein as though set forth in its entirety.

J. The 2021 Amended and Restated MOU also collected funds from the Parties to continue funding 25% of the USGS Program being administered by the Antelope Valley Watermaster for the period of time between November 2020 through September 2023.

K. The 2024 Amended and Restated MOU also collected funds from the Parties to continue funding 25% of the USGS Program being administered by the Antelope Valley Watermaster for the period of time between November 2023 through September 2026.

L. DWR introduced the California Water Plan 2023 which established the **Watershed Resilience Program**, building on IRWM planning, emphasizing climate vulnerability assessment, adaptation planning, and watershed-scale collaboration and management.

M. This Amended and Restated MOU sets forth the Parties' continued funding contributions for ongoing Region stakeholder meetings, IRWMP and Watershed Resilience Program updates, project status reporting, and grant support. Each Party's contribution continues to be based on its share of expenses under the 2007 MOU, as set forth in Exhibit 1.

N. This Amended and Restated MOU is also intended to set forth the Parties continued funding contributions of 25% of the USGS Program being administered by the Antelope Valley Watermaster for the extended period of January 1, 2027 through December 31, 2029.

The Parties therefore agree as follows:

1. <u>Administration of Services.</u> The Association shall have primary responsibility for managing the RWMG funds collected under this MOU, including:

A. Administering a consultant contract for the on-going Region stakeholder meetings, IRWMP project updates, and grant support. This will include overseeing the consultants' services. The Association shall retain the consultant by amendment to the current Professional Services Agreement.

B. Preparing a final accounting (the "**Accounting**") of all final actual USGS Program and consultant costs upon completion.

C. Refunding excess funds to the Parties within 60 days after completion of the services if the funds deposited with the Association exceed the consultant's costs, based upon the Accounting. The excess

funds will be refunded to the Parties in proportion to their contribution towards the consultant costs in Exhibit 1, which is attached hereto and incorporated herein as though set forth in its entirety.

2. Joint Duties of the Parties. Each of the Parties shall perform the duties set forth in this Section 2, including:

A. Information Sharing: Each Party will make reasonable efforts to provide and share all necessary and relevant information, data, studies, and/or documentation for the Grant Program in that Party's possession as may be requested by the consultant within 30 calendar days after the consultant's request. The Parties acknowledge that if the information, data, studies, and/or documentation is not provided within 30 days after the consultant's request, then it may negatively impact their receipt of grant funds due to time constraints.

B. Cost Contribution: Each Party shall pay to the Association the amount set forth in Exhibit 1 for the consultant costs, subject to the provisions of Section 4.A. below.

C. Payment: Each Party shall deposit with the Association its contribution in the amount set forth in Exhibit 1 within 30 calendar days after execution of this Amended and Restated MOU.

D. Grant Applications: The Parties will recommend, evaluate, prepare, and review future grant applications.

3. Waterworks District 40's Additional Duties. Waterworks District 40 shall facilitate stakeholder meetings.

4. Additional Costs.

A. Additional Costs: If the consultant costs exceed the funds deposited with the Association, then the Parties will supplement this Amended and Restated MOU to fund the additional portion of the consultant costs in excess of the funds deposited with the Association in proportion to the Parties' original contributions towards the consultant costs.

5. General Provisions.

A. Supersession. This Amended and Restated MOU supersedes and replaces the 2024 Amended and Restated MOU in its entirety. This Amended and Restated MOU is intended to be read in conjunction with the RWMG Agreement. If there are any conflicts between the terms and provisions of the RWMG Agreement and the terms and provisions of this Amended and Restated MOU, the provisions of this Amended and Restated MOU will govern.

B. MOU Amendments: This Amended and Restated MOU may be amended or modified only by mutual written consent of all Parties.

C. Expiration: This MOU shall remain in full force and effect until January 1, 2030, unless otherwise amended or modified as set forth in Section 5.B.

D. Severability: If any provision of this Amended and Restated MOU is held, determined or adjudicated to be illegal, void, or unenforceable by a court of competent jurisdiction, the remainder of this Amended and Restated MOU shall be given effect to the fullest extent possible.

E. Notice:

1. Any correspondence, communication, or contact concerning this Amended and Restated MOU shall be directed to the contacts attached in **Exhibit 2**, which is attached hereto and incorporated herein as though set forth in its entirety.

2. Any Party may change its contact information by providing notice, in the manner set forth in Section 5.E.3, to all other Parties.

3. Notice will be deemed given upon personal delivery, five days after deposit in U.S. Mail (first class postage prepaid), on the day of overnight delivery by a nationally recognized carrier, or upon transmission by email to the applicable contact listed in Exhibit 2, provided that the sending Party does not receive an automated notice of delivery failure.

F. Authorized Agents: Each person signing this Amended and Restated MOU represents to have received from their representative governing body the necessary power and authority to bind the entity on behalf of which said person is signing, and each of the other Parties can rely on that representation.

G. Execution: This Amended and Restated MOU may be executed in counterparts, each counterpart being an integral part of this Amended and Restated MOU.

The Parties are each signing this Amended and Restated MOU as of the date set forth opposite the signature below.

DATE: _____

AGENCY: ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION

By: _____

Print Name: _____

Title: _____

ATTEST:

By: _____
Clerk/Secretary

APPROVED AS TO FORM:

By: _____
Agency Counsel

DATE: _____

AGENCY: ANTELOPE VALLEY-EAST KERN WATER AGENCY

By: _____

Print Name: _____

Title: _____

ATTEST:

By: _____
Clerk/Secretary

APPROVED AS TO FORM:

By: _____
Agency Counsel

DATE: _____

AGENCY: CITY OF LANCASTER

By: _____

Print Name: _____

Title: _____

ATTEST:

By: _____
Clerk/Secretary

APPROVED AS TO FORM:

By: _____
Agency Counsel

DATE: January 1, 2027

AGENCY: CITY OF PAMDALE

By: _____

Print Name: Salvador Mendez

Title: City Manager

ATTEST:

By: _____
Rochelle Scott, City Clerk

APPROVED AS TO FORM:

By: _____
Aleks Giragosian, City Attorney

DATE: _____

AGENCY: COUNTY SANITATION DISTRICT NO.14 OF LOS ANGELES COUNTY

By: _____

Print Name: _____

Title: _____

ATTEST:

By: _____
Clerk/Secretary

APPROVED AS TO FORM:

By: _____
Agency Counsel

DATE: _____

AGENCY: COUNTY SANITATION DISTRICT NO.20 OF LOS ANGELES COUNTY

By: _____

Print Name: _____

Title: _____

ATTEST:

By: _____
Clerk/Secretary

APPROVED AS TO FORM:

By: _____
Agency Counsel

DATE: _____

AGENCY: LITTLEROCK CREEK IRRIGATION DISTRICT

By: _____

Print Name: _____

Title: _____

ATTEST:

By: _____
Clerk/Secretary

APPROVED AS TO FORM:

By: _____
Agency Counsel

DATE: _____

AGENCY: LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 40

By: _____

Print Name: _____

Title: _____

ATTEST:

By: _____
Clerk/Secretary

APPROVED AS TO FORM:

By: _____
Agency Counsel

DATE: _____

AGENCY: PALMDALE WATER DISTRICT

By: _____

Print Name: _____

Title: _____

ATTEST:

By: _____
Clerk/Secretary

APPROVED AS TO FORM:

By: _____
Agency Counsel

DATE: _____

AGENCY: QUARTZ HILL WATER DISTRICT

By: _____

Print Name: _____

Title: _____

ATTEST:

By: _____
Clerk/Secretary

APPROVED AS TO FORM:

By: _____
Agency Counsel

DATE: _____

AGENCY: ROSAMOND COMMUNITY SERVICES DISTRICT

By: _____

Print Name: _____

Title: _____

ATTEST:

By: _____
Clerk/Secretary

APPROVED AS TO FORM:

By: _____
Agency Counsel

EXBIBIT 1

Antelope Valley Regional Water Management Group Cost Allocation

Party	Percent Share by Party from the 2007 MOU	Party's Contribution
		Total
Antelope Valley-East Kem Water Agency	15.3846%	$16,923
Palmdale Water District	18.4615%	$20,308
Quartz Hill Water District	1.5385%	$1,692
Littlerock Creek Irrigation District	1.5385%	$1,692
Antelope Valley State Water Contractors Association*	N/A	$0
City of Palmdale	15.3846%	$16,923
City of Lancaster	13.8461%	$15,231
County Sanitation District No. 14 of LA County	6.9231%	$7,615
County Sanitation District No. 20 of LA County	6.9231%	$7,615
Rosamond Community Services District	1.5385%	$1,692
LA County Waterworks District No. 40	18.4615%	$20,308
TOTAL	**100%**	**$110,000** **

* The Antelope Valley State Water Contractor's Association is a joint powers authority comprised of Antelope Valley-East Kem Water Agency, Littlerock Creek Irrigation District, and Palmdale Water District. Because the Association's members are also members of the RWMG, the Association will contribute $0 and will have no share of any overage costs.

** This is a Not To Exceed total. Should the total contribution prove insufficient for the consultant work and/or the USGS program funding, then a revised cost allocation will be developed and submitted to the parties for review and approval.

EXHIBIT 2

Antelope Valley Regional Water Management Group Contacts (alphabetical order)

1) ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION:

Ms. Kathy MacLaren-Gomez
Chairperson
c/o Palmdale Water District
2029 East Avenue Q
Palmdale, CA 93550
kmaclaren@palmdalewater.org

2) ANTELOPE VALLEY-EAST KERN WATER AGENCY:

Mr. Matthew Knudson
General Manager
6450 West Avenue N
Palmdale, CA 93551
mkundson@avek.org

3) CITY OF LANCASTER:

Ms. Marissa Diaz
Director of Public Works
44933 Fem Avenue
Lancaster, CA 93534
mdiaz(@citvoflancasterca.gov

4) CITY OF PALMDALE:

Mr. Leonardo Torres
Director of Public Works
38250 Sierra Highway
Palmdale, CA 93550
ltorres@cityofpalmdale.org

5) COUNTY SANITATION DISTRICT NO.14 OF LOS ANGELES COUNTY:

Mr. Robert C. Ferrante
Chief Engineer and General Manager
1955 Workman Mill Road
Whittier, CA 90601
rferrante@lacsd.org

6) COUNTY SANITATION DISTRICT NO. 20 OF LOS ANGELES COUNTY:

Mr. Robert C. Ferrante
Chief Engineer and General Manager
1955 Workman Mill Road
Whittier, CA 90601
rferrante@lacsd.org

7) LITTLEROCK CREEK IRRIGATION DISTRICT:

Mr. James Chaisson
General Manager
35141 North 87th Street East
Littlerock, CA 93543
jchaisson@lrcid.com

8) LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 40

Ms. Carolina Hernandez
Assistant Deputy Director
P.O. Box 1460
Alhambra, CA 91802-1460
chernandez@dpw.lacounty.gov

9) PALMDALE WATER DISTRICT:

Mr. Dennis LaMoreaux
General Manager
2029 East Avenue Q
Palmdale, CA 93550
dlamoreaux@palmdalewater.org

10) QUARTZ HILL WATER DISTRICT:

Mr. Brent Byrne
General Manager
5034 West Avenue L
Quartz Hill, CA 93536
brentb@ghwd.org

11) ROSAMOND COMMUNITY SERVICES DISTRICT:

Mr. Kim Domingo
General Manager
3179 35th Street West
Rosamond, CA 93560
kdomingo(@rosamondcsd.com

AMENDED AND RESTATED MEMORANDUM OF UNDERSTANDING (Antelope Valley Regional Water Management Group IRWMP Cost Sharing)

This Amended and Restated Memorandum of Understanding ("**Amended and Restated MOU**") is entered into as of March 18, 2025 (the "**Effective Date**") and is between the following parties:

Antelope Valley-East Kern Water Agency;
Palmdale Water District;
Quartz Hill Water District;
Littlerock Creek Irrigation District;
Antelope Valley State Water Contractors Association (the "**Association**");
City of Palmdale;
City of Lancaster;
County Sanitation District No. 14 of Los Angeles County;
County Sanitation District No. 20 of Los Angeles County;
Rosamond Community Services District; and
Los Angeles County Waterworks District No. 40, Antelope Valley ("**Waterworks District 40**").

Each of these parties is referred to individually as "**Party**" and together as the "**Parties**."

A. The *Integrated Regional Water Management Planning Act of 2002 (*the "**Act**"), California Water Code section 10530 and 10531, et seq., establishes the State of California's policy to encourage local agencies to work cooperatively to manage their available local and imported water supplies to improve the quality, quantity, and reliability of those supplies.

B. On or about January 9, 2007, the Parties entered into a *Memorandum of Understanding* ("**2007 MOU**") to provide for the preparation of an Integrated Regional Water Management Plan ("**IRWMP**" or "**Plan**") pursuant to the Act.

C. On or about April 7, 2009, the Parties entered an *Agreement on the Implementation of the Integrated Regional Water Management Plan* ("**RWMG Agreement**") and established a new Regional Water Management Group ("**RWMG**") under the Act for the Antelope Valley Region ("**Region**"), to pursue grant funding and facilitate implementation of the IRWMP for the Region. The RWMG Agreement formally established the relationship between the Parties in order to qualify the Region to apply for state grant funds under the Department of Water Resources ("**DWR**") California State Integrated Regional Water Management Grant Program ("**Grant Program**").

D. The 2007 MOU by its own terms may be amended with the approval of all Parties to continue to update the IRWMP through January 8, 2027.

E. The DWR amended the Grant Program Guidelines in 2016 ("**2016 Guidelines**"). In order to be eligible for the first round of 2018 Proposition 1 funding, the RWMG must update the Plan to comply with the 2016 Guidelines. The City of Palmdale has, on behalf of the RWMG, retained a consultant to prepare a "**Mini Update**" of the Plan to comply with the 2016 Guidelines.

F. The RWMG also intends to prepare a full update to the IRWMP (the "**Full Update**"). The Full Update will identify Antelope Valley Region water management issues and bring current supply and demand projections, and otherwise comply with DWR guidelines for grant eligibility. The Association has offered to retain a consultant to prepare the Full Update on behalf of the RWMG.

G. This Amended and Restated MOU is intended to set forth the amount of new funding to be provided by each Party for the updates to the Plan. Each Party's contribution is based on its share of expenses under the 2007 MOU. Each Party's contribution is set forth in Exhibit 1, which is attached hereto and incorporated herein as though set forth in its entirety.

H. The Parties also intend by this Amended and Restated MOU to provide for the City of Palmdale to pay the initial consultant costs (subject to reimbursement by the other Parties as accounted for by the Association) for the Mini Update; to substitute the Association for Waterworks District 40 with regards to the hiring of a consultant to prepare the Full Update, and to set out the expectations of each of the Parties with respect to information submittal and document review in support of the IRWMP updates.

The Parties therefore agree as follows:

1. **Administration of Plan Updates**. Except for the Mini Update payments described in Section 2, the Association shall have primary responsibility for coordinating RWMG Plan updates and managing funds under this MOU, including:

1. Administering a consultant contract for the Full Update. This will include preparing a request for proposals, evaluating consultant proposals, awarding a consultant contract, and overseeing the consultant's services. The Association shall retain the consultant under a Professional Services Agreement substantially similar to Exhibit 3, which is attached hereto and incorporated herein as though set forth in its entirety.

2. For both the Mini Update and the Full Update, providing each Party with copies of the draft and final versions of technical reports and the draft Plan within seven calendar days after the date of receipt of those documents from the consultant. The Association shall transmit comments to the consultant within seven calendar days after the date of receipt of comments from each Party.

3. After a consultant incorporates comments from the Parties into the Draft Plan, making the Draft Plan available for public review, as required by law.

4. Preparing a final accounting (the "**Accounting**") of all final actual consultant costs upon completion of the Mini Plan or the adopted Full Plan for review by all other Parties.

5. Refunding excess funds to the Parties within 60 days after completion of the Plan if the funds deposited with the Association exceed the consultant's costs, based upon the Accounting. The excess funds will be refunded to the Parties in proportion to their contribution towards the consultant costs in Exhibit 1, which is attached hereto and incorporated herein as though set forth in its entirety.

2. **Mini Update**. The Association is primarily responsible for managing funds under this MOU, but the City of Palmdale shall be initially responsible for paying the consultant's costs associated with the Mini Update, with the understanding that the costs incurred will be

reimbursed, less the City of Palmdale's share, by the Association within 90 days of signing this Amended and Restated MOU. The Association will reimburse costs to the City of Palmdale with the funds contributed by the Parties as set forth in Section 3.D and 3.E. Each Party's contribution is set forth in Exhibit 1.

3. **Joint Duties of the Parties**. Each of the Parties shall perform the duties set forth in this Section 3.

A. Information Sharing: Each Party will make reasonable efforts to provide and share all necessary and relevant information, data, studies, and/or documentation for the Plan in that Party's possession as may be requested by the consultant within 30 calendar days after the consultant's request. The Parties acknowledge that if the information, data, studies, and/or documentation is not provided within 30 days after the consultant's request, then it may not be incorporated in the Plan due to time constraints.

B. Comments on Reports and Plan: Each Party shall review and comment on the draft and final versions of technical reports and the draft Plan ("Final Review Documents") within 21 calendar days after the date of their receipt of the Final Review Documents from the Association. The Parties acknowledge that if their comments are not provided within 21 calendar days of their receipt of the Final Review Documents, then the comments may not be incorporated into the Full Update due to time constraints.

C. Presentation to Governing Body: Each Party will present the Full Update to its governing body for consideration and adoption within 45 calendar days (or 90 calendar days for Waterworks District 40) after the date of receipt of the Full Update from the Association. Any approval will be done by way of resolution in a form substantially similar to Exhibit 2, which is attached hereto and incorporated herein as though set forth in its entirety.

D. Cost Contribution: Each Party shall pay to the Association the amount set forth in Exhibit 1 for the consultant costs, subject to the provisions of Section 5.B. below.

E. Payment: Each Party shall deposit with the Association its contribution in the amount set forth in Exhibit 1 within 30 calendar days after execution of this Amended and Restated MOU.

F. Grant Applications: The Parties will prepare and review future grant applications for implementation of the Full Update.

4. **Waterworks District 40's Additional Duties**. Waterworks District 40 shall facilitate stakeholder meetings.

5. **Full Update Implementation.**

A. Plan Adoption: If the governing body of each Party does not adopt the Full Update within 45 calendar days (or 90 days for Waterworks District 40) after the date of receipt of the Full Update, then that action or inaction will constitute withdrawal from the RWMG. A Party that withdraws from the RWMG may be reinstated if and when the Party adopts the Full Update and agrees to any further additions and/or amendments to the Amended and Restated MOU.

B. Additional Costs: If the consultant costs exceed the funds deposited with the Association, then the Parties will supplement this Amended and Restated MOU to fund the

additional portion of the consultant costs in excess of the funds deposited with the Association in proportion to the Parties' original contributions towards the consultant costs.

6. **General Provisions**

A. Supersession. This Amended and Restated MOU supersedes and replaces the 2007 MOU. This Amended and Restated MOU is intended to be read in conjunction with the RWMG Agreement, but to the extent of any conflict with the RWMG Agreement, this Amended and Restated MOU will govern.

B. MOU Amendments: This Amended and Restated MOU may be amended or modified only by mutual written consent of all Parties.

C. Expiration: This MOU is effective until January 8, 2027, unless otherwise amended or modified as set forth in Section 6. B.

D. Severability: If any provision of this Amended and Restated MOU is held, determined or adjudicated to be illegal, void, or unenforceable by a court of competent jurisdiction, the remainder of this Amended and Restated MOU shall be given effect to the fullest extent possible.

E. Notice:

1. Any correspondence, communication, or contact concerning this Amended and Restated MOU shall be directed to the contacts attached in Exhibit 4, which is attached hereto and incorporated herein as though set forth in its entirety.

2. Any Party may change its contact information by providing notice, in the manner set forth in Section 6.E.3, to all other Parties.

3. Notice will be deemed given upon personal delivery, five days after deposit in U.S. Mail (first class postage prepaid), or on the day of overnight delivery by a nationally recognized carrier.

F. Authorized Agents: Each person signing this Amended and Restated MOU represents to have the necessary power and authority to bind the entity on behalf of which said person is signing and each of the other Parties can rely on that representation.

G. Execution: This Amended and Restated MOU may be executed in counterparts, each counterpart being an integral part of this Amended and Restated MOU.

The Parties are each signing this Amended and Restated MOU as of the date set forth opposite the signature below.

CITY OF PALMDALE:

Salvador Mendez

Signed: 4/1/2025

Salvador Mendez Date
City Manager Pro Tem

Lee Torres
Signed: 3/28/2025

ADDRESS FOR NOTICE:

City of Palmdale
38300 Sierra Highway
Palmdale, CA 93550

APPROVED AS TO FORM:

Alexandra Haldman
Signed: 4/1/2025

William P. Curley, III
City Attorney

ATTEST:

Roxanne Faber
Signed: 4/3/2025

Roxanne Faber
City Clerk

EXHIBIT 1

Integrated Regional Water Management Group Cost Allocation

Party	Percent Share by Party from the 2007 MOU	Contribution for IRWMP Updates
		Total
Antelope Valley-East Kern Water Agency	15.3846%	$53,077
Palmdale Water District	18.4615%	$63,692
Quartz Hill Water District	1.5385%	$5,308
Littlerock Creek Irrigation District	1.5385%	$5,308
Antelope Valley State Water Contractors Association*		$0
City of Palmdale	15.3846%	$53,077
City of Lancaster	13.8461%	$47,769
County Sanitation District No. 14 of LA County	6.9231%	$23,885
County Sanitation District No. 20 of LA County	6.9231%	$23,885
Rosamond Community Services District	1.5385%	$5,308
LA County Waterworks District No. 40	18.4615%	$63,692
TOTAL	**100%**	**$345,000**

* The Antelope Valley State Water Contractor's Association is a joint powers authority comprised of Antelope Valley-East Kern Water Agency, Littlerock Creek Irrigation District, and Palmdale Water District. Because the Association's members are also members of the RWMG, the Association will contribute $0, and will have no share of any overage costs.

EXHIBIT 2
Form of Resolution

RESOLUTION OF THE *(governing body of agency],* ADOPTING THE INTEGRATED REGIONAL WATER MANAGEMENT PLAN FOR THE ANTELOPE VALLEY

The Antelope Valley Regional Water Management Group ("**RWMG**") is composed of the Antelope Valley-East Kern Water Agency, Palmdale Water District, Quartz Hill Water District, Littlerock Creek Irrigation District, Antelope Valley State Water Contractors Association, City of Palmdale, City of Lancaster, County Sanitation District No. 14 of Los Angeles County, County Sanitation District No. 20 of Los Angeles County, Rosamond Community Services District, and Los Angeles County Waterworks District No. 40, Antelope Valley.

The RWMG is authorized under the California Water Code Division 6, Part 2.2, known as the *Integrated Regional Water Management Planning Act of 2002* (the "**Act**") to implement an Integrated Regional Water Management Plan ("**IRWMP**") for the Antelope Valley region.

Under the Act, the Parties collaboratively prepared an Integrated Regional Water Management Plan for the Antelope Valley (the "**Plan**") that meets the requirements of the Act.

Section 10531 of the Act includes the following declarations:

d. Water is a valuable natural resource in California, and should be managed to ensure the availability of sufficient supplies to meet the state's agricultural, domestic, industrial, and environmental needs. It is the intent of the Legislature to encourage local agencies to work cooperatively to manage their available local and imported water supplies to improve the quality, quantity, and reliability of those supplies.

e. Improved coordination among local agencies with responsibilities for managing water supplies and additional study of groundwater resources are necessary to maximize the quality and quantity of water available to meet the state's agricultural, domestic, industrial, and environmental needs.

f. The implementation of the Integrated Regional Water Management Planning Act of 2002 will facilitate the development of integrated regional water management plans, thereby maximizing the quality and quantity of water available to meet the state's water needs by providing a framework for local agencies to integrate programs and projects that protect and enhance regional water supplies.

The adoption of the Plan will allow the Antelope Valley Region to compete for State grant funding available under Proposition 1 and other future State and/or Federal grant programs.

The *[governing body of agency],* as the governing body of the *[agency],* hereby adopts the Plan on _____.

By _____

APPROVED AS TO FORM:

By: _____
[City Attorney/District/Agency Counsel]

EXHIBIT 3
Form of Professional Services Agreement

EXHIBIT 4
Integrated Regional Water Management Group Contacts

1. ANTELOPE VALLEY-EAST KERN WATER AGENCY:

Mr. Dwayne Chisam
General Manager
6500 West Avenue N
Palmdale, CA 93551

2. PALMDALE WATER DISTRICT:

Mr. Dennis LaMoreaux
General Manager
2029 East Avenue Q
Palmdale, CA 93550

3. QUARTZ HILL WATER DISTRICT:

Mr. Chad Reed
General Manager
42141 50th Street West
Quartz Hill, CA 93536

4. LITTLEROCK CREEK IRRIGATION DISTRICT:

Mr. James Chaisson
General Manager
35141 North 87th Street East
Littlerock, CA 93543

5. ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION:

Ms. Barbara Hogan
Chairperson
c/o Palmdale Water District
2029 East Avenue Q
Palmdale, CA 93550

6. CITY OF PALMDALE:

Mr. Chuck Heffernan
Public Works Director
38250 Sierra Highway
Palmdale, CA 93550

7. CITY OF LANCASTER:

Mr. Jeff Hogan
Director of Development Services

City of Lancaster
44933 Fern Avenue
Lancaster, CA 93534

8. COUNTY SANITATION DISTRICT NO. 14 OF LOS ANGELES COUNTY:

Ms. Grace Robinson Hyde
Chief Engineer and General Manager
County Sanitation Districts of Los Angeles County
1955 Workman Mill Road
Whittier, CA 90601

9. COUNTY SANITATION DISTRICT NO. 20 OF LOS ANGELES COUNTY:

Ms. Grace Robinson Hyde
Chief Engineer and General Manager
County Sanitation Districts of Los Angeles County
1955 Workman Mill Road
Whittier, CA 90601

10. ROSAMOND COMMUNITY SERVICES DISTRICT:

Mr. Ronald Smith
General Manager
3179 35th Street
Rosamond, CA 93560

11. WATERWORKS DISTRICT 40:

Mr. Adam Ariki
Assistant Deputy Director
County of Los Angeles - Department of Public Works
Waterworks Division
P.O. Box 1460
Alhambra, CA 91802-1460

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Record of Signing

For
Name
Title



Signed on 2025-03-28 17:12:35 GMT

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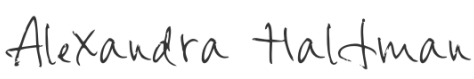
DocumentID: 02zTqLpyONDqlHyJhlOce2
SigningID: 02zTqLpyONDTiDNegJZQsv
Signing date: 3/28/2025
IP Address: 162.235.41.129
Email: ltorres@cityofpalmdaleca.gov

For
Name
Title



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SigningID: 02zWE084bsmL0vl5arN1NJ
Signing date: 4/1/2025
IP Address: 206.171.111.134
Email: amhalfman@harperburns.com

For
Name
Title



Signed on 2025-04-01 22:41:36 GMT

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IP Address: 206.171.111.149
Email: smendez@cityofpalmdaleca.gov

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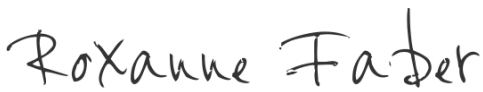

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Signing date: 4/3/2025
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City Council Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **PUBLIC WORKS DEPARTMENT**
CAPITAL IMPROVEMENT PROGRAM DIVISION

DISTRICT: **5**

SUBJECT: **APPROVE AGREEMENT WITH KIMLEY-HORN AND ASSOCIATES, INC. FOR ENGINEERING DESIGN SERVICES FOR SAFER STREETS FOR ALL (SS4A) 20TH STREET EAST CORRIDOR PROJECT, PN 930, FOR A TOTAL NOT TO EXCEED AMOUNT OF $446,050 FOR A TERM OF 150 CALENDAR DAYS FROM THE DATE OF THE NOTICE TO PROCEED**

RECOMMENDATION

Staff recommend that the City Council:

1. Approve Agreement No. A-10002 with Kimley-Horn and Associates, Inc. for SS4A 20th Street East Corridor Improvement Project, PN 930 (Project), for a total not to exceed amount of $446,050, which includes a contract amount of $405,500, plus a 10% contingency amount of $40,550 for a term of 150 calendar days from the date of the Notice to Proceed;

2. Authorize the City Manager or his designee to execute Agreement No. A-10002 with Kimley-Horn and Associates, Inc., including minimal and/or non-substantial changes; and,

3. Authorize the City Manager or his designee to approve change orders for additional or changed scopes of work up to the 10% contingency amount approved by the Council.

BACKGROUND

In September 2024, the U.S. Department of Transportation awarded the City of Palmdale a $5.3 million federal grant through the SS4A program to enhance roadway safety infrastructure. The Project proposes comprehensive improvements to 1.92 miles of the 20th Street East corridor from Avenue Q to Avenue S. The Project will consist of new sidewalks, bike lanes, pedestrian-activated signals, enhanced crosswalks, street lighting,

and a roundabout study and design at East Avenue R-8. The proposed improvements will greatly benefit the City's residents, pedestrians, cyclists, motorists, transit users, and particularly the 5,500 students within the corridor. The project will also include a community outreach component to determine the best options for bike lanes, improvements to school drop-off and pick-up areas, and enhanced crosswalk locations.

DISCUSSION

On July 23, 2026, a Request for Qualifications (RFQ) for engineering design services was publicly advertised via the PlanetBids electronic platform. On September 8, 2026, Four (4) Statements of Qualifications were received. A review committee independently evaluated each firm's submittal. Based on the combined evaluations, Kimley-Horn and Associates, Inc., received the highest overall score.

Proposal Scoring Criteria

Proposal Criteria	Available Points
Qualification, Expertise, Experience, and Staffing	15
Project Technical Approach	25
Community Outreach and Engagement	20
Qualification and Relevant Experience of the Project Team	20
Project Management, Schedule, Availability, and Coordination	15
Quality Assurance/Quality Control	5
Total	**100**

Interview Scoring Criteria

Interview Criteria	Available Points
Project Manager and Key Team Members	25
Understanding of Project Priorities and Risk	20
Technical Approach to Project-Specific Scenarios	25
School District Coordination and Community Engagement Approach	15
Response to Questions, Communication, and Team Collaboration	15
Total	**100**

Each evaluator scored the proposals independently, and the firms were ranked as follows:

Rank	Vendor	Location	Proposal Fee
1	Kimley-Horn and Associates, Inc.	Valencia, CA	$446,050
2	Parsons	San Diego, CA	No Total Fee
3	Alta Planning and Design	Los Angeles, CA	No Total Fee
4	Docken Engineering	San Diego, CA	No Total Fee

The Kimley-Horn and Associates, Inc. team has a proven track record of delivering similar SS4A projects. Their expertise includes extensive experience with the City of Bakersfield, City of Los Angeles, Culver City, Fullerton, Glendale, Burbank, and LA Metro. They are familiar with various transportation-related federal and state grant projects and have successfully delivered similar projects. Their references include multiple street design projects for public agencies similar in scope to the proposed project.

FISCAL IMPACT

$446,050; Sufficient funds are budgeted and available for Fiscal Year 2026-27.

STRATEGIC PLAN

Goal III: Invest in infrastructure to improve community livability.

C. Plan and maintain safe and attractive neighborhoods, streets, facilities, and public spaces with exciting programming that promotes active fun for everyone.

Prepared by:	Leonardo Torres, P.E., Director of Public Works
Certified as to availability of Funds:	Janelle Samson, Deputy City Manager
Approved by:	Salvador Mendez, City Manager
Approved as to form:	Taylor Anderson, Deputy City Attorney

ATTACHMENTS

Agrmt No. A-10002 with Kimley-Horn and Associates, Inc.
Proposal
Rate Schedule
Location Map

AGREEMENT NO. A-10002
CONTRACT FOR CONSULTANT SERVICES
BETWEEN THE CITY OF PALMDALE AND KIMLEY-HORN AND ASSOCIATES, INC.

THIS CONTRACT FOR CONSULTANT SERVICES (“Contract” herein) is made and entered into by and between the City of Palmdale, a municipal corporation, (hereinafter called “CITY”) and KIMLEY-HORN AND ASSOCIATES, INC. (hereinafter called “CONSULTANT”). This Contract shall become effective on the date of the last signatory ("Effective Date").

RECITALS

WHEREAS**,** City desires to engage CONSULTANT to provide certain consultant services; and

WHEREAS, CONSULTANT represents that CONSULTANT has the expertise and is qualified to perform the services described in this Contract. And, if required, is duly registered under the laws of the State of California; and

WHEREAS, CONSULTANT desires to accept such engagement.

NOW, THEREFORE, the parties agree as follows:

1 Description Of Work

1.1 The City hereby engages CONSULTANT, and CONSULTANT accepts such engagement, to provide the following services:

The City of Palmdale received a Fiscal Year 2024 Safe Streets and Roads for All (SS4A) Implementation Grant from the U.S. Department of Transportation for the 20th Street East Corridor Improvement Project (City Project No. 930). The intent of the project is to improve roadway safety and accessibility for pedestrians, bicyclists, students, transit users, motorists, and persons with disabilities through sidewalk gap closure, Class II bicycle lanes, an enhanced pedestrian-activated crossing, streetlighting, and intersection improvements at Avenue R-8 and 20th Street East. The project corridor extends approximately 1.92 miles along 20th Street East from Avenue Q to Avenue S. The Consultant shall provide the multidisciplinary professional services necessary to complete the SS4A Base Phase (Pre-NEPA) project-development process for the project. Consultant services will included but are not limited to: transportation planning, traffic engineering, multimodal safety analysis, school access and circulation analysis, preliminary engineering, environmental review, utility and right-of-way screening, community engagement, and project documentation into one coordinated work program.

The work shall be structured around clear decision points and shall progressively develop the information needed to identify feasible improvements, compare alternatives, document tradeoffs, establish an approximate environmental footprint, and support selection of preferred concepts. Technical analysis and public engagement shall proceed iteratively so that stakeholder input meaningfully informs

the alternatives rather than being collected only after concepts are substantially complete.

The purpose of the Base Phase is to develop technically feasible, community-supported, and environmentally documentable transportation safety improvements that address documented crash patterns, improve multimodal accessibility, enhance school access and circulation, and position the project for future environmental clearance, final design, right-of-way acquisition, and construction funding. Community engagement is a foundational element of this work and shall directly inform the development, evaluation, and selection of project alternatives.

The executed grant agreement defines the Base Phase as community outreach, feasibility study, environmental study, and Project Report. The Consultant shall develop the technical, environmental, operational, and concept-level engineering information needed to support informed decision-making, establish an approximate project footprint, compare reasonable alternatives, identify a recommended improvement strategy, prepare reliable planning-level costs, and define a clear path into future Phase 1 final design. Consultant shall be responsible for overall integration, quality, schedule, budget, subconsultant coordination, and delivery of all authorized work.

The Base Phase is intentionally limited to Pre-NEPA project development. The Consultant shall not prepare final plans, specifications, and estimates; bid documents; final utility relocation plans; final right-of-way acquisition documents; construction documents; or construction support services under this contract. Any future phase will require separate written authorization, environmental clearance, availability and obligation of funds, and compliance with applicable procurement requirements.

Objectives:
- Improve safety for all roadway users, with particular emphasis on students and other vulnerable road users.
- Evaluate and improve school arrival, dismissal, pickup, drop-off, parking, walking, bicycling, and transit conditions associated with Palmdale High School, Sage Academy Middle School, and Tamarisk Elementary School.
- Conduct meaningful and equitable engagement that informs alternatives and recommendations rather than merely presenting a predetermined design.
- Develop and compare feasible corridor and intersection improvement concepts, including the roundabout and realignment alternatives at Avenue R-8.
- Define the approximate project footprint and identify environmental, utility, drainage, right-of-way, operational, accessibility, and constructability constraints.
- Prepare environmental documentation and technical studies appropriate to the project and as directed by the City, FHWA, and the agency responsible for NEPA approval.
- Prepare a clear Project Report recommending improvements and identifying the work needed to advance into Phase 1 final design.

The Consultant shall provide the multidisciplinary professional services necessary to

complete the SS4A Base Phase (Pre-NEPA) project-development process. Services shall integrate transportation planning, traffic engineering, multimodal safety analysis, school access and circulation analysis, preliminary engineering, environmental review, utility and right-of-way screening, community engagement, and project documentation into one coordinated work program.

The following scope of work tasks and the scope of work presented in the Consultant Proposal, hereby attached to and incorporated in this Contract as Atta. 1 - Consultant Proposal, establishes the Base Phase work and required outcomes:

Task 1 – Project Management, Grant Coordination, and Quality Assurance

- Conduct a kickoff meeting and regular progress meetings with the City. Prepare agendas, meeting notes, action-item logs, decision logs, and updated schedules.

- Prepare a project management plan identifying team responsibilities, communication protocols, document control, risk management, quality assurance/quality control, and escalation procedures.

- Maintain a detailed critical-path schedule showing City, FHWA, school district, stakeholder, and agency review periods and the Base Phase completion deadline.

- Monitor scope, budget, schedule, deliverables, and subconsultant performance. Provide monthly progress reports and invoice backup sufficient to support federal reimbursement documentation.

- Use the City’s Virtual Project Management system for project communications, submittals, reviews, meeting records, invoices, and final records.

- Support coordination with FHWA and other reviewing agencies. No communication on behalf of the City shall commit the City to a course of action without prior City authorization.

- Prepare and implement a project-specific QA/QC plan. Independent technical review shall be documented for major deliverables.

- Key Deliverables: Project management plan; baseline and monthly updated schedules; meeting records; monthly progress reports; action, decision, risk, and comment-response logs; QA/QC plan and review records.

Task 2 – Existing Conditions, Data Collection, and Base Mapping

- Review the SS4A application, executed grant agreement, City plans and standards, prior studies, collision records, school circulation information, available as-builts, utility records, right-of-way information, and relevant regional and State guidance. Conduct field reconnaissance of the entire corridor and focused observations at schools, crossings, sidewalk gaps, lighting-deficient areas, drainage problem areas, transit stops, and the Avenue R-8 intersection study area.

- Prepare a fit-for-purpose survey and base mapping plan. Survey effort shall be sufficient to evaluate alternatives, define approximate footprints, identify constraints, and support environmental review; it shall not be developed solely to support final construction documents.

- Inventory existing sidewalks, curb ramps, crossings, bicycle accommodations, traffic controls, streetlighting, drainage features, driveways, curb use, parking, transit stops, utility features, significant vegetation, and apparent accessibility deficiencies.

- Identify known and reasonably foreseeable utility conflicts through records research and preliminary utility-owner coordination. Detailed relocation design and final utility clearance are excluded.

- Identify potential right-of-way, easement, access, and property impacts at a planning level. Acquisition documents and appraisals are excluded.

- Key Deliverables: Existing-conditions memorandum; photo log; GIS and CAD base mapping; data-gap memorandum; preliminary utility and right-of-way constraints exhibits.

Task 3 – Community Engagement and Public Outreach

- Community engagement and public outreach are foundational components of the Base Phase.

- The Consultant shall prepare and implement an inclusive, accessible, culturally responsive, and decision-oriented Community Engagement and Public Outreach Plan. Engagement activities shall be timed and structured to inform the identification of needs, development of alternatives, evaluation of tradeoffs, and selection of recommended improvements, with particular emphasis on school access, student safety, and pickup/drop-off operations.

- Identify stakeholders, engagement objectives, decision points, outreach methods, accessibility needs, language needs, notification methods, and documentation procedures.

- Coordinate with the City, Antelope Valley Union High School District, Palmdale School District, school administrators, parents and guardians, students as appropriate, nearby residents, Antelope Valley Transit Authority, emergency responders, accessibility interests, bicycle and pedestrian advocates, and other affected parties / stakeholders.

- Prepare accessible meeting notices, agendas, presentations, exhibits, surveys or interactive exercises, fact sheets, website/social-media content, and meeting summaries. Translation and interpretation shall be provided when directed by the City. Any and all notifications to targeted audiences will be provided in both English and Spanish. All public contact and outreach will be coordinated with and approved

by the City's Communications Division.

- Conduct, at a minimum, two separate formal school district outreach meetings managed by the Consultant: (1) an Antelope Valley Union High School District meeting focused primarily on Palmdale High School and related coordination with Sage Academy Middle School, as applicable; and (2) a Palmdale School District meeting focused primarily on Tamarisk Elementary School. The meetings will be hybrid in-person / online. Consultant will coordinate and/or provide all equipment/expertise necessary to facilitate the meetings.

- Tailor each district meeting to the applicable school facilities, arrival and dismissal operations, pedestrian routes, pickup/drop-off conditions, parking, transit, neighborhood impacts, and candidate safety improvements.

- Conduct additional targeted stakeholder interviews, school staff working sessions, or small-group meetings as needed to develop and validate alternatives.

- Document comments, themes, commitments, and how input influenced the alternatives and recommendations.

- Key Deliverables: Community Engagement and Public Outreach Plan; stakeholder database; materials for the two required school district meetings; public and stakeholder meeting materials; meeting records; comment matrix; and an engagement summary documenting how public input affected the alternatives and recommendations.

Task 4 – School Access, Circulation, Pickup and Drop-Off Study

- School pickup and drop-off operations are a primary technical focus of this study and shall be evaluated in addition to, and integrated with, the other Base Phase requirements.

- Observe representative morning arrival and afternoon dismissal periods at Palmdale High School, Sage Academy Middle School, and Tamarisk Elementary School on dates coordinated with the City and school districts.

- Document parent and guardian vehicle queues, curb use, loading behavior, school bus operations, transit activity, student pedestrian and bicycle movements, informal crossings, parking utilization, accessibility issues, conflicts, traffic control practices, and neighborhood spillover.

- Prepare circulation diagrams and document pedestrian desire lines, crossing locations, access routes, school-zone conditions, and conflict points.

- Evaluate operational and concept-level physical improvements, which may include revised pickup/drop-off zones, curb-use changes, loading-zone relocation or consolidation, circulation changes, pedestrian access improvements, crossing treatments, traffic calming, signage and striping concepts, and coordination with

corridor improvements.

- Coordinate recommendations with each school district and document operational responsibilities, implementation considerations, and issues requiring continued coordination during Phase 1.

- Key Deliverables: School access and circulation technical memorandum; arrival/dismissal observation data; circulation and conflict exhibits; concept alternatives; recommended school access and pickup/drop-off strategies.

Task 5 – Corridor Safety, Traffic, and Multimodal Analysis

- Compile and analyze available collision data, including fatalities, serious injuries, crash types, contributing factors, time of day, location patterns, and roadway-user categories.

- Collect or validate traffic volumes, turning movements, speeds, pedestrian and bicycle activity, gap information, and other data needed to evaluate corridor and intersection alternatives.

- Evaluate existing roadway operations, school-zone conditions, pedestrian and bicycle level of traffic stress, transit interactions, accessibility, lighting conditions, and speeding concerns.

- Assess the need, location, and appropriate form of an enhanced pedestrian crossing near Palmdale High School and Sage Academy Middle School, including applicable warrants, sight distance, pedestrian demand, refuge opportunities, accessibility, lighting, and school circulation.

- Identify applicable proven safety countermeasures and estimate anticipated safety benefits using accepted FHWA or Caltrans methodologies where practicable.

- Establish evaluation criteria for alternatives, including safety, multimodal access, school operations, equity, environmental effects, right-of-way, utilities, drainage, constructability, cost, community support, and future maintainability.

- Key Deliverables: Safety and multimodal analysis memorandum; data files; collision diagrams and maps; speed and operations findings; crossing evaluation; alternatives evaluation criteria.

Task 6 – Corridor Improvement Concepts

- Develop feasible concept alternatives for sidewalk gap closure, ADA access, continuous Class II bicycle lanes, enhanced crossings, streetlighting, signing and striping, school access, curb use, traffic calming, drainage constraints, and related safety improvements.

- Prepare corridor typical sections and focused concept layouts at key constraint

locations. Concepts shall show approximate geometry and footprint sufficient for comparative evaluation and environmental review.

- Evaluate compatibility with existing and planned bicycle, pedestrian, transit, school, and roadway facilities at Avenue Q, Avenue R, Avenue S, and connecting routes.

- Identify assumptions, design exceptions or deviations that may be required, unresolved constraints, potential phasing, and items needing further investigation during final design.

- Key Deliverables: Corridor concept alternatives; typical sections; key-location layouts; design criteria and assumptions memorandum; constraint and issue log.

Task 7 – Avenue R-8/20th Street East Intersection Feasibility Study

- Confirm the study area, purpose and need, existing geometrics, operations, collision patterns, multimodal movements, adjacent access, utilities, drainage, right-of-way, and environmental constraints.

- Develop and evaluate a reasonable range of alternatives, including at minimum a roundabout alternative, a roadway realignment alternative, and a no-build or lower-cost improvement alternative.

- Prepare concept layouts, operational analysis, safety comparison, pedestrian and bicycle accommodation, access considerations, approximate footprints, potential property and utility impacts, constructability considerations, planning-level costs, and implementation risks.

- Use documented evaluation criteria and stakeholder input to recommend an alternative or identify additional work needed before selecting one.

- Key Deliverables: Avenue R-8 feasibility study; alternative concept exhibits; operations and safety analysis; evaluation matrix; planning-level cost estimates; recommended alternative and implementation considerations.

Task 8 – Concept-Level Preliminary Engineering

- The Consultant shall develop only the level of preliminary engineering necessary to evaluate feasibility, compare alternatives, define approximate environmental footprints, identify constraints and impacts, support cost estimating, and prepare the Project Report. Work shall be consistent with preliminary design permissible before completion of NEPA under FHWA Order 6640.1A.

- Establish approximate horizontal geometry, typical sections, curb and sidewalk limits, crossing locations, bicycle-lane configurations, lighting concepts, drainage concepts, and intersection footprints for recommended concepts.

- Identify approximate grading limits, major drainage needs, retaining or structural

needs, utility conflicts, accessibility constraints, right-of-way implications, construction staging considerations, and constructability risks.

- Prepare planning-level quantities and opinions of probable construction cost, including contingencies and escalation assumptions appropriate to the level of development.

- Prepare sufficient technical exhibits for environmental review, public engagement, agency coordination, and the Project Report.

- Do not prepare final design plans, final technical specifications, bid schedules, final traffic control plans, utility relocation plans, final signal or lighting plans, or construction bid documents.

- Key Deliverables: Concept-level preliminary engineering exhibits; preliminary footprint; design criteria; constraint and risk register; planning-level quantities and cost estimates.

Task 9 – Environmental Scoping, Technical Studies, and NEPA/CEQA Support

- Coordinate with the City, FHWA, Caltrans as applicable, and other agencies to confirm the appropriate NEPA and CEQA pathways, documentation responsibilities, project description, logical termini, alternatives, and required technical studies.

- Prepare an environmental constraints memorandum and environmental study plan identifying required surveys, seasonal limitations, agency coordination, anticipated permits, and schedule risks.

- Conduct required technical studies to the level authorized by the City. Anticipated topics may include biological resources and western Joshua tree considerations, cultural resources and Section 106 support, hazardous materials, community impacts and equity, noise, air quality, water resources and jurisdictional features, visual resources, land use, and other topics determined through scoping.

- Prepare draft and final environmental documentation and supporting technical memoranda sufficient for agency review and approval within the Base Phase, subject to agency direction and schedule.

- Prepare permit and approval matrices and conduct early coordination needed to identify future permitting requirements. Final construction permits and permit applications dependent on final design are excluded unless specifically authorized.

- Respond to consolidated City and agency comments and maintain an environmental commitments and mitigation tracking log.

- Key Deliverables: Environmental constraints memorandum; study plan; technical studies; draft and final environmental document(s) as directed; agency coordination records; permit matrix; environmental commitments and mitigation log.

Task 10 – Alternatives Evaluation, Preferred Concepts, and Project Report

- Integrate technical analysis, preliminary engineering, environmental findings, school district input, public comments, costs, and implementation risks into a transparent alternatives evaluation.

- Facilitate a City decision workshop to review alternatives, tradeoffs, and recommended concepts.

- Prepare a draft and final Project Report documenting purpose and need; grant and project background; existing conditions; school access and pickup/drop-off findings; engagement; safety and multimodal analysis; alternatives; Avenue R-8 feasibility findings; concept-level preliminary engineering; environmental constraints; utility, drainage, right-of-way, and constructability considerations; cost estimates; recommended concepts; unresolved issues; and a roadmap for Phase 1 final design.

- Prepare an executive summary, presentation materials, GIS data, editable source files, and final administrative record suitable for City and FHWA use.

- Identify recommended performance-measure data and baseline documentation needed for future SS4A reporting, including project locations, roadway-user crash categories, quantitative project outputs, qualitative benefits, photographs, and lessons learned.

- Key Deliverables: Alternatives evaluation matrix; City decision workshop; draft and final Project Report; executive summary; presentation; GIS/CAD and editable source files; Base Phase closeout and records package.

Federal Grant Requirements: This Contract is funded in whole or in part under the Fiscal Year 2024 Safe Streets and Roads for All Grant Program, Federal Award No. 693JJ32640402, Assistance Listing 20.939. Consultant shall comply with all federal requirements applicable to the services, including the executed SS4A Grant Agreement, the then-applicable FY 2024 SS4A General Terms and Conditions and FHWA Exhibits, 2 CFR parts 200 and 1201, and the Federal Contract Requirements attached to this Contract. Only the Base Phase funding identified by CITY is available under this Contract. Consultant shall not perform final design, right-of-way acquisition, utility relocation design, construction, or any other later-phase activity unless authorized by a written amendment after satisfaction of all applicable environmental, funding-obligation, procurement, and notice-to-proceed conditions. If a conflict exists between this Contract and a mandatory federal requirement, the mandatory federal requirement controls to the extent of the conflict. Consultant shall immediately notify CITY of any actual or suspected noncompliance and shall cooperate with corrective action, audit, reimbursement, closeout, and recovery of disallowed costs.

The Consultant acknowledges that this Contract is funded in whole or in part by the U.S. Department of Transportation, Federal Highway Administration, under the Fiscal Year 2024 Safe Streets and Roads for All Grant Program. The Consultant shall

comply with all applicable federal laws, regulations, executive orders, policies, award terms, and conditions. Mandatory federal requirements control over inconsistent Contract provisions. The Consultant shall not construe this clause as creating a contractual relationship between the Consultant and the Federal Government.

Federal Award No., for reference, is 693JJ32640402.

Atta. 2 - Federal Provisions, is attached to and incorporated into this Contract.

Atta. 1 - Consultant Proposal, is attached to and incorporated into this Contract.

CONSULTANT shall perform and complete all such work and services in a manner satisfactory to CITY.

1.2 Project deliverables shall be reviewed and approved by CITY to determine acceptable completion. CITY shall have the right to review and inspect the work during the course of its performance at such times as may be specified by CITY.

1.3 CONSULTANT shall not accept any change of scope, or change in contract provisions, unless issued in writing, as a contract change order or amendment and signed by CITY. Any extensions of time must be mutually agreed upon in writing and executed by both parties.

1.4 CITY shall provide to CONSULTANT, without charge, all data, program information, including reports, records, maps, and other information, now in CITY's possession, which may facilitate the timely performance of the work.

2 City Project Manager

To provide the services required by this Contract, CONSULTANT shall act under the authority and approval of a Project Manager appointed by CITY. The City Project Manager will oversee the work under this Contract, assist CONSULTANT with any necessary information, audit billings, and approve payments. CONSULTANT shall channel reports, deliverables, and special requests through the City Project Manager.

3 Consultant's Key Personnel

CONSULTANT's Team and Key Personnel are as follows:

Attached to and incorporated in this Contract as Atta. 1 - Consultant Proposal. Consultant has a duty to disclose any requested changes to personnel promptly, obtain prior City approval, and provide equivalent of better personnel. City approval of personnel changes does not waive any grant notice requirement.

This Consultant Services Contract has been awarded to CONSULTANT based on its representation that those personnel and subcontractors listed above will perform the portions of the work listed herein. CONSULTANT shall not deviate nor substitute any of these team members without prior written approval by CITY.

4 Contract Term

The term of this contract is one hundred fifty (150) days, commencing on the Effective Date.

5 Taxes

5.1 CONSULTANT shall pay all sales, consumer, use, and other similar taxes required to be paid by CONSULTANT in accordance with state and local laws.

5.2 CONSULTANT is an independent contractor and shall have no power or authority to incur any debt, obligation, or liability on behalf of CITY. No person employed by CONSULTANT or acting on its behalf, in connection with this Contract shall be considered the Agent or employee of CITY.

5.3 CONSULTANT shall be required to obtain a current City of Palmdale business license, as required by the Palmdale Municipal Code, before an Authorization to Proceed is issued.

6 Patent Fees And Royalties

CONSULTANT shall pay all license fees and royalties and assume all costs incident to the use, in the performance of the work or the incorporation in the work of any invention, design, process, product or device which is the subject of patent rights or copyrights held by others. If a particular invention, design, process, product or device is specified by CITY for use in the performance of the work and if, to the actual knowledge of CITY, its use is subject to patent rights or copyrights calling for the payment of any license fee or royalty to others, the existence of such rights shall be disclosed by CITY in the contract documents. CONSULTANT shall indemnify and hold harmless CITY and anyone directly or indirectly employed by CITY from and against all claims, damages, losses and expenses (including attorneys' fees) arising out of any infringement of patent rights or copyrights incident to the use in the performance of the work, or resulting from the incorporation in the work of any invention, design, process, product or device not specified by CITY, and shall defend all such claims in connection with any alleged infringement of such rights.

7 Standards Of Performance

CONSULTANT shall be responsible for the completeness and accuracy of its services and work and documents resulting there from, and CITY shall not be responsible for discovering deficiencies therein. CONSULTANT shall correct any such deficiencies or errors without additional compensation and without cost to CITY, except to the extent any such deficiency is directly attributable to deficiencies in CITY -furnished information.

8 Consultant's Personnel

8.1 All services required under this Contract shall be performed by CONSULTANT, or under CONSULTANT’S direct supervision, and all personnel shall possess the qualifications, permits and licenses required by State and local law to perform such services.

8.2 CONSULTANT shall be solely responsible for the satisfactory work performance of all personnel engaged in performing services required by this

Contract, and compliance with all reasonable performance standards established by CITY.

8.3 CONSULTANT shall be responsible for payment of all CONSULTANT's employees' and subcontractor's wages and benefits and shall comply with all requirements pertaining to the employer's liability, workers' compensation, unemployment insurance, and Social Security.

8.4 CONSULTANT shall indemnify and hold harmless CITY, and its respective officers, agents and employees from and against all claims, demands, damages or costs arising from CONSULTANT's acts or omissions with respect to any liability, damages, claims, costs and expenses of any nature arising from alleged violations of personnel practices.

9 Compensation

9.1 For all of work and services including the various phases of tasks as described in Section 1, CITY shall pay to CONSULTANT an amount not to exceed the sum of four hundred five thousand five hundred dollars ($405500), payable as follows:

Attached to and incorporated in this Contract as Atta. 1 - Consultant Proposal.

The Contract Price is CONSULTANT'S estimate of its charges for all of the services, including all labor, equipment, material, subcontractor and reimbursable costs, to be provided under this Contract. Progress payments shall be made on a time and material basis. Final payment shall be made upon completion of all services and City acceptance of all deliverables, not-to-exceed the Contract Price.

9.2 CONSULTANT shall perform no work in excess of the total contract price without prior written approval of CITY. Total contract price includes expenses related to travel to and from CITY to meet with City and to appear, if so required, before City Council or any other board or commission of CITY.

9.3 CONSULTANT shall maintain adequate records and shall permit inspection and audit by CITY of CONSULTANT's charges under this Contract. CONSULTANT shall make such records available to CITY during normal business hours upon reasonable notice. Nothing herein shall convert such records into public records, and they will be available only to CITY and any specified public agencies. Such records shall be maintained by CONSULTANT for one (1) year following completion of the work under this Contract unless a longer period of time is required by state or federal law, in which event CONSULTANT shall retain its records for the time required by such laws.

9.4 No payment made hereunder by CITY to CONSULTANT, shall be construed as an acceptance by CITY of any work or materials, nor as evidence of satisfactory performance by CONSULTANT of its obligations under this Contract.

9.5 Funding Contingency; Suspension or Termination. Notwithstanding any other provision of this Contract, the parties acknowledge that performance under this Contract is contingent upon the availability and continued appropriation of sufficient

funding. In the event that anticipated, allocated, or appropriated funding is reduced, delayed, or not received in whole or in part (“Funding Shortfall”), the affected party may, upon written notice to the other party, suspend performance of its obligations under this Contract to the extent reasonably necessary.

If the Funding Shortfall continues for a period of 30 days following such notice, the affected party may terminate this Contract, in whole or in part, without penalty or further liability, upon additional written notice. Any suspension or termination pursuant to this section shall not constitute a breach of this Contract.

In the event of suspension or termination due to a Funding Shortfall, the parties shall equitably adjust compensation to reflect services properly performed and authorized expenses incurred prior to the effective date of suspension or termination. The affected party shall use reasonable efforts to provide prompt notice of any Funding Shortfall and to mitigate any adverse impact on the other party.

10 Indemnification

Where the services to be provided by Consultant under this Contract are design professional services, as that term is defined under Civil Code Section 2782.8,CONSULTANT and any contractors or subcontractors working on its behalf agree to indemnify CITY, its officers, employees, agents and elected and appointed boards (hereinafter “Indemnified Parties”) for any loss, claim, demand, cause of action, cost, expense, damage, obligation or liability which to the extent arises out of, pertains to, or relates to the negligence, recklessness, or willful misconduct of the CONSULTANT, its employees, and/or authorize subcontractors in the performance of design professional services under this Contract, but this indemnity does not apply to liability for damages for bodily injury, property damage or other loss, arising from the sole negligence, active negligence or willful misconduct by the City, its officers, official employees, and volunteers. Notwithstanding the foregoing, the CONSULTANT shall not be liable for the defense or indemnification of the CITY for claims, actions, complaints or suits arising out of the sole or active negligence or willful misconduct of the CITY. Further, in no event shall the cost to defend charged to the design professional exceed the design professional’s proportionate percentage of fault, unless otherwise specified in Civil Code section 2782.8. CONSULTANT shall ensure that the contract of any contractor or subcontractor working under this Contract contain an indemnity agreement, requiring the contractor or subcontractor to indemnify and defend the Indemnified Parties pursuant the terms set forth above. CONSULTANT shall indemnify the Indemnified Parties, and save it harmless from any and all loss, damage, costs, expenses and attorney's fees suffered or incurred on account of any breach of the aforesaid obligations and covenants, and any other provision or covenant of this Contract.

As respects all acts or omissions which do not arise directly out of the performance of design professional services, including but not limited to those acts or omissions normally covered by general and automobile liability insurance, and to the full extent permitted by law, CONSULTANT agrees to indemnity, defend and hold harmless the City, its officers, officials, agents, employees, and volunteers from and against any claims, demands, losses, liability of any kind or nature (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory

proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorney's fees and costs, court costs, interest, defense costs, and expert witness fees) where the same arise out of, are in connection with, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Contract by CONSULTANT or by any individual or entity for which CONSULTANT is legally liable, including but not limited to officers, agents, employees or sub-contractors of CONSULTANT, excepting those which arise out of the active negligence, sole negligence or willful misconduct of the CITY, its officers, officials, employees and volunteers.

11 Insurance

11.1 CONSULTANT, at its expense, shall maintain in effect at all times during the performance of work under this Contract not less than the following coverage and limits of insurance, which shall be maintained with insurers listed "A" or better in the Best's Insurance Guide and authorized to do business in the State of California. **Proof of Insurance, as identified in Section 11.8, must be reviewed and accepted by the City Attorney**.

11.1.1 Workers' Compensation and Employer's Liability

Workers' Compensation—coverage as required by the State of California

Employer's Liability:

$1,000,000.00 each accident

$1,000,000.00 policy limit bodily injury

$1,000,000.00 each employee bodily injury by disease

11.1.2 Professional Liability (Errors & Omissions) Insurance*

- $1,000,000 limit on a per occurrence basis

11.1.3 Commercial General Liability

$1,000,000.00 limit on a per occurrence basis

$2,000,000.00 general aggregate limit

11.1.4 Commercial Automobile Liability

$1,000,000.00 combined single limit including owned, non-owned and hired automobile coverage

11.2 All of CONSULTANT's policies shall contain an endorsement providing that written notice shall be given to CITY at least thirty- (30) calendar days prior to termination, cancellation or reduction of coverage in the policy.

11.3 Policies providing for bodily injury and property damage coverage shall contain the following:

A. An endorsement extending coverage to the City as an additional insured, in the same manner as the named insured, as respects liability arising out of the performance of any work under the Contract. Such insurance shall be primary insurance, as respects the interest of the City, and any other insurance maintained by the City shall be considered excess coverage and not contributing insurance with the insurance required hereunder. The certificate

and endorsements shall state: “The City of Palmdale, the Successor Agency of the Community Redevelopment Agency of the City of Palmdale, Palmdale Civic Authority, Industrial Development Authority of the City of Palmdale, Palmdale Airport Authority, their officers, agents, employees and volunteers are named as additional insured’s.”

B. “Severability of Interest” clause.

11.4 Promptly on execution of this Contract, and prior to commencement of any work, CONSULTANT shall deliver to CITY certificates of insurance and endorsements to all required policies demonstrating that CONSULTANT has the required coverage and showing the required named insureds. Within five (5) days of written request from CITY, CONSULTANT shall deliver to CITY full and complete copies of all insurance policies required by this Contract.

11.5 The requirements as to the types and limits of insurance to be maintained by CONSULTANT are not intended to and shall not in any manner limit or qualify CONSULTANT’s liabilities and obligations under this Contract.

11.6 Any policy or policies of insurance that CONSULTANT elects to carry as insurance against loss or damage to its equipment and tools or other personal property used in the performance of this Contract shall include a provision waiving the insurer’s right of subrogation against CITY.

11.7 All insurance coverage must be maintained throughout the duration of this Contract.

11.8 Acceptable Proof of Insurance:

11.8.1 ACORD Certificate of Insurance listing all coverages, limits, deductibles and insureds; and endorsements for all applicable coverages if agent has authority to issue it; Additional insured Form CG20101185 or CG20100707 and CG20370704 or equivalent must be provided for general liability coverage. Additional insured form CA0001 must be provided for automobile liability coverage.

11.8.2 Agents must confirm that policy endorsements have been ordered from the respective insurance companies. Upon issuance, policy endorsements listing all insurers must be submitted to the City Attorney.

11.8.3 *When professional (E&O) liability coverage is provided on a “claims made basis”, CONSULTANT will continue to renew the insurance for a period of five (5) years after this Contract expires or is terminated. Such insurance will have the same coverage and limits as the policy that was in effect during the term of this Contract, and will cover CONSULTANT, or its officers, employees, or agents during the time this Contract was in effect.

11.9 Notwithstanding any other provision of this Contract, CITY may immediately terminate this Contract if, at any time CONSULTANT fails to maintain the required insurance for any period of time or fails to comply with any of the insurance requirements listed above.

11.10 CONSULTANT shall require any and all subcontractor's working on its behalf to provide insurance coverages and limits that are based on the scope of work and nature of risk being performed by the subcontractor. Any and all subcontractors working on behalf of CONSULTANT shall be subject to all other insurance requirements that are stated herein.

Any deviation in this requirement will be CONSULTANT's sole risk. CONSULTANT's insurance requirements in Section 11 will not be impacted and/or limited by such deviation.

12 Termination Without Cause

CITY reserves the right to terminate this Contract or any part thereof for its sole convenience with fifteen (15) days written notice. In the event of such termination, CONSULTANT shall immediately stop all work hereunder, and shall immediately cause any of its suppliers and sub-consultants to cease such work. CONSULTANT shall also surrender to CITY all finished or unfinished documents or programs and other materials, which shall be City’s property. As compensation in full for services performed to the date of such termination, the CONSULTANT shall receive an amount equal to the value of the work completed as of the termination date in accordance with the fee schedule or as negotiated between the parties. In no event shall the amount payable upon termination exceed the total maximum compensation provided for in this Contract.

13 Termination For Cause

13.1 If the City determines that the CONSULTANT has failed to supply an adequate working force, or to provide services of proper quality, or has failed in any other respect to satisfactorily perform the services specified in this Contract, the City shall give written notice to the CONSULTANT specifying all defaults to be remedied within thirty (30) days. Such notice shall set forth the basis for the City’s dissatisfaction and suggest corrective measures. If, after thirty days, the CONSULTANT has failed to implement the corrective measures, the City may elect to terminate this Contract, in whole or in part.

13.2 In the event the City terminates this Contract in whole or in part as provided herein above, the City may procure, upon such terms and in such manner, as it may deem appropriate, services similar to those terminated.

13.3 If this Contract is terminated as provided above, the City may require the CONSULTANT to provide all finished or unfinished documents, data, studies, software, drawings, maps, photographs, reports, etc., prepared by the CONSULTANT. Upon such termination, the CONSULTANT shall be paid an amount equal to the value of the services provided and work performed as of the date of termination. Such payment by the City may take into consideration the costs associated with hiring another CONSULTANT to complete the services. In the event no new CONSULTANT is employed, the CONSULTANT shall be paid an amount equal to the value of the work performed. In ascertaining the value of the work performed up to the date of termination, consideration shall be given to both

completed work and work in progress, to complete and incomplete documents when such are delivered to CITY, and to authorized reimbursement expenses.

The above is in addition to any other remedies available by law or equity to the City.

13.4 If, after notice of termination of the Contract under the provisions of this Section 13, it is determined, for any reason, that CONSULTANT was not in default, or that the default was excusable, then the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Section 12.

14 Dispute Resolution

All claims, disputes, and other matters in question between CITY and CONSULTANT arising out of, or relating to this Contract, or the breach thereof shall, to the extent reasonably feasible, be resolved through good faith negotiations between the parties.

15 Ownership And Delivery Of Work Product

All documents, data, reports, studies, analyses, field notes, investigations, plans, specifications, software, programs, manuals, instructions, and other materials of any nature, whether complete or incomplete, that are prepared, developed, or produced by CONSULTANT or Consultant's subcontractors in the performance of this Contract (collectively, "Work Product") shall be the exclusive property of the CITY.
All Work Product shall be delivered to or left with the CITY upon completion, expiration, or termination of this Contract. Upon request, CONSULTANT shall provide the CITY with originals and reproducible and electronic copies of all Work Product. Electronic copies shall be provided in an unprotected format that allows the CITY to copy, reproduce, modify, and use the Work Product without restriction.

16 Ownership Of Intellectual Property

The Work Product and all intellectual property rights therein shall be deemed "works made for hire" under the United States Copyright Act (17 U.S.C. § 101 et seq.), and the CITY shall be deemed the author and exclusive owner thereof, in perpetuity and worldwide.
To the extent any Work Product does not qualify as a work made for hire, CONSULTANT hereby irrevocably assigns, transfers, and conveys to the CITY all right, title, and interest in and to such Work Product, including all copyrights, trademarks, patents, and other proprietary rights. CONSULTANT consents to the use of CONSULTANT's name in conjunction with the sale, use, performance, and distribution of Work Product, for any purpose and in any medium.

CONSULTANT agrees to execute any documents and take any actions reasonably requested by the CITY to confirm or perfect the CITY'S ownership of such rights.

CONSULTANT waives any and all moral rights or similar rights under California Civil Code Sections 980 through 989, 17 U.S.C. §106A, or any other applicable law to the extent permitted by law.

CONSULTANT retains ownership of any materials or intellectual property it owned before the effective date of this Contract ("Pre-Existing Materials"), and shall identify them in writing before incorporating them into Work Product. To the extent any Pre-Existing Materials are incorporated into Work Product, CONSULTANT grants CITY a perpetual, irrevocable, royalty-free, non-exclusive license to use, copy, and modify them in connection with the Work Product.

17 Subcontracting, Delegation And Assignment

17.1 CONSULTANT shall not delegate, subcontract or assign its duties or rights hereunder, either in whole or in part, without the prior written consent of CITY; provided, however, that claims for money due or to become due to CONSULTANT from CITY under this Contract may be assigned to a bank, trust company or other financial institution without such approval. Any proposed delegation, assignment or subcontract shall provide a description of the services covered, identification of the proposed assignee, delegates or subcontractor, and an explanation of why and how the same was selected, including the degree of competition involved. Any proposed agreement with an assignee, delegates or subcontractor shall include the following:

A. The amount involved, together with CONSULTANT's analysis of such cost or price; and

B. A provision requiring that any subsequent modification or amendment shall be subject to the prior written consent of CITY.

C. The requirement to hire only those persons authorized by federal law to work in the United States.

17.2 Any assignment, delegation or subcontract shall be made in the name of CONSULTANT and shall not bind or purport to bind CITY and shall not release CONSULTANT from any obligations under this Contract including, but not limited to, the duty to properly supervise and coordinate the work of employees, assignees, delegates and subcontractors. No such assignment, delegation or subcontract shall result in any increase in the amount of total compensation payable to CONSULTANT under this Contract.

18 Non-Discrimination And Equal Employment Opportunity

18.1 In performance of this Contract, CONSULTANT shall not discriminate against any employee, subcontractor, or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, reproductive health decisionmaking, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or veteran or military status. CONSULTANT will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, religious creed, color, national origin, ancestry, physical disability, mental disability, reproductive health decisionmaking, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or veteran or military status of any person. Affirmative action relating to employment shall include, but not be limited to, the following: employment,

upgrading, demotion or transfer; recruitment; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

19 SB 1383 Compliance

CONSULTANT shall comply with all applicable requirements of California Senate Bill 1383 (SB 1383) and related regulations concerning the reduction of organic waste, diversion from landfills, and edible food recovery.

20 WCAG 2.1AA Compliance

Information and communication technology means information technology and other equipment, systems, technologies, or processes, for which the principal function is the creation, manipulation, storage, display, receipt, or transmission of electronic data and information, as well as any associated content. Examples include computers and peripheral equipment; information kiosks and transaction machines; telecommunications equipment; customer premises equipment; multifunction office machines; software; applications; Web sites; videos; and electronic documents.

Each information and communication technology (hereinafter referred to as "ICT") product or service furnished to the City under this Contract shall be accessible to and usable by individuals with disabilities in accordance with the Americans with Disabilities Act, as amended, (hereinafter referred to as the "ADA") and other applicable Federal laws, including Section 508 of the Rehabilitation Act, as amended, and State laws and implementing regulations. For purposes of this clause, Consultant shall be considered in compliance with the ADA and other Federal and State laws if it satisfies (a) the Web Content Accessibility Guidelines (WCAG) 2.1 Level A and Level AA Success Criteria and Conformance Requirements (2018), which are incorporated by reference and are the technical standard adopted for public entities under 28 CFR Part 35, Subpart H; and (b) to the extent applicable, the requirements (including exceptions) specified in the regulations at 36 CFR Part 1194 implementing Section 508 of the Rehabilitation Act, and the functional performance criteria.

Consultant shall maintain and retain, subject to review by the City, full documentation of the measures taken to ensure compliance with the applicable requirements and functional performance criteria, including records of any testing or simulations conducted. For each ICT subject to this Contract, the documentation shall include a description of conformance with applicable federal and state laws by means of either a Voluntary Product Accessibility Template (VPAT) or other comparable document, upon request.

If Consultant claims its products or services satisfy the applicable requirements and standards specified above and it is later determined by the City that any furnished product or service is not in compliance with such requirements and standards, the City will promptly inform the Consultant in writing of the noncompliance. The Consultant shall, at no cost to the City, repair or replace the non-compliant products or services within the period specified by the City. If the repair or replacement is not completed within the specified time, the City may cancel the Contract or have any necessary changes made or repairs performed by employees of the City or by another consultant, and Consultant shall reimburse the City for any expenses

incurred thereby. Consultant shall indemnify and hold the City harmless in the event of claims arising from inaccessibility.

21 Financial Interest Certification

20.1 CONSULTANT warrants that no person has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee; and that no officer or employee of the CITY has any interest, financially or otherwise, in CONSULTANT's firm.

21.2 For breach or violation of this warranty, CITY shall have the right to annul this Contract without liability, or at its discretion to deduct from the Contract Price or consideration, the full amount of such commission, percentage, brokerage or contingent fee.

22 Conflict Of Interest

22.1 CONSULTANT stipulates that its officers and employees do not now have a conflict of interest and it further agrees for itself, its officers and its employees that it will not contract for or accept employment for the performance of any work or services with any individual business, corporation or government unit that would create a conflict of interest in the performance of its obligations pursuant to this Contract or which would cause CONSULTANT to be "financial interested" (as provided in California Government Code Section 1090 et seq. or 87100 et seq.) in any contract or decision made by CITY on any matter.

22.2 CONSULTANT shall not employ any City official or employee to perform any work required pursuant to this Contract.

22.3 If CONSULTANT is a registered professional engineer or licensed land surveyor and the scope of work requires CONSULTANT'S recommendation of the actual formula to spread the costs of an assessment district's improvements, then CONSULTANT shall not participate in making that recommendation if the additional elements set forth in Government Code section 87100.1(c) apply. Those additional elements are: (1) CONSULTANT has received income of $250 or more for professional services in connection with any parcel included in the benefit assessment district within 12 months prior to the creation of the district; and (2) the district includes other parcels in addition to those parcels for which CONSULTANT received the income. In the event a conflict of interest does arise in that context, City shall select a different CONSULTANT to recommend the actual formula to spread the costs of the assessment district's improvements and the costs of such services shall be deducted from the compensation to be paid to CONSULTANT.

22.4 To the extent required by the City Manager/designee, CONSULTANT shall complete and file with the City Clerk a Form 700 Statement of Economic Interests disclosing any reportable property interests, income, gifts, investments, or business positions.

23 Compliance With Law

23.1 CONSULTANT shall comply with all state and federal laws, including but not limited to, the requirement to hire only those persons authorized by federal law to work in the United States. If CONSULTANT uses any subcontractors to complete this Contract, this same requirement shall be included in all subcontracts and strictly enforced by CONSULTANT.

23.2 The law of the state of California shall govern this Contract. The venue of any legal action, either formal or informal, shall be the County of Los Angeles.

23.3 Prevailing Wages. CONSULTANT is aware of the requirements of California Labor Code Section 1720 et seq. and 1770 et seq., as well as California Code of Regulations, Title 8, Section 16000 et seq. ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. This Contract is subject to Prevailing Wage Laws for all work performed under this Contract for which the payment of prevailing wages is required by those laws. CONSULTANT shall defend, indemnify, and hold CITY, its elected officials, officers, employees, and agents free and harmless from any claim or liability arising out of any failure or alleged failure of CONSULTANT to comply with the Prevailing Wage Laws. If required by Prevailing Wage Laws, CONSULTANT shall provide a Workers' Compensation Certificate.

24 Health And Safety Provisions

A. CONSULTANT and all subcontractors shall abide by all health and safety mandates issued by federal, state, county, City of Palmdale, and/or public health officers, and worksite-specific mandates. If multiple mandates exist, the CONSULTANT and subcontractors shall abide by the most restrictive mandate.
B. Costs associated with adhering to health and safety mandates are the responsibility of the CONSULTANT. CONSULTANT is responsible for the tracking and compliance of health and safety mandates and may be audited upon request.

25 Notification And Access Revocation

The CONSULTANT shall notify the CITY in writing prior to or no later than twenty-four (24) hours after, the termination, expiration, suspension, reassignment, or removal of any Consultant Personnel with access to the Project or Owner Resources. For Consultant Personnel with Information Technology access, notification must be immediate, or the CITY may consider the CONSULTANT to be in breach of contract. Notice shall include the individual's name, role, effective date and time of termination or removal, and systems or resources accessed.

The CITY reserves the right, in its sole discretion, to immediately suspend or revoke access for any Consultant Personnel upon receipt of notice or upon CITY'S determination that such access is no longer required or appropriate.

26 Force Majeure

Neither Party shall be liable for any failure or delay in performing its obligations under this Contract (other than payment obligations) if such failure or delay is caused by an event or circumstance beyond the reasonable control of the affected Party ("Force Majeure Event"). Force Majeure Events include, but are not limited to, acts of God;

flood; fire; earthquake; explosion; war; terrorism; civil disturbance; epidemic or pandemic; quarantine; governmental actions or orders; or other similar events beyond the control of the affected Party.
The affected Party shall provide written notice to the other Party within ten (10) calendar days of the occurrence of the Force Majeure Event, describing the nature, expected duration, and anticipated impact on performance. The Party shall use all diligent efforts to mitigate the effects of the event and resume performance as soon as practicable.

When CONSULTANT is the sole cause of the delay to the commissioning and substantial completion and delay is not caused by an event of Force Majeure or by the CITY'S failure to make payments in accordance with the Contract or to provide required information to CONSULTANT when contemplated in the Contract, CITY shall be entitled to liquidated damages in the sum at the daily rate of $1,000.00, beginning at zero (0) days from written notice given by CITY up to a maximum liquidated damage aggregate of ten percent (10%) of the contract price of the equipment delayed.

27 Notices

Any notice required under this Contract shall be in writing, addressed to the appropriate party at its address on the signature page and given personally, by email, by registered or certified mail postage prepaid, or by a commercial courier service.

Notices shall be deemed received (i) on the day of delivery if delivered personally, by email, or by commercial courier during regular business hours, or on the next business day if delivered after regular business hours; or (ii) on the third business day following deposit in the United States mail, registered or certified, postage prepaid. A courtesy copy of any notice to CITY shall be sent to the City Attorney.

28 Entire Contract And Amendments

28.1 All documents referenced as attachments or exhibits in this Contract, including Atta. 1 – Consultant Proposal and Atta. 2 – Federal Provisions, are hereby incorporated into this Contract. In the event of any material discrepancy between the provisions of this Contract and those of any document incorporated herein by reference, the provisions of this Contract shall prevail; provided, however, that Atta. 2 – Federal Provisions, and any mandatory federal requirement, shall prevail over any inconsistent provision of this Contract or any other incorporated document. Atta. 1 – Consultant Proposal is incorporated solely to describe CONSULTANT's approach, personnel, deliverables, schedule, and rates, and any legal terms and conditions contained therein are of no force or effect. This instrument contains the entire Contract between CITY and CONSULTANT with respect to the transactions contemplated herein. No other prior oral or written agreements are binding upon the parties. Amendments hereto or deviations herefrom shall be effective and binding only if made in writing and executed on behalf of CITY and CONSULTANT. This Contract supersedes all prior proposals, agreements, and understandings between the parties, except as expressly incorporated herein, and may not be modified or terminated orally.

28.2 No attempted waiver of any of the provisions hereof, nor any modification in the nature, extent or duration of the work to be performed by CONSULTANT hereunder, shall be binding unless in writing and signed by the party against whom the same is sought to be enforced.

28.3 The failure of any party to enforce against another party any provision of this Contract shall not constitute a waiver of that party's right to enforce such a provision at a later time, and shall not serve to vary the terms of this Contract.

29 Attorney's Fees

If any action at law or in equity is brought to enforce or interpret any provisions of this Contract, the prevailing party in such action shall be entitled to reasonable attorney's fees, costs and necessary disbursements, in addition to such other relief as may be sought and awarded.

30 General Provisions

30.1 Survival. Sections 6, 8.4, 9.3, 10, 11.5, 11.8.3, 15, 16, 20 (WCAG 2.1AA Compliance), 21, 23.2, 23.3, 29, and 30, the obligations identified in Section D.24 of Atta. 2 – Federal Provisions, and any other provision of this Contract that by its nature is intended to survive, shall survive the expiration or termination of this Contract.

30.2 Severability. If any term or provision of this Contract, or its application to any person or circumstance, is invalid or unenforceable to any extent, such term or provision shall be amended to, and solely to the extent necessary to, cure such invalidity or unenforceability, and shall be enforceable in its amended form. The remainder of this Contract shall not be affected and shall be enforced to the fullest extent permitted by law.

30.3 Cumulative Remedies. Each right, power, and remedy provided for in this Contract or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative and in addition to every other right, power, or remedy. The exercise of, or forbearance from exercising, any such right, power, or remedy shall not preclude the simultaneous or later exercise of any other right, power, or remedy.

30.4 No Third-Party Beneficiaries. Except as expressly stated in this Contract, there is no intended third-party beneficiary of any right or obligation assumed by the parties, and CITY shall not be obligated or liable under this Contract to any party other than CONSULTANT.

30.5 Successors and Assigns. Subject to Section 17, this Contract shall be binding on the successors and assigns of the parties.

30.6 Time of the Essence. Time is of the essence in CONSULTANT's performance of services under this Contract.

30.7 Construction. The captions in this Contract are for convenience of reference only and shall not govern its interpretation. The Recitals are incorporated into this Contract by this reference.

30.8 Counterparts; Electronic Signatures. This Contract may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. Electronic signatures that comply with applicable law, including Civil Code Section 1633.1 et seq. and Government Code Section 16.5, shall be treated as originals.

In Witness Whereof, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE:

SIGNATURE AREA

Salvdor Mendez
City Manager

SIGNATURE AREA

ADDRESS FOR NOTICE:
CITY OF PALMDALE
38250 Sierra Hwy
Palmdale, CA 93550

CITY ATTORNEY
Colantuono, Highsmith & Whatley, PC
790 E. Colorado Blvd.
Suite 850
Pasadena, CA 91101
agiragosian@chwlaw.us

APPROVED AS TO FORM:
Aleks Giragosian, City Attorney

BY: SIGNATURE AREA

Taylor Anderson
Deputy City Attorney

ATTEST:

SIGNATURE AREA

Rochelle Scott
City Clerk

KIMLEY-HORN AND ASSOCIATES, INC.:

SIGNATURE AREA

Srikanth Chakravarthy, PE, TE
Principal-in-Charge / Senior Vice President

ADDRESS FOR NOTICE:
KIMLEY-HORN AND ASSOCIATES, INC.
25152 Springfield Court, Suite 200
Santa Clarita, CA 91355

---------- INTERNAL USE ONLY ----------

■Certificate(s) and Endorsement(s) attached
■Confirmed business name on contract with certificate(s)
■Attached Agreement Checklist and met all requirements
■Attach Quotes, Solicitation Docs, City's Best Interest, Government Code, etc.

STATEMENT OF QUALIFICATIONS FOR

20TH STREET EAST
CORRIDOR IMPROVEMENT PROJECT

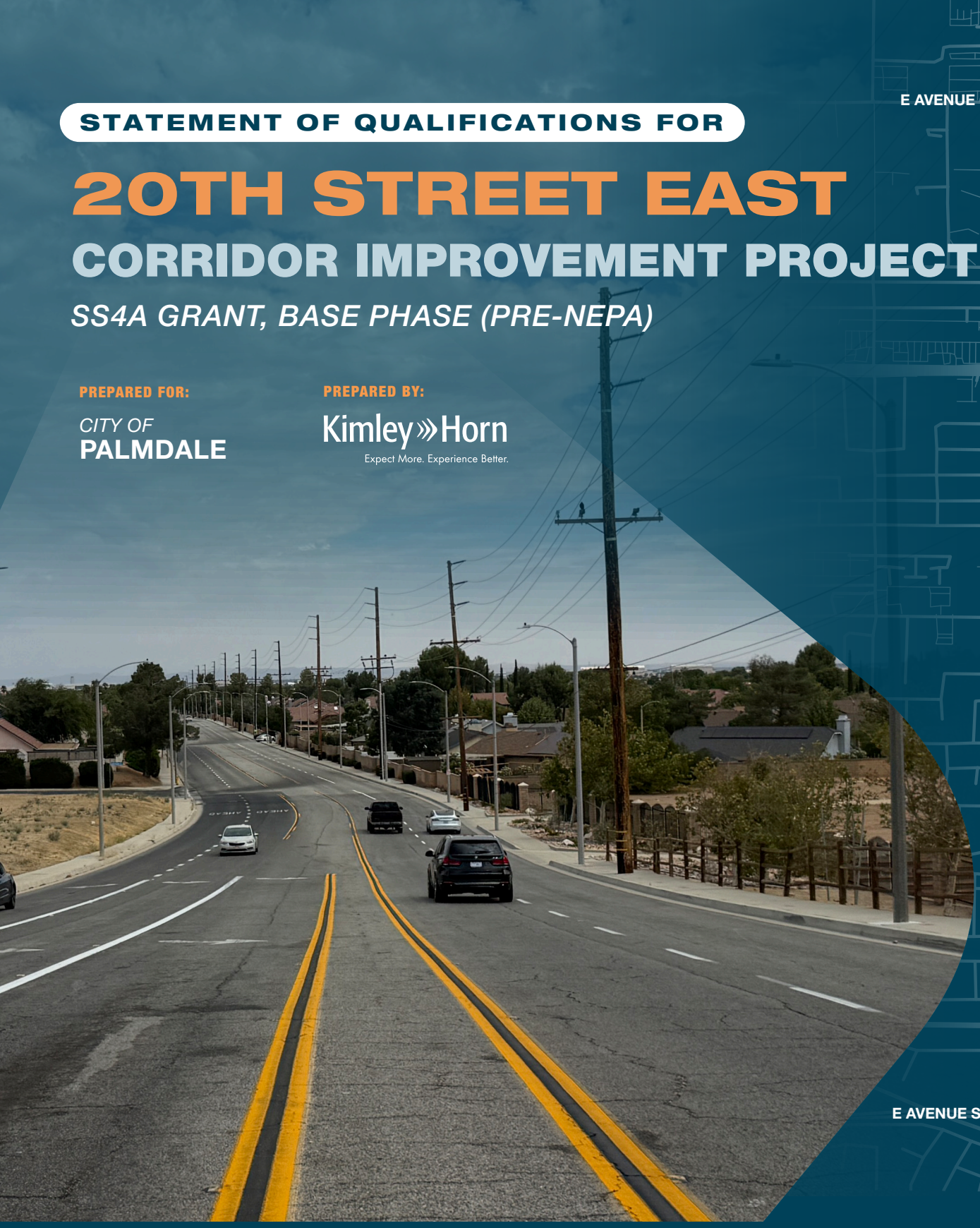
SS4A GRANT, BASE PHASE (PRE-NEPA)

PREPARED FOR:

CITY OF
PALMDALE

PREPARED BY:

Kimley»Horn
Expect More. Experience Better.



- SCHOOL ACCESS & STUDENT SAFETY
- MULTIMODAL CONNECTIVITY
- ENHANCED PEDESTRIAN CROSSINGS
- STREET LIGHTING IMPROVEMENTS
- COMMUNITY & STAKEHOLDER ENGAGEMENT
- ENVIRONMENTAL REVIEW & PRE-NEPA PLANNING
- E AVENUE R-8 FEASIBILITY STUDY



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A. COVER LETTER

September 8, 2026

Michael Livingston
Deputy Director of Public Works, City of Palmdale
38250 Sierra Highway
Palmdale, CA 93550

25152 Springfield Court,
Suite 200
Santa Clarita, CA 91355
TEL 661.347.5627

RE: Statement of Qualifications for 20th Street East Corridor Improvement Project, SS4A Grant, Base Phase (Pre-NEPA)

Dear Mr. Livingston and Members of the Selection Committee:

To successfully deliver the transformative 20th Street East Corridor Improvement Project, the City of Palmdale (City) needs a qualified consultant partner with a proven track record in multidisciplinary planning, community outreach, design, and implementation. As a trusted consultant throughout Southern California, specifically in the Antelope Valley, and a dedicated partner to the City, **Kimley-Horn** is excited to lead this project and help bring this Project to life.

A LOCAL TEAM: As the City of Palmdale's on-call civil engineering consultant since 2021, Kimley-Horn, and our local office and staff in Santa Clarita, bring established familiarity with City procedures, standards, and staff, allowing for a seamless project delivery approach. Our experience supporting roadway, interchange, infrastructure, and safety initiatives across north Los Angeles County, including Palmdale, Lancaster, and Santa Clarita, has earned us trusted partnerships with Caltrans District 7, LA Metro, local utility companies, and other stakeholders.

THOUGHTFUL PLANNING AND CONSTRUCTIBLE DESIGNS: There are very few teams who can develop imaginative planning documents and turn them into constructible high-quality designs. We have thoughtfully selected an integrated team of well-rounded and seasoned professionals who understand that constructability begins at the planning and outreach stage. We make tactful and careful decisions which lead to implementable designs. This begins with mastery of design standards and understanding how they can be creatively applied while actively engaging the community to minimize delays and inefficiency, while addressing your community's core needs.

Our team comprises of well-rounded engineers and planners who take the project from conception, planning, grant funding, and engineering design to construction phase services. We pride ourselves on aligning with our client's needs at every stage of the project.

SAFE STREETS AND ROADS FOR ALL (SS4A) EXPERIENCE: Kimley-Horn is a recognized leader in Safe Streets Roads for All (SS4A) planning, bringing a comprehensive understanding of the program's federal requirements, funding structure, and technical expectations. Our Project Team will be led by **Sowmya Chandrasekhar, PE, TE, PTOE**, who has supported the adjacent City of Lancaster in securing $19.8M in SS4A funding for Challenger Way corridor improvements and is familiar with the federal grant. Collectively, our team has completed more than 50 Safety Plans in the last five years and has delivered more than $1 billion in successful grant funding sources to Clients. Our team supports clients at every stage of the SS4A process, from crafting competitive grant applications to developing full Safety Action Plans (SAPs) that meet Federal Highway Administration (FHWA) Safe System Approach standards.

Along with our trusted partners, **AimTD, KDM Meridian, KPA**, and **South Environmental,** we are excited about this opportunity to lend our technical expertise, community engagement skills, and understanding of Palmdale's unique safety and mobility goals for this project. If you have any questions or require additional information, please do not hesitate to contact me at 213.354.9400 or sowmya.chandrasekhar@kimley-horn.com. We look forward to the chance to work closely with the City on this transformative initiative.

Sincerely,

Sowmya Chandrasekhar, PE, TE, PTOE
Project Manager

Sri Chakravarthy, PE, TE
Principal-in-Charge/Senior Vice President

KIMLEY-HORN AND ASSOCIATES, INC.

REQUIRED STATEMENTS: With the exception of Kimley-Horn's requested modifications to the City's Sample Agreement (see Appendix), we have read, understood, and agreed to the statements in this RFQ and the terms, conditions, and attachments referenced. We also acknowledge receipt of all addenda/amendments (see Appendix for signed acknowledgment).

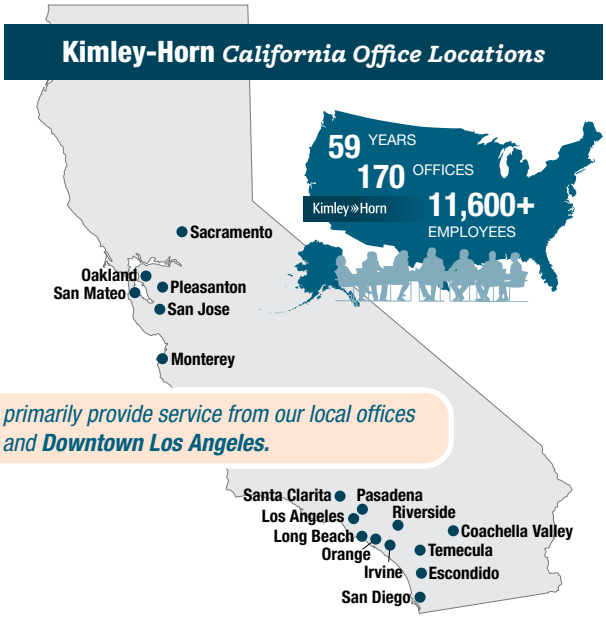
Sri Chakravarthy is authorized to bind Kimley-Horn to a contract for the execution of the work.
He can be contacted at 213.261.4037, via email at sri.chakravarthy@kimley-horn.com, or at the address listed above.



B. QUALIFICATIONS AND EXPERIENCE OF CONSULTANT'S PERSONNEL

Firm Profile

With nearly 60 years of service, Kimley-Horn has grown from a small group of transportation planners and traffic engineers to the 10,000+ workforce we are today. Backed by the resources of a national firm, our local Santa Clarita team stands ready to augment the City's staff as a true partner. Our experienced and technically proficient individuals have completed comprehensive, data-driven traffic safety engineering projects, including Local Road Safety Plans (LRSPs), Systemic Safety Analysis Reports (SSARs), Strategic Highway Safety Plans (SHSPs), bicycle and pedestrian planning, grant writing services, and other transportation engineering-related key services.



*Kimley-Horn's key personnel will primarily provide service from our local offices in **Santa Clarita** and **Downtown Los Angeles.***

Kimley-Horn has completed numerous projects with services similar to those listed in the City's RFQ or those we anticipate for this project. We have been the prime consultant for various public works projects involving the following services:

Services

Active Transportation Planning and Design

*In all, our team members have designed more than **200 miles** of multi-use and bicycle trails.*

Kimley-Horn is dedicated to improving safety for people who travel using different modes. We recognize the importance of planning and designing for people who travel sustainably by walking, biking, or taking transit. We employ cutting-edge techniques to accommodate and encourage more sustainable forms of travel and reduce conflicts with vehicles. Safety concerns are one of the most common factors that discourage people from walking or biking. Our safety planning and design experience helps us understand how to decrease the level of traffic stress (LTS), enhance safety in high-risk areas, and encourage mode-shift.

Complete Streets

Kimley-Horn is a leader and proponent of complete streets planning and policies for communities of all sizes, working alongside numerous state Departments of Transportation (DOT) to develop and evolve their statewide complete streets policies. We have contributed to the movement through research and the establishment of best practices as a member of the Complete Streets Coalition and one of the primary authors of Institute of Transportation Engineers' recommended practices Designing Walkable Urban Thoroughfares. Our team of planners and engineers continuously work in tandem to develop complete streets plans and designs that apply best practices, such as the NACTO Urban Streets Design Guidelines and Federal Complete Streets Act. Kimley-Horn's multidisciplinary approach goes beyond simply providing PS&E; it includes an appreciation for how the project fits within the functionality of the mobility network. It is this unique understanding that allows us to provide our clients with both reasonable and practical design solutions that do not detract from the functionality of the roadway network.

Roadway Design

Our in-house staff understands all aspects of roadway design, including intersection geometrics, utility relocations, traffic control, signalizations, signing and marking, and erosion control, so that we can be an efficient and coordinated partner with the City. In addition, our engineers have developed plans, specifications, and estimates (PS&E) for more than 4,000 miles of roadway, including neighborhood streets, rural roads, interstate highways, state highways, highway interchange structures, and urban arterials. These projects—performed for state DOTs, cities, and counties—have included route/corridor studies, schematic design, environmental assessment, maintenance of traffic plans, construction sequencing, and final PS&E. Our engineers are on the forefront of the Americans with Disabilities Act (ADA), helping municipalities upgrade aging infrastructure to meet applicable ADA standards and ordinances. Our experience ranges from curb ramp and sidewalk design to pedestrian-dedicated paths and walkways. Kimley-Horn understands how to implement improvements that benefit our clients as well as the general public.

Traffic Engineering

Kimley-Horn was built around providing traffic engineering and design services. Our in-house teams offer complete traffic engineering services and have completed thousands of traffic engineering and operations projects for local and nationwide clients, ranging from major area-wide



signal systems involving hundreds of intersections to single intersection safety audits, designs, and analyses. Traffic operations, traffic safety, and levels of service are key components in evaluating roadway networks and identifying areas for improvement, as well as those warranting further study. We use the latest analytical tools including the Highway Capacity Manual, Synchro, SimTraffic, CORSIM, and VISSIM, to perform technical operations analyses. We have found these tools to be useful for public involvement and achieving consensus. In addition, our staff can translate these analyses into easy-to-understand language for public officials as well as stakeholders.

Unmatched Roundabout Expertise

As a recognized industry leader in roundabout planning and design, with a portfolio of 3,000+ roundabouts nationally and hundreds across California, Kimley-Horn offers a deep understanding of roundabout project needs. Our roundabout expertise is spearheaded by **Sean Houck, PE** our Key Staff for intersection feasibility, a distinguished civil engineer with nearly three decades of experience focused on roundabout design and operations, having planned and designed more than 500 mini-, single-, and multi-lane roundabouts. This experience is further strengthened by our team's role in developing Federal Highway Administration (FHWA) mitigations and crash modification factors, co-authoring the "Roundabout, 3rd Edition," and crafting roundabout programs for agencies nationwide.

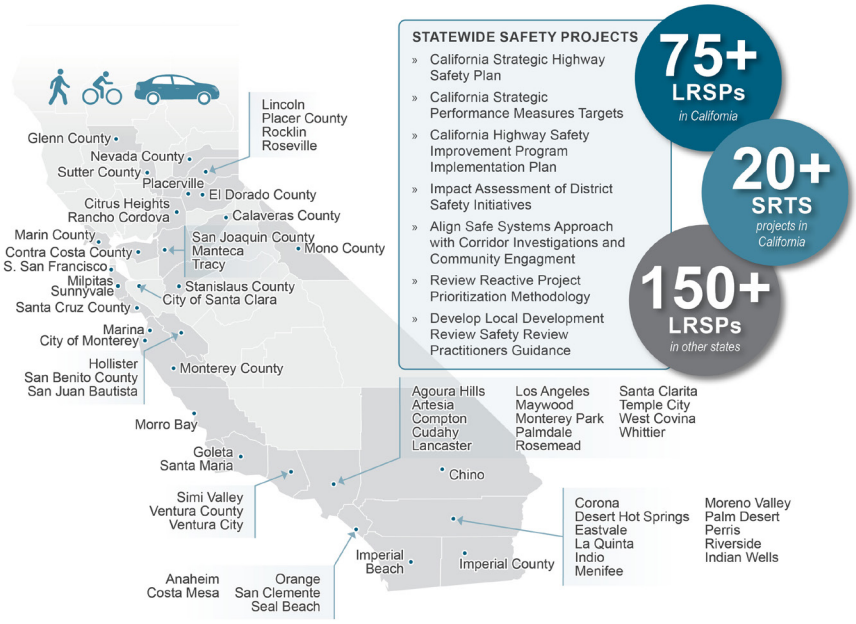
Advantage to the City

Kimley-Horn's unmatched industry experience in roundabout planning and design, driven by involvement in thousands of roundabout projects and contributions to national guidelines, offers the City a proven capability to deliver constructable solutions through the Base Phase of the Project.

Our specific, similar project experience includes award-winning projects like the City of Rocklin's Rocklin Road/Pacific Street Roundabout, and extensive collaboration with the San Diego Association of Governments (SANDAG) on their North Park Mid-City Bikeways (Roundabout) project to name a few, demonstrating our ability to deliver constructable, context-sensitive solutions that enhance safety, multimodal access, and minimize right-of-way impacts for roundabout projects. This background, combined with our commitment to delivering exceptional services, will enable us to hit the ground running on the County's proposed roundabout projects, guiding the County through feasibility evaluations, engineering design, environmental clearance, and construction documentation to promote successful outcomes for the community.

Transportation Safety Planning and Implementation

Kimley-Horn provides comprehensive traffic safety services, including LRSPs, systemic safety evaluations, road safety audits, safe routes to school, project and grant development, vision zero strategies, and other focused studies to help reduce traffic injuries and fatalities in California. Kimley-Horn has more registered Road Safety Professionals than any other firm in the country, and we currently serve as the lead consultant for Caltrans' Strategic Highway Safety Plan, helping to direct statewide safety improvement priorities. Kimley-Horn takes a proactive approach to safety analysis. We use historical collision data to identify roadway characteristics and driver behaviors that are associated with injury and fatal crashes in a given city, county, or region. We then develop customized countermeasure toolboxes to address those specific characteristics to aid in widespread funding and implementation. Our safety team works closely with traffic operations, roadway design, and mobility planning teams to facilitate safety improvements combined with efforts to improve the transportation system for all users.



Visualization/Graphic Services

To begin transforming ideas into realities and to generate enthusiasm for possibilities, our team uses cutting-edge visualization and photo simulation techniques. Our visualizations compellingly communicate project information to clients and stakeholders and help solve potential design conflicts throughout the life of a project. Our staff has extensive experience implementing visualization techniques with a range of software programs, including SketchUp, Lumion, Autodesk 3ds Max, ArcGIS, Civil 3D, and MicroStation. Clear and effective communication



with the public is critical in building consensus for the project, and using enhanced 3-D visualization tools will allow concepts to "come alive" and showcase the vision of the community and project in a tangible, relatable way.

Environmental

Kimley-Horn has been preparing CEQA and NEPA documents for various project types across California for more than 20 years. Not only do our environmental professionals have years of experience developing CEQA and NEPA documents for public works projects, but they also receive regular training on changes in CEQA and NEPA and applicable case law affecting the interpretation of current statutes. ***As leaders in the environmental field, our staff offer an extensive range of services associated with environmental compliance and documentation.***

Public Outreach and Community Engagement

Our team is sensitive to the pivotal role of meaningful public engagement and outreach programs that enable area residents to communicate and assist with the realization of their collective priorities. Public engagement determines the overall design program, funding strategies, and implementation priorities. Our experience providing a broad range of services helps create a successful implementation of your goals while addressing the specific challenges that each project entails. ***Kimley-Horn is known for developing innovative approaches to projects that involve meaningful and productive public engagement.*** We understand that a project's success, as gauged by the residents, is often rooted in the perception of the thoughtfulness of formal public outreach activities. Accordingly, we have developed effective methods of bringing the community into the process. Our experience includes developing materials for public involvement and educational workshops, and creating the highest quality graphics, enhanced renderings and site plans, presentations, brochures, newsletters, interactive websites, stakeholder meetings, press releases, educational seminars, PowerPoint presentations, and reports.

Subconsultant Overview

AimTD | Data Collection

AimTD LLC
Aim Traffic Data

Founded in 2012, Aim Traffic Data—AimTD—has more than thirteen years of experience providing accurate traffic data collection with a focus on customer service. AimTD conducts over 12,000 Traffic Counts annually in California, Arizona, Hawaii and Oregon and has traffic data collection contracts with many municipalities and private engineering firms.

KDM Meridian | Survey

KDM MERIDIAN

KDM Meridian (KDM) is a professional land survey consulting firm specializing in GPS, LiDAR scanning, conventional land surveying, and map checking. Established in February of 2000, KDM has continued to build a loyal clientele by offering professional and technical services to both public and private clients. A registered California corporation, KDM is not only financially stable, carrying minimum debt, but also has the resources to add staff and equipment as needed to accommodate their clients' needs.

KPA | Community Outreach

KATHERINE PADILLA & ASSOCIATES, INC.

Katherine Padilla & Associates (KPA), Inc. is a full-service communication firm founded in 1994. Their services include strategic community outreach and public information campaigns, community meetings and workshops online and in-person, community-based research including focus groups and interviews, branding and graphic design, social media management, photography and videography, translation services, and much more. Their diverse team includes members fluent in Spanish. KPA is also certified WBE, DBE, MBE and SBE. They have provided community outreach services for various cities, counties and agencies throughout California. KPA's talent, training and experience uniquely position us to communicate meaningfully with our clients, technical team members and the community.

South Environmental | Biological Services

SOUTH ENVIRONMENTAL

South Environmental LLC is a certified DBE, WBE, and SBE specializing in natural and cultural resources consulting in Southern California. They provide architectural history, archaeology, biology, arboricultural, and paleontological resources consulting services. South Environmental helps their clients navigate federal, state, and local regulatory and permitting processes, from small-scale private development projects to large-scale infrastructure and energy projects. They provide technical studies and compliance documentation to satisfy the regulatory requirements of the California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) and work closely with federal and state permitting agencies such as the U.S. Army Corps of Engineers (USACE), California Department of Fish and Wildlife (CDFW), and the State Regional Water Quality Control Board (RWQCB).



Relevant Project Experience

Kimley-Horn is well positioned and prepared to successfully deliver this Project to you, with our experience delivering relevant and similar projects for you and other Southern California municipalities. These relevant experiences will inform our approach working closely with the City to deliver a successful project.

PROJECT NAME	AGENCY	Civil Engineering	Traffic Engineering	Transportation Safety	Active Transportation	School Circulation/Crossings/SRTS	Public Outreach & Engagement	Environmental	Federal Funding
Los Amigos Dual Immersion School Traffic Circulation Study*	City of Palmdale		✓		✓	✓	✓		
Sustainable Transportation Plan and Local Road Safety Plan*	City of Palmdale		✓	✓	✓	✓	✓		
SRTS Master Plan*	City of Lancaster		✓	✓	✓	✓	✓		✓
ATP Cycle 2 Pedestrian Gap Closure Improvements Project (36 Locations)*	City of Lancaster	✓	✓		✓				
SRTS Master Plan*	City of Buena Park		✓	✓	✓	✓	✓		
Orangethorpe Complete Streets Planning Study*	City of Buena Park	✓	✓	✓	✓	✓	✓		
Griffith Park Safety and Mobility Active Transportation Project*	City of Los Angeles		✓	✓	✓		✓		
Broadway-Manchester ATP Project*	City of Los Angeles	✓	✓	✓	✓		✓	✓	✓
Mission Mile Sepulveda ATP Project*	City of Los Angeles	✓	✓	✓	✓		✓	✓	✓
Monitor Street School Corridor Active Transportation Improvements*	City of Bakersfield	✓	✓	✓	✓	✓	✓	✓	
Niles and Monterey Complete Streets*	City of Bakersfield	✓	✓	✓	✓		✓	✓	
North Hollywood to Pasadena BRT Planning and Environmental Study	LA Metro	✓	✓		✓		✓	✓	✓
Overland Avenue Bike Lane, Pedestrian, and HSFT Improvement Project	City of Culver City	✓	✓	✓	✓		✓		✓
Buena Vista Street and Winona Avenue Improvements	City of Burbank	✓	✓		✓				✓
Flower Street Improvements	City of Burbank	✓	✓	✓	✓	✓			
Wilson Avenue Multimodal Improvements	City of Glendale	✓	✓	✓	✓		✓	✓	
Colorado Street Multimodal Improvements	City of Glendale	✓	✓	✓	✓				✓
Nutwood Avenue Bicycle and Pedestrian Mobility Improvements	City of Fullerton	✓	✓	✓	✓	✓		✓	✓
South Main Street Comprehensive Corridor Planning and Implementation	City of Santa Ana	✓	✓	✓	✓				
Agoura Road Bike Lane Project	City of Agoura Hills	✓	✓	✓	✓		✓	✓	✓
Rancho Road Bicycle and Pedestrian Improvement Project	City of Thousand Oaks	✓	✓	✓	✓			✓	
Moorpark Road Sidewalk and Bike Lane Improvements	City of Thousand Oaks	✓	✓	✓	✓			✓	✓
West Covina ATP Cycle 6 Safe Routes to School	West Covina	✓	✓	✓	✓	✓	✓	✓	

* Project description provided



Experience in the City of Palmdale

Los Amigos Dual Immersion School Traffic Circulation Study

Kimley-Horn evaluated traffic circulation, drop-off and pick-up operations, pedestrian safety, and school access conditions at Los Amigos Dual Immersion School, a K-8 campus serving approximately 1,078 students and 110 staff members. The school is located in a partially developed area where constrained roadways, limited parking, and heavy reliance on family vehicles create recurring congestion and safety concerns during arrival and dismissal periods.

Kimley-Horn completed a comprehensive review of on-campus circulation, adjacent roadway operations, school bus access, pedestrian activity, and traffic impacts to the surrounding street network. The study included morning and afternoon field observations, turning movement counts, pedestrian counts, school travel surveys, operational analyses at multiple access points and nearby intersections, and coordination with City, school and school district. Our recommendations included circulation patterns, valet-style drop-off, student identification placards, improved wayfinding and circulation maps, remote satellite drop-off and shuttle options, staggered schedules, sidewalk connectivity improvements, off-site pick-up areas, parking reconfiguration, and long-term roadway improvements.

Staff involved: Sowmya Chandrasekhar, Sri Chakravarthy, Carlos Bobadilla

Status: Ongoing

Reference: Hamed Hashemian, City Engineer | 661-267-5303 | hhashemian@cityofpalmdaleca.gov

Sustainable Transportation Plan (STP) and Local Road Safety Plan (LRSP)

Kimley-Horn prepared the Palmdale Sustainable Transportation Plan that evaluated citywide traffic safety conditions and the City's VMT production. The plan produced a toolbox of solutions that the City can leverage to improve safety and reduce VMT with a focused lens on equity. The City has leveraged this study for several million dollars in grant funding so far. As part of this study, Kimley-Horn performed the benefit/cost analysis and project development for the City's HSIP Cycle 11 Signal Modernization project at various locations throughout the City of Palmdale. The City was awarded $5,857,520 for this project. As a follow-up to the STP, Kimley-Horn developed an LRSP for the City that included a more granular examination of the City's crash history to better understand the conditions that contributed to serious injury and fatal crashes. We used this analysis to identify both near-term projects to improve safety as well as systemic projects that will provide longer term injury reductions across the City. The outcomes included grant ready projects, safety focus emphasis areas, and a safety improvement prioritization system.

Staff involved: Darryl dePencier

Status: Completed June 2023

Experience in the City of Lancaster

City of Lancaster, Safe Routes to School Master Plan, Lancaster, CA

Kimley-Horn supported the City in refreshing its SRTS Master Plan, updating a citywide framework for improving student safety, mobility, health, and access to schools. The project evaluated 28 elementary and middle schools across four school districts and responded to changes in school attendance boundaries, travel patterns, demographics, and transportation infrastructure since adoption of the original plan. The effort included comprehensive data collection, GIS mapping, collision analysis, student travel tallies, school safety assessments, and extensive stakeholder and community engagement to identify barriers and opportunities for walking, bicycling, and rolling to school. Kimley-Horn developed a prioritization framework and school-specific recommendations that aligned with the City's Vision Zero, Complete Streets, and active transportation goals. Deliverables included interactive GIS mapping, safety assessment technical memoranda, updated crash and route maps, school access and circulation strategies, prioritized infrastructure improvements, and individualized school profiles that support future funding applications and implementation efforts. The resulting SRTS Master Plan serves as a living document that guides ongoing investment in safer, healthier, and more connected school travel throughout Lancaster.

> *"When we embarked on updating our SRTS Master Plan, we had no idea that we would be doing so during a pandemic. However, Kimley-Horn provided such rich and dynamic virtual support through the process that it advanced our expectations of engagement, and produced multidisciplinary results that have guided the City beyond just the engineering of SRTS and into all of the other "E's" that will ultimately help us achieve our Vision Zero goal. Our team continues to go back to Kimley-Horn because their team produces holistic and responsive deliverables that have helped us secure grant funding from many different programs, including the Active Transportation Program for our 5th Street East Corridor SRTS project that directly resulted from the update that they supported to our SRTS Master Plan (2022) and Safe Streets for All (SS4A) $19.8M funding they helped procuring for the Challenger Way project."*
>
> **- Candice Vander Hyde, Management Analyst, City of Lancaster**

Staff involved: Sowmya Chandrasekhar, Sri Chakravarthy, Charis Ahn

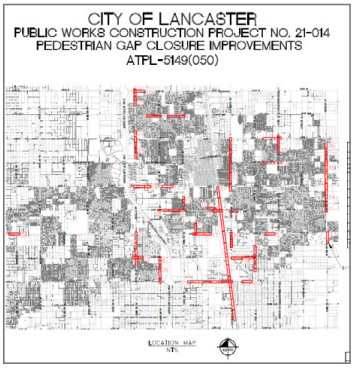
Status: Completed September 2022

Reference: Candice Vander Hyde, Management Analyst | 661.723.5851 | cvanderhyde@cityoflancasterca.gov



City of Lancaster, ATP Cycle 2 Pedestrian Gap Closure Improvements Project (36 Locations), Lancaster, CA

Kimley-Horn provided final design services for the Pedestrian Gap Closure Improvements Project, which is part of a comprehensive effort by the City of Lancaster to promote active transportation. Improvements varied depending upon location site at each of the 36 segments, and included earthwork and grading, street widening, pavement repair, street tree removal and replacement, installation of curb, gutter, sidewalk, ADA curb ramp, street lighting system, striping, signing and marking to include buffered and dedicated bike lane. The City was awarded a total grant amount of approximately $8M as part of ATP Cycle 2 to complete these improvements. The project is set to accomplish the goal of improving local and inter-jurisdictional pedestrian trips by closing the gap between existing improvements to move non-motorized users away from the vehicular lanes of travel. This project will encourage walking and bicycling among all users by increasing safety and mobility with connecting to transit access points and local destinations.



Staff involved: Sowmya Chandrasekhar, Eugene Huang, Charis Ahn

Status: Completed September 2022

Reference:
Edith Witte, Engineer | 661.945.6866 | ewitte@cityoflancasterca.gov

Experience in City of Buena Park

Safe Routes to School (SRTS) Plan

Kimley-Horn partnered with the City to create its first comprehensive Safe Routes to School (SRTS) Plan, enhancing safety and multimodal options around 14 schools in five districts. Funded by a Sustainable Transportation Planning Grant, the plan focused on improving bike and pedestrian safety, encouraging active transportation, and fostering equitable access. Services included multilingual community outreach (Spanish and Korean), traffic and crash data analysis, public workshops, surveys, walk audits, and collaboration with an advisory committee. Using tools like Esri's StoryMap and PublicCoordinate, Kimley-Horn facilitated feedback collection, visually showcased project milestones, and identified key improvement areas. Recommendations included infrastructure upgrades, and programs to boost walking and biking. The resulting plan supports Buena Park's vision for a safer, multimodal transportation network and positions the City to secure future grant funding.



Staff involved: Sowmya Chandrasekhar, Ramsay Goyal, Carlos Bobadilla

Status: Completed March 2026.

Reference: Norman Wray, Senior Engineering Technician | 714.562.3699 | nwray@buenapark.com

Orangethorpe Avenue Complete Streets Planning Study.

Kimley-Horn, AimTD, and KPA are supporting the City in developing the Complete Streets Planning Study to transform a 2.3-mile stretch of Orangethorpe Avenue into a safe, accessible, and multimodal corridor. The study includes extensive data collection, stakeholder engagement, and community outreach—offering multilingual support and leveraging tools like PublicCoordinate for public input. Key deliverables include conceptual designs for protected bikeways, enhanced transit amenities, and traffic calming measures while addressing constraints like pinch points at intersections and truck routes. Kimley-Horn will align recommendations with grant funding opportunities, provide cost estimates, and create an implementation strategy to ensure successful execution. The plan will emphasize equity, sustainability, and connectivity, supporting Buena Park's vision for an improved transportation network.

Experience in City of Los Angeles

City of Los Angeles, Department of Recreation and Parks, Griffith Park Safety and Mobility Active Transportation Project, Los Angeles, CA

Kimley-Horn assisted the Los Angeles Department of Recreation and Parks (RAP) in conducting an engineering assessment of Crystal Springs Drive and Griffith Park Drive in Griffith Park, the largest municipal park in the City of Los Angeles. This included an evaluation of existing conditions and preparation of recommendations to calm traffic, reduce cut-through traffic, and improve safety. Kimley-Horn prepared

> *"You bring the ideal combination of professional expertise and actual user understanding that is an indicator of success in public improvement projects."*
>
> **Nitya Raman, LA Councilmember 4th District**



conceptual plans for short-term, mid-term, and long-term improvements, which were grouped in six phases including Class II and Class IV bicycle facilities, cross walk improvements, reduction in curb radii at intersections, and speed bumps. Kimley- Horn presented the recommendations to several groups of stakeholders and participated in community engagement workshops. Kimley-Horn also provided construction support for all aspects of the project, including the conversion of Griffith Park Drive to an active transportation roadway as part of Phase I of implementation, and the ongoing Phase III Crystal Springs Drive Improvements.

Staff Involved: Sowmya Chandrasekhar, Carlos Bobadilla, Ed Polunin (AimTD)

Reference: Stefanie Smith, Superintendent of Griffith Park | 323.661.9465 | stefanie.smith@lacity.org

Status: Ongoing

Broadway and Manchester Avenue Active Transportation Corridor Planning and Implementation.

To improve safety and quality of life for all corridor users, Kimley-Horn is helping the City increase connectivity and use of active modes of transportation, enhance community spaces, reduce the heat island effect, and improve air quality and stormwater capture/reuse along Manchester Avenue and South Broadway. Kimley-Horn is accomplishing this by:

> *"Kimley-Horn's experience on Broadway-Manchester will greatly benefit the City on future ATP projects."*
>
> **- Gina Liang, StreetsLA Project Manager**

- Constructing Class IV cycles tracks, curb extensions, HAWK signals, bus islands, street amenities, tree planting, cisterns, and drywells
- Coordinating between multiple agencies (multiple City departments, Los Angeles County, LA Metro, and Caltrans), and grant funding sources

The project also contains funding from four grant programs and a total of nine local, state, and federal funding sources, requiring strict management and adherence to grant funding requirements.

Staff Involved: Sri Chakravarthy, Sowmya Chandrasekhar, Eugene Huang, Matt Stewart, Kevin Chang, Amanda Carro, Kirk Ammerman

Status: Ongoing

Reference: Gina Liang, Project Manager/Landscape Architect | 213.442.4267 | gina.liang@lacity.org

Mission Mile Corridor Comprehensive Planning Study.

In partnership with Streets LA, Kimley-Horn successfully completed the PA&ED phase of the Mission Mile Sepulveda Project, which seeks to improve safety and reduce collisions, provide more equitable transportation options, and create a more active and connected community through implementation of pedestrian paths, bike lanes, and pedestrian crossing improvements. Kimley-Horn's services included:

- Completion of NEPA and CEQA environmental documents with supporting studies
- Development of a multi-disciplinary preliminary engineering design with supporting technical studies
- Implementation of a comprehensive stakeholder and community engagement plan
- Coordination with various stakeholders, including LADOT, Bureau of Street Lighting, LA Department of Water and Power, the LA Fire Department, Caltrans, and Council District 7

Kimley-Horn was also selected to continue our partnership with StreetsLA to deliver the PS&E phase of this project!

Staff Involved: Sri Chakravarthy, Sowmya Chandrasekhar, Eugene Huang, Matt Stewart, Kevin Chang, Amanda Carro, Victoria Clark, Mahyar Ghorbanzadeh, Carlos Bobadilla, Kirk Ammerman

Status: Ongoing

Reference: Prashant Konareddy, Advanced Planning Program Manager | 213.887.1097 | prashant.konareddy@lacity.org

City of Bakersfield

City of Bakersfield, Monitor Street School Corridor Active Transportation Improvements, Bakersfield, CA

To create a safer corridor for all users along a 3-mile stretch of Monitor Street from South High School to Golden Valley High School, Kimley-Horn developed improvements such as protected intersections, raised bike path, traffic calming, enhanced pedestrian crossings, improved signage and lighting, more resilient pavement markings, ADA modifications, median modifications, and sidewalk improvements. Following the preliminary study, Kimley-Horn worked

*Our experience educating community members on the trade-offs between travel lanes, parking, and safety on Monitor Street in Bakersfield will help inform our approach to outreach efforts on this project, with the intent of ensuring **INCREASED SUPPORT** for proposed improvements*



with the City of Bakersfield to engage local stakeholders and community members to gather input and feedback on the conceptual designs. Once outreach and preliminary engineering was complete as part of pre-design phase, Kimley-Horn provided design and engineering services for the Project, aimed at transforming the 3-mile corridor into a safer, more accessible route for all users, especially school aged children attending nearby campuses. The project includes comprehensive civil engineering and traffic signal upgrades to support enhanced mobility, safety, and traffic flow.

Key civil improvements include raised bikeways with protective buffering in areas of densely spaced driveways, ADA-compliant curb ramps, new sidewalks, bus turnout modifications, and landscaping enhancements with tree planting to reduce heat islands and promote walkability. Drainage systems will be modified to accommodate new bikeway designs and curb extensions, while signing and striping plans will incorporate updated pavement markings, bike lanes, crosswalks, and legends in alignment with City and California Manual on Uniform Traffic Control Devices (CA MUTCD) standards. Traffic signal improvements involve upgrades at six signalized intersections, incorporating new poles, equipment, and cabinet modifications, along with the installation of Rectangular Rapid Flashing Beacons (RRFBs) at unsignalized pedestrian crossings. These enhancements aim to improve traffic control, pedestrian safety, and the overall functionality of the corridor, with the northern segment 100% plans ready for construction under Implementation Phase 1, while the southern segment is at 60% design pending future funding under Implementation Phase 2.

Staff Involved: Sowmya Chandrasekhar, Freddy Quijada, Amanda Carro, Ramsay Goyal, Carlos Bobadilla

Status: 100% PS&E completed for Phase 1 in December 2025; 60% PS&E completed for Phase 2 in July 2025

Reference: Gavin Grimes, P.E., Civil Engineer III, City of Bakersfield | 1600 Truxtun Avenue, Bakersfield, CA 93301 | 661.852.7016 | ggrimes@bakersfieldcity.us

Niles and Monterey Complete Streets

Along a 1.2-mile stretch of both Niles Street and Monterey Street in the neighborhood of East Bakersfield, Kimley-Horn is transforming the area into complete streets corridors while reducing travel lane widths and implementing curb extensions to provide a traffic calming effect and enhance pedestrian awareness and safety. To do so, we are implementing improvements such as traffic calming, enhanced pedestrian crossings, improved signage and lighting, more resilient pavement markings, ADA modifications, median modifications, and sidewalk improvements.

Staff Involved: Sowmya Chandrasekhar, Freddy Quijada, Amanda Carro, Ramsay Goyal, Carlos Bobadilla

Reference: Paul Archer, Civil Engineer IV | 661.326.3350 | parcher@bakersfieldcity.us

Status: Completed August 2026.

C. PROJECT UNDERSTANDING

The City of Palmdale's 20th Street East Corridor Improvement Project is a critical **SS4A** safety investment and the first step in a phased project-development process that will position the corridor for future final design and construction. The project **extends approximately 1.92 miles along 20th Street East between Avenue Q and Avenue S and directly serves or provides access to three schools: Tamarisk Elementary School (Palmdale School District), S.A.G.E. Magnet Academy, and Palmdale High School (Antelope Valley Union High School District).** Through the SS4A Implementation Grant, the City has an opportunity to address documented safety concerns while closing multimodal infrastructure gaps and establishing the technical, environmental, and community foundation needed for future design and construction.

The project corridor functions as a north-south route with different roadway characteristics across the project limits. Between Avenue S and Palmdale Avenue, 20th Street East generally consists of four travel lanes with a center two-way left-turn lane, creating a wider arterial environment. North of Palmdale Avenue, the roadway transitions to a two-lane section with a center two-way left-turn lane and on-street parking continuing toward Avenue Q. This change in roadway width, operating environment, adjacent land uses, and curbside activity creates different safety and multimodal considerations along the corridor. **Conditions toward the southern end of the corridor present broader roadway and speed-management considerations, while conditions farther north are more closely influenced by neighborhood access, school activity, pedestrian connectivity, and on-street parking.** Portions of the corridor also extend through identified Priority Areas of Equity Communities, reinforcing the importance of safe and reliable access to schools, transit, neighborhoods, and other community destinations. These varying conditions reinforce the need for context-sensitive improvements while maintaining a coordinated corridor-wide safety strategy.



SS4A Grant Phasing and Base Phase Limitations

Kimley-Horn understands that the City's SS4A award establishes a phased project-development process and that the current Base Phase must be completed by **April 30, 2027. This creates a focused delivery window in which school observations, community engagement, environmental scoping, technical analysis, alternatives development, City decisions, and preparation of the Project Report must remain closely coordinated.** The City's SS4A award includes $5,382,164 in federal funding, of which $330,000 is currently obligated for the Base Phase, with subsequent phases intended to support final design and construction.

POSITIONING THE PROJECT FOR PHASE 1

The Base Phase should leave the City with a preferred direction and concept alternatives, environmental pathway, approximate project footprints and planning-level costs, documented stakeholder and school-district input, known implementation risks, and a clear roadmap for the remaining engineering, environmental, utility, right-of-way, and agency coordination required to advance into Phase 1.

The Base Phase must strike the right balance between **developing enough information to support confident decisions and preserving the flexibility required before NEPA is complete.** Concept-level engineering will define approximate geometry and project footprints, identify major environmental, commitment to a specific construction alternative. Maintaining this balance will allow the City to compare alternatives right-of-way, utility, drainage, and constructability constraints, and establish planning-level costs without advancing into final PS&E, avoid advancing concepts with significant implementation risks, and position the project to move efficiently into Phase 1.

Corridor Conditions Reinforce the Need for an Integrated Safety Strategy

The corridor's safety challenges are driven by a combination of documented crash patterns, high operating speeds, incomplete pedestrian and bicycle infrastructure, lighting deficiencies, school-related travel demand, and challenging intersection conditions. The City's SS4A grant application identified **166 collisions** along 20th Street East between Avenue Q and Avenue S from 2019 through 2023, including **three fatal crashes and four severe-injury crashes**. As shown in **Exhibit 1**, collisions are distributed throughout the corridor, with concentrations near several key intersections and activity areas. The collision history, combined with relatively high operating speeds, long uninterrupted roadway sections, changing roadway characteristics, limited pedestrian and bicycle facilities, and school-related travel demand, points to a broader corridor-wide safety need rather than a series of isolated improvements.

Scan this QR code to see the interactive collision data map!

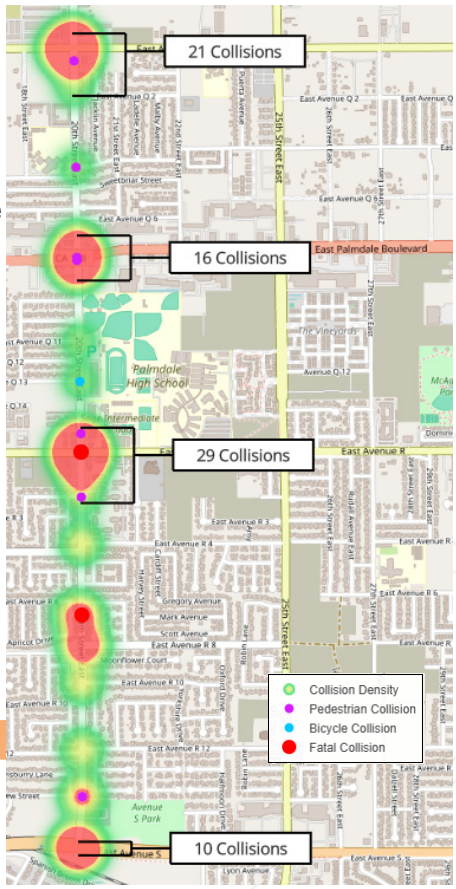


Exhibit 1: Collision Heatmap developed using TIMS 2019-2023 data (includes collisions with injuries only

Kimley-Horn's field review further reinforced these conditions. Near **Tamarisk Elementary School**, the missing sidewalk along the east side of 20th Street East creates a significant gap between the adjacent residential neighborhood and the school, while faded crosswalk markings and incomplete pedestrian crossing and accessibility facilities further affect neighborhood to school connectivity. Near **Palmdale High School and S.A.G.E. Magnet Academy**, existing travel patterns indicate pedestrian demand across 20th Street East, including students crossing outside designated locations rather than traveling to an existing controlled crossing. These conditions point to the need to evaluate where students are actually walking and crossing and whether improvements can provide safer, more direct, and intuitive routes.

Bicycle connectivity is another important corridor need. The proposed Class II bicycle lanes along 20th Street East would establish a continuous north-south bicycle connection through the project limits and strengthen connections to surrounding bicycle facilities, including existing and planned Class I facilities. **Because the corridor serves three schools and surrounding neighborhoods, the bicycle improvements should be considered as part of the broader safety strategy.**

Several locations will require focused evaluation because they influence how the corridor functions. Between Avenue S and Avenue R, approximately one mile of relatively uninterrupted roadway, with a descending northbound approach toward the school area, may contribute to higher operating speeds and create additional challenges for pedestrians and bicyclists. The **uncontrolled crossing at Avenue R-12**



20th Street East and Avenue S

should therefore be evaluated in the context of speed, visibility, crossing demand, and its relationship to nearby schools and bicycle facilities. At **Avenue R-8,** the dog-leg intersection geometry creates an important safety and design decision, with potential implications for traffic operations, pedestrian and bicycle circulation, right-of-way, drainage, utilities, and future constructability.

The Base Phase provides an opportunity to connect these individual needs into one coordinated corridor strategy. Rather than treating the proposed bicycle lanes, pedestrian improvements, school-access enhancements, and intersection treatments as separate elements, the project should evaluate how they work together to create a safer and more continuous multimodal network. This will be particularly important at school frontages, crossings, intersections, and connections to existing and planned bicycle facilities. **The result should be a corridor that reduces conflict points, strengthens access to the three schools and surrounding neighborhoods, and provides safer, more intuitive travel along and across 20th Street East.**

SCHOOL ACCESS AND CIRCULATION NEEDS VARY ACROSS THE CORRIDOR

School access is a central component of the corridor's overall safety strategy. With three campuses located along 20th Street East, the project must account for different arrival and dismissal patterns, pedestrian and bicycle movements, pickup/drop-off activity, and neighborhood connections. Understanding how each school interacts with the corridor will allow the Base Phase to identify targeted improvements that improve safety, access, and circulation while supporting a coordinated corridor-wide solution.

Proposal stage observations will be validated through school-specific field observations, stakeholder coordination, and technical analysis during the Base Phase.

Tamarisk Elementary



Avenue Q-5 / east-side school connection

The key focus is neighborhood to school connectivity. The east side of 20th Street East is predominantly residential, yet the pedestrian route to the school is incomplete. Our field review near Avenue Q-5 identified faded crosswalk markings, incomplete crossing facilities, and gaps in accessible pedestrian connections. The sidewalk gap should be evaluated as part of the full path of travel, including crossings, accessibility, curb use, visibility, neighborhood parking, and pickup/drop-off activity.

KEY FOCUS: Continuous, accessible neighborhood to school connection

Palmdale High School + S.A.G.E. Magnet Academy



Avenue Q-13 / Crossing activity on 20th Street

The key focus is student travel behavior and crossing demand. The grant application identifies students crossing 20th Street East outside designated locations rather than traveling to the existing controlled crossing at Avenue R, indicating a meaningful pedestrian desire line. The Base Phase will confirm these travel patterns during arrival and dismissal and evaluate the need, location, and appropriate treatment for an enhanced crossing, together with school access, circulation, roadway speeds, sight distance, lighting, and accessibility.

KEY FOCUS: Safer, more intuitive crossing and school access



AVENUE R-8 IS A KEY BASE PHASE DECISION

Avenue R-8 represents an important Base Phase decision because the potential alternatives differ significantly in **footprint, operational effects, multimodal circulation, environmental considerations, right-of-way needs, utilities, constructability, and cost**. The roundabout, roadway realignment, and lower-cost/no-build concepts each present different benefits and implementation considerations that must be understood before the project advances.

The preferred improvement should not be selected on traffic operations alone. It should provide a meaningful safety benefit, fit within the broader corridor context, and remain practical to advance through environmental review and future design. The Base Phase should therefore give the City a clear understanding of the tradeoffs associated with each alternative and a defensible basis for selecting the preferred direction.

ENGAGEMENT AND AGENCY COORDINATION WILL INFLUENCE THE PROJECT

The corridor serves different school populations, neighborhoods, transportation modes, and community interests, and the priorities of these groups may not always be the same. Portions of the corridor also extend through identified **Priority Areas of Equity Communities**, adding another important consideration to how safety, access, and mobility improvements may affect the people who rely on 20th Street East.

The two school districts also represent different operating environments and transportation needs. **Antelope Valley Union High School District coordination will relate to Palmdale High School and S.A.G.E. Magnet Academy, while Palmdale School District coordination will focus on Tamarisk Elementary School.** Understanding these differences will be important as the City considers improvements affecting school access, pedestrian and bicycle travel, circulation, and neighborhood connectivity.

Agency coordination will also influence the project's ability to advance. Environmental requirements, Federal Highway Administration (FHWA) and Caltrans involvement as applicable, City review, and future project-development needs may affect the feasibility and timing of different concepts. This is particularly important at Avenue R-8, where alternative footprints could result in substantially different **environmental, right-of-way, utility, and grading implications.**

SCHEDULE, BUDGET, DECISION POINTS, AND RISKS

The **April 30, 2027 Base Phase deadline** and $330,000 budget require a disciplined, decision-driven project-development process. The critical path will be shaped by timely school observations, early environmental screening, development of viable alternatives, focused stakeholder engagement, City review, and decisions on which concepts warrant further advancement. Key project risks include the limited window for school observations and coordination while campuses are in session; potential right-of-way, utility, drainage, and environmental constraints that could affect concept feasibility; differing priorities among schools, residents, and corridor users; agency review durations; and the potential for design effort to advance beyond the appropriate Pre-NEPA level. Avenue R-8 presents an additional risk because the alternatives may have substantially different footprints and implementation requirements. Successful delivery will depend on recognizing these constraints early and maintaining focus on concepts with a realistic path forward.

A CLEAR PATH FORWARD

We understand that success at the end of the Base Phase is not just completion of the required studies—it is giving the City a clear, defensible direction for advancing 20th Street East. The technical, environmental, school access, safety, and community findings developed throughout the project will come together in the Project Report to establish which improvements are recommended and the path forward for continued project development.

We envision the following project goals:

1. **Improve safety for all corridor users** by addressing documented collision patterns, operating speeds, pedestrian crossings, bicycle connectivity, and key intersection conditions.
2. **Strengthen access to the corridor's three schools** by improving pedestrian and bicycle connections, addressing crossing needs, and supporting safer arrival, dismissal, and circulation patterns.
3. **Create a connected multimodal corridor** by closing pedestrian gaps, advancing Class II bicycle facilities, and strengthening connections to surrounding neighborhoods, transit, and the existing and planned bicycle network.
4. **Advance practical, implementable improvements** by recognizing environmental, right-of-way, utility, drainage, and constructability constraints early in project development.
5. **Position the City for future phase 1 final design** with a preferred direction, decision-ready preliminary engineering, planning-level costs, documented stakeholder input, understood implementation risks, and a clear path forward.



Exhibit 2: Project Corridor





D. PROJECT APPROACH

Kimley-Horn's approach for the 20th Street East Corridor Improvement Project focuses on helping the City efficiently complete the SS4A Base Phase, develop technically feasible and community-supported safety improvements, and establish a clear path toward environmental clearance and future final design. Our multidisciplinary team will integrate project management, safety and traffic analysis, school circulation, public engagement, preliminary engineering, environmental review, and agency coordination into one collaborative project-development process. Throughout the Base Phase, our team will use field observations, technical analysis, and stakeholder input to develop and evaluate alternatives, resolve key decisions early, and advance preferred concepts only to the level necessary to support environmental review, planning-level cost estimates, and the Project Report.

A key focus of our approach will be maintaining the distinction between concept-level preliminary engineering and final design. The authorized Base Phase is limited to Pre-NEPA project development; therefore, our team will advance the project far enough to identify feasible improvements, approximate footprints, environmental and implementation constraints, costs, and future design needs without advancing into final plans, right-of-way acquisition, utility relocation design, or construction documents. The following sections describe how Kimley-Horn will complete each RFQ task while supporting the City's objectives for project delivery.

TASK 1 – *Project Management, Grant Coordination, and Quality Assurance*

Kimley-Horn will provide proactive project management focused on **maintaining the Base Phase schedule, resolving issues early, and keeping the City informed at key decision points.** Our Project Manager, **Sowmya Chandrasekhar, PE, TE**, **PTOE** will serve as the City's primary point of contact and lead coordination among City staff, school districts, stakeholders, subconsultants, and applicable reviewing agencies. We will manage the work around the decisions and dependencies that control the schedule, with particular attention to the April 30, 2027 Base Phase deadline.

A critical-path schedule will identify major milestones, City and agency review periods, school-calendar constraints, environmental study windows, alternatives development, and decision deadlines. **Regular progress meetings will be structured around actions, decisions, risks, and upcoming milestones,** with clear responsibility and due dates assigned to keep the project moving. Kimley-Horn will also monitor scope, budget, subconsultant performance, and grant documentation throughout the Base Phase so potential issues can be identified and addressed before they affect downstream work.

Quality management will be integrated into project development rather than limited to final submittal reviews. Discipline leads will coordinate assumptions and interfaces as concepts evolve, followed by independent technical review of major deliverables and confirmation that City and agency comments have been addressed before each submittal. Particular attention will be given to consistency among the safety analysis, school-access recommendations, environmental findings, Avenue R-8 alternatives, concept geometry, quantities, costs, and Project Report.

This management approach will give the City clear visibility into schedule, decisions, risks, and deliverable quality while keeping the multidisciplinary team aligned through completion of the Base Phase.

KEY DELIVERABLES

- Kickoff meeting and management protocols
- Critical-path schedule and updates
- Action/decision/risk logs
- Progress reports and grant coordination records
- Project QC/QA reviews

TASK 2 – *Existing Conditions, Data Collection, and Base Mapping*

Kimley-Horn will begin by consolidating available City records, grant materials, prior studies, GIS information, collision and traffic data, utility records, school information, and environmental data into a common project baseline. This information will be supplemented by **aerial survey and boundary mapping** to establish existing roadway geometry, topographic features, and the right-of-way needed to support alternatives development and concept-level preliminary engineering.

The existing-conditions assessment will document the features that may influence concept development, including **sidewalks and curb ramps, pedestrian crossings, bicycle facilities, traffic controls, lighting, drainage, curb use, access points, utilities, roadway geometry, right-of-way constraints, and accessibility conditions.** Particular attention will be given to conditions near Tamarisk Elementary School,



Palmdale High School, and S.A.G.E. Magnet Academy, where pedestrian and bicycle access, crossings, curbside activity, and arrival/dismissal operations will influence the development of corridor improvements. Our field review has also helped identify locations where focused verification may be especially valuable as the technical baseline is developed.

Kimley-Horn will bring the survey, right-of-way, utility, traffic, safety, school-access, and environmental information together into a **shared constraints base map**. Potential boundary conflicts, utility constraints, data gaps, and locations requiring additional verification will be identified early so they can be considered before concepts are advanced. This coordinated baseline will become the common foundation for the safety analysis, school-access evaluation, Avenue R-8 alternatives, environmental screening, and concept-level engineering that follow.

KEY DELIVERABLES

- ✔ Existing conditions data inventory
- ✔ Field reconnaissance documentation
- ✔ Survey/base mapping
- ✔ Existing conditions and constraints memorandum

TASK 3 – *Community Engagement and Public Outreach*

Meaningful community engagement is critical to understanding existing transportation challenges and identifying improvements that enhance safety, mobility, school access, and student travel along the 20th Street East Corridor. Given the project's focus on schools and Safe Streets and Roads for All (SS4A), outreach efforts will emphasize gathering input from students, families, school administrators, transit providers, nearby residents, emergency services providers, and other corridor stakeholders most directly affected by the proposed improvements.

Our Engagement Approach is Guided by Three Core Principles

LISTEN
Understand existing challenges and opportunities.

→

ENGAGE
Bring school communities and corridor users into alternatives development.

→

DEMONSTRATE
Show how stakeholder input influences recommendations and outcomes.

Input collected throughout the outreach process will be documented, evaluated, and incorporated into the alternatives analysis and recommendation process so the proposed improvements reflect community priorities and local operational needs.

Community Engagement and Public Outreach Plan

Katherine Padilla & Associates (KPA), Inc. and Kimley-Horn will collaborate with the City of Palmdale and project team to prepare a Community Engagement and Public Outreach Plan that serves as a roadmap for engagement activities throughout the Base Phase. The Plan will identify outreach objectives, stakeholder groups, outreach and engagement methods, accessibility considerations, notification methods, and procedures for documenting and incorporating public input into project decision-making. The plan will also establish a schedule for engagement activities coordinated with key project milestones, including existing conditions analysis, alternatives development, and recommendations.

ENGLISH + SPANISH	HYBRID	CITY REVIEW	DECISION-TIMED
Bilingual materials	District meetings	Communications Division	Outreach milestones

All outreach materials and public notifications will be provided in English and Spanish. Additional translation or interpretation services will be coordinated as directed by the City as a direct cost. All public-facing communications will be reviewed and approved through the City's Communications Division.

Stakeholder Identification and Coordination

KPA will develop and maintain a stakeholder database and engagement contact list to support communication and coordination throughout the project. The database will track contact information, coordination activities, participation, and follow-up needs and will be used to distribute project updates throughout the study.



SCHOOLS + FAMILIES

- Antelope Valley Union High School District
- Palmdale School District
- Palmdale High School
- S.A.G.E. Magnet Academy
- Tamarisk Elementary School
- Students, parents/caregivers, staff

CORRIDOR + COMMUNITY

- Adjacent residents and neighborhood representatives
- Local businesses and property owners
- Community-based organizations
- Accessibility advocates
- Bicycle and pedestrian organizations

TRANSPORTATION + PUBLIC SAFETY

- Antelope Valley Transit Authority
- Emergency response agencies
- City departments
- Partner and reviewing agencies

The stakeholder database will be used to track coordination activities, maintain contact information, and distribute project updates throughout the study. As requested, all public contact and outreach will be coordinated with and approved by the City's Communications Division.

TWO DISTRICTS. THREE SCHOOLS. TAILORED ENGAGEMENT.

The two required district meetings will address different school environments and travel patterns. Rather than using one generic school-outreach format, the team will tailor the discussion and exhibits to the access, circulation, and crossing issues most relevant to each district.

ANTELOPE VALLEY UNION HIGH SCHOOL DISTRICT

Palmdale High School + S.A.G.E. Magnet Academy

- Arrival/dismissal patterns and student desire lines
- Informal crossings and enhanced-crossing needs
- Transit, bicycle access, and school circulation
- Pickup/drop-off operations and corridor interactions

PALMDALE SCHOOL DISTRICT

Tamarisk Elementary School

- Neighborhood-to-school connectivity
- East-side sidewalk and crossing gaps
- Pickup/drop-off, parking, and curbside activity
- Accessibility and safe routes to the campus

DISTRICT MEETINGS: MAKE THE DISCUSSION VISUAL AND USEFUL

Kimley-Horn and KPA will plan, facilitate, and document the two district-specific outreach meetings in a hybrid format to maximize participation and accessibility. Each meeting will use corridor aerials, school circulation diagrams, field observations, collision and safety information, and concept graphics to communicate project information and gather input in an accessible and engaging manner.

Outreach for each meeting may also include notifications to residents and businesses near the participating schools and within the project corridor so local concerns and operational issues are incorporated into the planning process. **Kimley-Horn and KPA will coordinate meeting logistics, prepare bilingual meeting notices, develop bilingual presentations and exhibits, facilitate discussions, document comments, and provide the technical support necessary to conduct the hybrid meetings.**

WHAT WE WANT TO LEARN

- Where are students actually walking, bicycling, and crossing?
- Where do pickup/drop-off, parking, and circulation conflicts occur?
- Which routes feel indirect, incomplete, or difficult to use?
- What should influence alternatives before they advance?

PROJECT COMMUNICATIONS AND OUTREACH MATERIALS

Kimley-Horn and KPA will prepare outreach materials to support public awareness and stakeholder participation throughout the project. Kimley-Horn will develop project website content, presentations, exhibits, and survey materials; KPA will prepare social media content, meeting notices, agendas, fact sheets, meeting summaries, and translated outreach materials in English and Spanish. **All public outreach materials will be coordinated with and approved by the City's Communications Division prior to distribution.**

WEBSITE	SOCIAL MEDIA	MEETING MATERIALS	INPUT TOOLS
Up to 6 updates	Up to 10 bilingual messages/images	Notices, agendas, presentations + exhibits	Online survey + comment forms
FACT SHEETS	**MEETING RECORDS**	**CITY REVIEW**	**ACCESSIBILITY**
Bilingual project information	Summaries, attendance + documentation	Public-facing materials approved prior to release	Hybrid format + interpretation as directed



Targeted Stakeholder Interviews/Small Group Meetings

To supplement broader outreach efforts, KPA will conduct up to six targeted stakeholder interviews and small-group discussions with key stakeholders and project partners. **These discussions will provide detailed input regarding corridor operations, school access, safety concerns, and potential improvement opportunities.** Targeted participants may include:

- School district staff and school administrators
- Antelope Valley Transit Authority and emergency responders
- Accessibility advocates, community-based organizations, and corridor stakeholders

KPA will prepare the interview guide, discussion questions, and meeting agenda for City review, while Kimley-Horn will provide supporting technical materials and exhibits as needed.

CONNECT ENGAGEMENT DIRECTLY TO PROJECT DECISIONS

Throughout the project, KPA will maintain a comprehensive record of stakeholder and public input. Comments received through meetings, interviews, surveys, and other outreach activities will be tracked and evaluated so feedback is considered during alternatives development and refinement.

INPUT	TRACK + EVALUATE	INFLUENCE PROJECT DECISIONS
Meetings • interviews • surveys • comment forms	Themes • responses • follow-up actions	School access • crossings • Avenue R-8 • preferred recommendations

The comment matrix will document **stakeholder comments and questions, key themes and concerns, responses and follow-up actions, and how input influenced alternatives and recommendations.** At the completion of outreach activities, Kimley-Horn and KPA will prepare a Community Engagement Summary documenting engagement activities, participation levels, stakeholder feedback, and how input was incorporated into the recommended corridor improvements.

KEY DELIVERABLES

- ✓ Community Engagement and Public Outreach Plan
- ✓ Stakeholder database and bilingual outreach materials
- ✓ Two district-specific hybrid outreach meetings and summaries
- ✓ Up to six targeted stakeholder interviews/small-group meetings and key findings memorandum
- ✓ Comment matrix and stakeholder feedback documentation
- ✓ Community Engagement Summary documenting how input informed recommendations

TASK 4 – *School Access, Circulation, Pickup and Drop-Off Study*

Kimley-Horn will conduct morning arrival and afternoon dismissal observations at Tamarisk Elementary School, S.A.G.E. Magnet Academy, and Palmdale High School. Our field review will document parent/guardian queues, curb use and loading activity, school buses, transit, student walking and bicycling, informal crossings, parking utilization, accessibility, traffic-control practices, modal conflicts, and neighborhood spillover.

The observations will be translated into school-specific circulation and conflict diagrams that distinguish recurring operational issues from physical infrastructure deficiencies. Findings will be coordinated with district and school representatives and used to identify practical operational and concept-level improvements, which may include circulation changes, curb-use adjustments, pickup/drop-off modifications, pedestrian access improvements, crossing treatments, traffic calming, and signing/striping.

Our recommendations will be integrated with the broader corridor concepts. At Tamarisk, particular attention will be given to the relationship between the east-side residential neighborhood, sidewalk gap, crossings, accessibility, curb use, and school loading. At Palmdale High School and S.A.G.E., emphasis will be placed on student crossing behavior, roadway speeds, transit activity, and the potential enhanced crossing. **The objective is to improve school access without simply shifting queues, conflicts, or crossing activity to another location along the corridor.**

KEY DELIVERABLES

- ✓ Arrival/dismissal field observations
- ✓ School circulation and conflict diagrams
- ✓ School-specific findings and recommendations
- ✓ Coordination with district/school representatives



TASK 5 – *Corridor Safety, Traffic, and Multimodal Analysis*

Kimley-Horn will integrate collision history, traffic volumes, operating speeds, pedestrian and bicycle activity, school travel patterns, transit interactions, lighting, accessibility, roadway geometry, and field observations to develop a corridor-wide understanding of safety conditions. The analysis will emphasize fatal and serious-injury crashes and risks to vulnerable roadway users, consistent with the safety objectives of the SS4A program.

The analysis will consider corridor-wide patterns as well as location-specific conditions identified during field review, including the uninterrupted roadway between Avenue S-and-Avenue R, Avenue R-12 crossing, Avenue R-8, and school access areas. Near Palmdale High School and S.A.G.E. Magnet Academy, the need, location, and appropriate form of an enhanced crossing will be evaluated based on crossing demand, traffic conditions, sight distance, crossing distance, refuge opportunities, accessibility, lighting, school circulation, and applicable guidance. The analysis will also consider how the proposed Class II bicycle lanes connect through school areas, intersections, and crossing locations so bicycle improvements function as part of the overall corridor safety strategy.

Findings from Task 5 will establish the technical basis for developing and comparing corridor improvements in subsequent tasks. Rather than carrying every possible treatment forward, the analysis will help identify where improvements are warranted, what type of treatment is appropriate, and which concepts merit further development. Safety benefit, traffic operations, multimodal access, school operations, environmental and right-of-way considerations, utilities, drainage, constructability, cost, maintainability, and community input will then be incorporated into the alternatives evaluation.

KEY DELIVERABLES

- ✔ Collision/safety analysis
- ✔ Traffic and speed analysis
- ✔ Pedestrian/bicycle and multimodal assessment
- ✔ Enhanced crossing evaluation
- ✔ Evaluation criteria for alternatives

TASK 6 – *Corridor Improvement Concepts*

Kimley-Horn will develop corridor improvement concepts that respond directly to the needs identified through the existing-conditions assessment, school access study, safety and traffic analysis, environmental screening, and community engagement. Rather than treating sidewalks, bicycle lanes, crossings, school improvements, and traffic-calming measures as independent projects, **we will develop integrated concepts that show how these elements work together along 20th Street East.**

Potential improvements may include **sidewalk gap closures, ADA upgrades, Class II bicycle lanes, enhanced pedestrian crossings, school-access and circulation improvements, traffic-calming and speed-management measures, lighting, signing and striping, transit-access improvements, and intersection modifications.** Concepts will also account for right-of-way, utilities, drainage, adjacent access, environmental constraints, and constructability so improvements carried forward have a realistic path to implementation.

- **Build concepts from the documented need.** Each improvement will be tied back to a specific safety, access, or multimodal need identified through Tasks 2 through 5. This will help distinguish improvements supported by the technical analysis and stakeholder input from treatments that add cost or footprint without meaningfully advancing the project's safety objectives.
- **Develop the corridor as one connected system.** Kimley-Horn will evaluate how improvements interact across school areas, intersections, pedestrian crossings, bicycle connections, transit stops, and adjacent neighborhoods. Particular attention will be given to transitions between facilities so an improvement at one location does not create a new conflict or connectivity gap elsewhere along the corridor.
- **Focus detail where it changes the decision.** Consistent with the Pre-NEPA Base Phase, concepts will be developed to the level needed to establish approximate geometry and footprints, identify significant constraints and impacts, and support planning-level cost comparisons. We will avoid advancing unnecessary design detail where additional refinement would not affect the City's decision.
- **Carry forward viable concepts.** Kimley-Horn will compare the relative benefits, constraints, and implementation considerations of the corridor concepts and coordinate the findings with the Avenue R-8 feasibility analysis. The outcome of Task 6 will be a focused set of viable corridor improvements for City consideration and advancement into preliminary engineering.

TASK 7 – *Avenue R-8 Feasibility Analysis*

Avenue R-8 is one of the Base Phase's key project decisions. **Kimley-Horn will develop and evaluate the roundabout, roadway realignment, and lower-cost/no-build alternatives** within the context of the broader 20th Street East corridor. Each concept will be advanced far enough to understand how it functions, the approximate footprint it requires, and the major constraints or tradeoffs that could influence the City's decision.



ROUNDABOUT ALTERNATIVE	ROADWAY REALIGNMENT	LOWER-COST / NO-BUILD
Reconfigure the existing dog-leg intersection into a lower-speed, more intuitive intersection form. • Approach and roundabout geometry • Pedestrian and bicycle crossings • Design-vehicle accommodation • Right-of-way and adjacent access • Utilities, drainage, grading, footprint, and cost	Evaluate whether modifying the existing offset geometry can create a more conventional and continuous intersection configuration. • Alignment and roadway tie-ins • Intersection operations • Pedestrian and bicycle circulation • Property and right-of-way impacts • Utility, drainage, environmental, and constructability considerations	Establish the baseline and determine whether targeted improvements can address priority safety needs without major reconstruction. • Signing and striping • Visibility enhancements • Pedestrian and bicycle treatments • Traffic-control modifications • Focused safety improvements

ALL ALTERNATIVES WILL BE EVALUATED USING THE FOLLOWING CRITERIA

SAFETY BENEFIT	TRAFFIC OPERATIONS	PEDESTRIAN + BICYCLE CONNECTIVITY	SCHOOL ACCESS	ENVIRONMENTAL EFFECTS
RIGHTOF-WAY + UTILITIES	DRAINAGE + GRADING	CONSTRUCTABILITY	PLANNING-LEVEL COST	COMMUNITY INPUT

Kimley-Horn will evaluate all three alternatives using a common decision framework so the City can clearly understand the benefits and tradeoffs of each option. Concept development will focus on the elements that could materially affect feasibility or the preferred direction. Approximate geometry and footprints will be used to identify potential right-of-way, utility, drainage, grading, and environmental constraints without advancing the alternatives beyond the appropriate Pre-NEPA level. The result will give the City a clear understanding of what each alternative solves, what it requires to implement, and the tradeoffs associated with advancing it.

KEY DELIVERABLES

- ✓ Roundabout, roadway realignment, and lower-cost/no-build concept alternatives
- ✓ Comparative safety and operational assessment
- ✓ Approximate footprints and implementation constraints
- ✓ Planning-level cost comparison
- ✓ Avenue R-8 feasibility evaluation and recommended direction

TASK 8 – *Concept-Level Preliminary Engineering*

Following City direction on the corridor concepts and Avenue R-8 alternatives, Kimley-Horn will advance the selected improvements into **concept-level preliminary engineering**. The objective is not to produce final PS&E, but to provide sufficient engineering and implementation considerations while preserving the flexibility required during the Pre-NEPA phase.

- **Refine the preferred corridor concepts.** Kimley-Horn will develop concept geometry for roadway, sidewalk, curb-ramp, bicycle, crossing, school-access, signing/striping, traffic-calming, and intersection improvements. The concepts will show how individual improvements connect and transition throughout the corridor.
- **Confirm the project footprint and major impacts.** Survey, boundary, utility, drainage, environmental, accessibility, and right-of-way information will be incorporated to identify major conflicts or footprint implications before concepts advance. Where additional information is needed, we will identify the data gap and determine whether resolution is necessary during the Base Phase or can appropriately be carried forward.
- **Coordinate engineering across disciplines.** Roadway geometry will be reviewed together with pedestrian and bicycle facilities, utilities, drainage, environmental constraints, access, school operations, and Avenue R-8 so adjustments in one discipline do not create unintended impacts elsewhere.
- **Develop planning-level quantities and costs.** Kimley-Horn will prepare planning-level quantities and cost information to identify major cost drivers and provide the City with a reasonable basis for future programming and funding decisions.



KEY DELIVERABLES

- Concept-level preliminary engineering plans
- Approximate footprints and constraints
- Planning-level quantities and cost estimates

TASK 9 – *Environmental Scoping, Technical Studies, and NEPA/CEQA Support*

A defining characteristic of this project is the need to advance environmental review and preliminary engineering together. The RFQ identifies potential environmental considerations including biological resources and western Joshua tree considerations, cultural resources and Section 106, hazardous materials, community impacts and equity, noise, air quality, water resources and jurisdictional features, visual resources, and land use. Developing an implementable project requires identifying environmental and physical constraints while alternatives are still flexible enough to respond to them. This is particularly important at Avenue R-8, where the roundabout and realignment alternatives could have substantially different footprints and associated right-of-way, utility, drainage, biological, cultural, or other environmental implications. Similarly, right-of-way, utilities and drainage should be viewed as feasibility considerations during this phase rather than final-design activities. The Base Phase must identify potential property impacts, major utility conflicts, drainage constraints, grading needs, and constructability issues at a sufficient level to avoid advancing an alternative with an unforeseen fatal flaw or disproportionate implementation cost.

Our approach to provide technical research early in the process to help define any potential resources that might impact project design and help understand the appropriate CEQA and NEPA path such as a Categorical Exemption, Mitigated Negative Declaration, Environmental Assessment, or an Environmental Impact Report.

For example, for biological resources, working with our subconsultant South Environmental, we can prepare a Western Joshua Tree Census per California Department of Fish and Wildlife (CDFW) requirements and a focused Biological Resources Memorandum. Other focused biological surveys may not be necessary. In addition, Kimley-Horn's cultural resources team can conduct preliminary surveys to identify any potential archeological, historical, or paleontological resources. Any environmental technical studies and documents would be confirmed through coordination with the City, FHWA, Caltrans, and other agencies as applicable.

KEY DELIVERABLES

- Environmental constraints documentation
- Agency coordination records
- Authorized technical studies (as confirmed through scoping)
- Draft and Final Environmental Documentation

TASK 10 – *Alternatives Evaluation, Preferred Concepts, and Project Report*

Task 10 will integrate the work completed throughout the Base Phase into a coordinated evaluation and final recommendation. Kimley-Horn will organize the alternatives around the decisions the City needs to make, rather than presenting separate conclusions from each technical discipline.

- **Compare alternatives on a consistent basis.** Evaluation criteria will address safety benefit, traffic operations, pedestrian and bicycle connectivity, school access, environmental considerations, right-of-way, utilities, drainage, constructability, cost, maintainability, community input, and implementation risk. The level of evaluation will be scaled to the significance of the decision so the City can focus on the tradeoffs that meaningfully differentiate the alternatives.
- **Use a City decision workshop to resolve the preferred direction.** Kimley-Horn will organize the workshop around the key decisions requiring City direction and use clear comparison graphics, concept exhibits, cost information, and tradeoff summaries to support discussion. Decisions, assumptions, and items requiring further development will be documented for incorporation into the Project Report.
- **Document why the preferred concepts were selected.** The Project Report will not simply compile the technical memoranda. It will establish a clear decision record showing the alternatives considered, key findings, stakeholder and school-district input, environmental and implementation considerations, and the basis for the recommended improvements.
- **Provide a roadmap for Phase 1.** The report will identify the approximate project footprints and planning-level costs, remaining environmental and agency requirements, right-of-way and utility considerations, outstanding engineering needs, implementation risks, and next steps required to advance the project efficiently.

The final Project Report will serve as the bridge between the Base Phase and future project delivery—giving the City a preferred direction, the basis for that direction, and a clear understanding of what comes next.

KEY DELIVERABLES

- Alternatives evaluation and comparison matrix
- City decision workshop and preferred-direction documentation
- Draft and Final Project Report and Phase 1 roadmap
- Base Phase closeout and records package

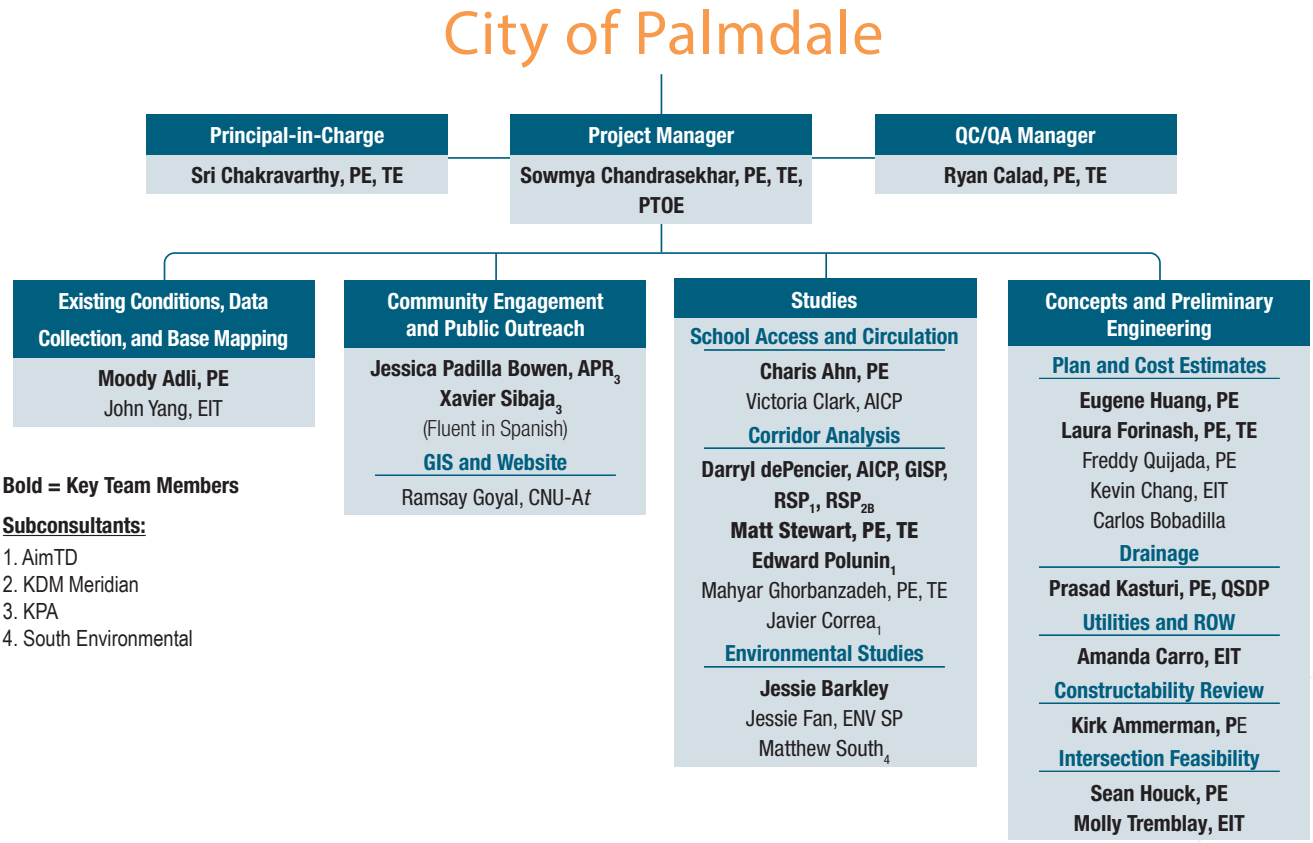


E. PROPOSED PERSONNEL

Organizational Chart

Kimley-Horn offers a highly skilled, experienced, and responsive team of professionals that has a proven record of successfully working with cities, counties, and other municipalities throughout California to provide expert consultation on variety of long-range planning projects. For this project, the Kimley-Horn team will be led by **Sowmya Chandrasekhar, PE, TE, PTOE**. Kimley-Horn will not substitute key staff without prior written consent of the City.

Key staff supporting this contract include **Sri Chakravarthy, PE, TE**, Principal-in-Charge, who brings more than 30 years of transportation engineering and program management experience; **Ryan Calad, PE, TE,** QA/QC Manager, with over 20 years of experience delivering transportation and traffic engineering projects; and **Kirk Ammerman, PE**, Constructibility Review Lead, who offers more than 25 years of experience in transportation design, construction, and project delivery. **Eugene Huang, PE** has successfully led several projects for the City of Lancaster, bringing valuable local experience and knowledge .



Bold = Key Team Members

Subconsultants:

1. AimTD
2. KDM Meridian
3. KPA
4. South Environmental

Key Personnel Resumes

Resumes for our key personnel that will be performing the necessary services for this City project are provided in the **Appendix**.

20TH STREET EAST CORRIDOR IMPROVEMENT PROJECT

SS4A GRANT, BASE PHASE (PRE-NEPA)



PROJECT SCHEDULE

Our proposed schedule—which details key tasks, including milestone timeframes for primary deliverables—is provided below. This schedule assumes a Notice to Proceed of October 2026 and is anticipated to be completed by April 2027. Our intent is to review this draft schedule with the City at the start of the project so that all parties are on board with the timeline.

Schedule Assumptions: Notice to Proceed – October 2026 | SS4A Base Phase Completion – April 30, 2027 | School observations prioritized before winter break.

Task	Description	2026												2027											
		Oct				Nov				Dec				Jan				Feb				Mar				Apr			
Task 1	**Project Management, Grant Coordination, and Quality Assurance**																												
1.1	Project Kickoff Meeting		●																										
1.2	Project Management and QA/QC																												
1.3	Monthly Coordination Meetings						●				●				●				●				●				●		
Task 2	**Existing Conditions, Data Collection, and Base Mapping**																												
2.1	Records Review / Data Collection																												
2.2	Corridor Field Reconnaissance and Focused Site Observations																												
2.3	Survey and GIS/CAD Base Mapping																												
2.4	Existing Conditions / Utility / Right-of-Way Constraints Memorandum					★				★																			
Task 3	**Community Engagement and Public Outreach**																												
3.1	Community Engagement and Public Outreach Plan					★				★																			
3.2	Stakeholder Team Engagement / Interviews						●	●		●	●				●	●													
3.3	School District Outreach							●			●																		
3.4	Online Outreach and Community Engagement																												
3.5	Comment Matrix and Engagement Summary																	★			★								
Task 4	**School Access, Circulation, Pickup and Drop-Off Study**																												
4.1	Morning Arrival / Afternoon Dismissal Observations – Three Schools																												
4.2	School Access and Circulation Technical Memorandum							★				★																	
4.3	School Access / Pickup-Drop-Off Alternatives															★					★								
Task 5	**Corridor Safety, Traffic, and Multimodal Analysis**																												
5.1	Collision, Speed, Traffic, Pedestrian, and Bicycle Data Analysis																												
5.2	Safety and Multimodal Analysis Memorandum							★				★																	
Task 6	**Corridor Improvement Concepts**																												
6.1	Corridor Concept Alternatives															★					★								
6.2	Constraints Matrix															★					★								
Task 7	**Avenue R-8 / 20th Street East Intersection Feasibility Study**																												
7.1	Feasibility Study											★							★										
7.2	Concept Alternatives															★					★								
Task 8	**Concept-Level Preliminary Engineering**																												
8.1	Preliminary Engineering Exhibits																				★				★				
8.2	Planning-Level Quantities and Opinions of Probable Construction Cost																				★				★				
Task 9	**Environmental Scoping, Technical Studies, and NEPA/CEQA Support**																												
9.1	Environmental Constraints Screening and Study Plan										★							★											
9.2	Draft and Final Environmental Documentation																		★						★				
Task 10	**Alternatives Evaluation, Preferred Concepts, and Project Report**																												
10.1	Alternatives Evaluation Matrix and Recommended Strategy																					★				★			
10.2	City Decision Workshop																				●								
10.3	Draft and Final Project Report																					★				★			

KEY PROJECT MILESTONES

Dec 2026 – W2	Existing conditions, school observations, and environmental constraints substantially established
Jan 2027 – W4	Evaluation criteria confirmed; initial corridor alternatives developed
Feb 2027 – W4	School / stakeholder input incorporated into refined alternatives
Mar 2027 – W2	Draft Project Report and draft environmental documentation submitted
Apr 2027 – W3	Final Project Report, environmental documentation, and Base Phase closeout complete

● Meetings ● Community / Stakeholder Engagement Task Progress

City / Agency Review ★ Draft Deliverable ★ Final Deliverable



F. QUALITY ASSURANCE/QUALITY CONTROL (QA/QC)

The QC/QA plan Kimley-Horn will implement for this project follows the same proven framework we use firmwide to maintain consistency, accountability, and quality for our municipal clients. For 20th Street East Corridor Improvement Project, the process will be tailored to the project's critical interfaces. The plan includes the following six key elements:



1. Structure: Each QC/QA plan includes a project manager responsible for contract delivery and day-to-day coordination and integration, technical managers responsible for discipline design development, and a QC/QA manager responsible for verifying implementation of the plan. Project Manager Sowmya Chandrasekhar will remain accountable for overall quality, City coordination, and final direction. She will also lead day-to-day interdisciplinary coordination, track design decisions and comment resolution, and help confirm that commitments are consistently reflected across the work products. Each discipline lead will remain responsible for the technical accuracy and completeness of their work, while Ryan Calad will serve as the independent QC/QA Manager.

2. Procedures: Documents, calculations, studies, and plans will be checked by qualified staff other than the original preparer. Our color-coded comment process includes an initial check, documented resolution by the designer, review of completed revisions, and back-checking before comments are closed.

3. Constructibility Review: The discipline leads will conduct coordination reviews throughout design and before each milestone submittal. These reviews will focus on project-specific interfaces, including roadway width and right-of-way, development access and intersection control, profiles and drainage low points, greenbelt infiltration and overflow, existing and future utilities, residential frontage improvements, and work within Caltrans right-of-way. They will help manage these interfaces between meetings so unresolved issues do not carry into the next submittal.

4. Quality Assurance Audit: Ryan will conduct an independent QA audit after technical and interdisciplinary reviews are complete and before each formal submittal. The audit will confirm that required reviews are complete, comments are resolved, calculations and studies support the plans, and the package complies with City and agency requirements.

5. Deliverables and Document Control: Sowmya will authorize release of each milestone package only after completion of the QC/QA audit and will manage the consolidated comment-resolution and decision log, tracking City, outreach, and internal comments so approved direction is consistently reflected across the plans and supporting studies.

6. Corrective Action Measures: We will implement corrective actions to address any incorrect or nonconforming work. Along with our comprehensive QC/QA plan, Kimley-Horn will provide the following for each project deliverable:

- **Work Plan:** Identify key tasks, assign team members, estimate timeframes, appoint QC reviewers, and set the project timeline.
- **Assign QC/QA Responsibilities:** Conduct reviews at the end of each project phase to confirm deliverables are accurate, clear, complete, consistent, and aligned with objectives.
- **Implement Peer Reviews:** Have individuals not directly involved in the tasks perform unbiased technical evaluations
- **Maintain Detailed Project Documentation:** Prepare documents with extensive data and work papers explaining decisions made and the rationale behind recommendations.

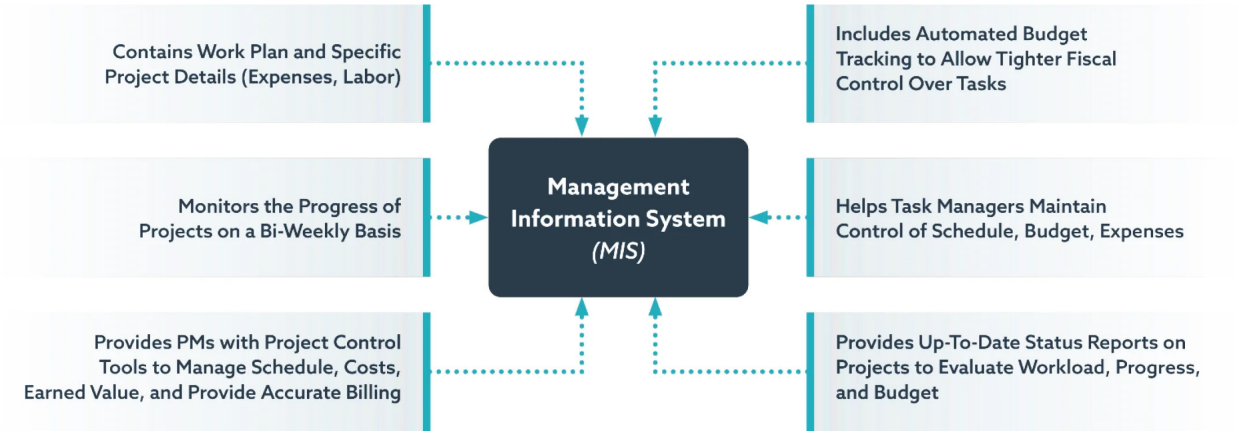


G. SCHEDULE CONTROL

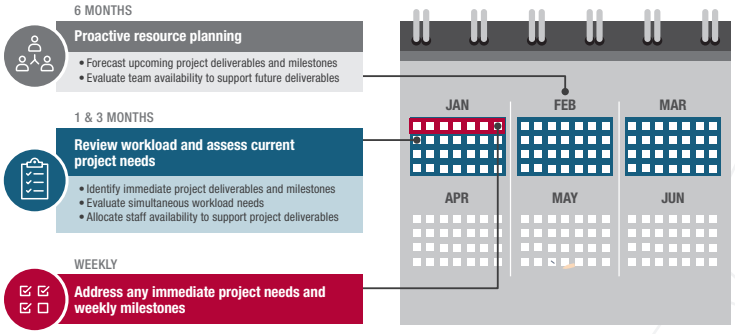
Kimley-Horn will manage the 20th Street East Corridor Improvement Project through a detailed schedule that reflects the interdependence of various tasks. Project Manager, Sowmya Chandrasekhar, will remain accountable for the overall schedule and manage day-to-day progress, discipline coordination, action items, and milestone readiness. This structure provides clear ownership and allows potential delays to be addressed before they affect the critical path.

Schedule Monitoring and Cost Control

Critical elements in maintaining a schedule include a clear definition of the team members' responsibilities and frequent communication relative to achieving goals. This begins with preparing a detailed schedule of key tasks and milestones as well as a work plan that allocates commitments by individuals for each task. Each work plan, along with other project-specific details like expenses and labor, is entered into Kimley-Horn's Management Information System (MIS), which project managers then use to monitor progress on a bi-weekly basis.



This MIS provides our project managers with a set of tools to manage schedule, costs, and earned value while providing accurate billing in a manner that meets City requirements. With twice monthly status reports and automated budget tracking to allow tighter fiscal control, this monitoring capability helps project managers evaluate a task order's workload requirements and develop effort estimates for each member of the team (and our entire firm).



Resource Planning

In order to confirm our team member's availability, Kimley-Horn uses a proactive management system known as "Castaheads" to detail every project's personnel needs and determine each staff person's availability. This system forecasts our workload over a six-month period and helps to avoid work overload and shortfalls for each office and discipline. Castaheads help us confirm sufficient staff is available to meet your needs. By continuously matching project needs with staff availability, our Castaheads system is an accurate tool for keeping our projects on schedule.

Kimley-Horn Project Management in Action

Kimley-Horn's exceptional track record in maintaining and expediting schedule compliance can be seen across a wide range of our projects in Southern California. For example, on our recent work for the City of Los Angeles's Mission Mile Sepulveda Active Transportation Plan—on which Principal-in-Charge Sri Chakravarthy, PE, TE is serving as Senior Traffic Engineer—our team leveraged our array of management tools and our strong relationships with Caltrans to mitigate schedule delays caused by Preliminary Environmental Study form review. As a result, we were able to deliver final environmental documents three months ahead of schedule!

Effective Communication and Progress Reporting

Each progress meeting will focus on upcoming decisions, critical milestones, unresolved issues, and assigned action items. Meeting summaries will document decisions, responsibilities, and deadlines, while monthly progress reports will summarize completed work, upcoming activities, schedule status, agency coordination, and required City decisions.



H. RATE SCHEDULE

Kimley»Horn

Rate Schedule
Effective July 1, 2026 to June 30, 2027

Classification	Billing Rate per Hour
Analyst I	$159.24
Analyst II	$167.11
Professional I	$185.28
Professional II	$219.04
Sr. Professional I	$270.44
Sr. Professional II	$320.15
Sr. Professional III	$389.12
Project Support	$147.50

KATHERINE PADILLA & ASSOCIATES, INC.

Classification	Billing Rate per Hour
Senior Associates.	$200.00
Sr. Project Manager/Creative Development Director	$180.00
Project Manager	$175.00
Outreach and IT Specialist	$160.00

SOUTH ENVIRONMENTAL

Classification	Billing Rate per Hour
Principal Biologist	$220.00
Senior Biologist/GIS Lead	$189.00
Senior Arborist	$189.00
Biologist 2	$168.00
Biologist 1	$152.00
Biological Field Technician	$126.00

KDM MERIDIAN

Classification	Billing Rate per Hour
Principal	$250.00
Project Manager	$235.00
Project Surveyor	$220.00
Senior Survey Technician	$185.00
Survey Technician	$150.00
Clerical/Administration/Technical Aide	$100.00
Expert Witness	$525.00
Survey Crew (1-person)	$295.00
Survey Crew (2-person)	$400.00
Survey Crew (3-person)	$505.00



Appendix



SOWMYA CHANDRASEKHAR, PE, TE, PTOE

Project Manager

Sowmya brings more than 18 years of professional experience as a transportation engineer specializing in active transportation, Safe Routes to School (SRTS), corridor operational analyses, traffic impact analyses, traffic signal and illumination designs, temporary and permanent traffic control plans, traffic control warrant analyses, parking studies, pedestrian studies, crash analyses, and innovative intersection improvements. She has supported transportation simulation model development, grant application preparation, and connected vehicle application reviews for agencies throughout Southern California. Sowmya has served as Project Manager on a wide range of projects for local municipalities, regional agencies, and transit operators, and has contributed to the development of the Complete Intersections Guide for Caltrans, providing practical and constructable solutions for reconstructing intersections and interchanges for bicyclists and pedestrians. She is an active member of the Institute of Transportation Engineers (ITE).

Professional Credentials

- Master of Science, Civil Engineering, Missouri University of Science & Technology
- Bachelor of Science, Civil Engineering, Visvesvaraya National Institute of Technology, India
- Professional Engineer in California #83100 and Texas #109776
- Professional Traffic Engineer in California #2760
- Professional Traffic Operations Engineer #3323

OFFICE: *Santa Clarita*

RELEVANT EXPERIENCE

- **Caltrans, Complete Intersections – A Guide to Reconstructing Intersections and Interchanges for Bicyclists and Pedestrians, CA** – Project Manager
- **City of Lancaster, SS4A Application Support, Lancaster, CA** – Project Manager
- **City of Lancaster, SRTS Master Plan, Lancaster, CA** – Senior Engineer
- **City of Lancaster, Paraclete High School Safe Routes to School Plan, Lancaster, CA** – Senior Engineer
- **City of Lancaster, Pedestrian Gap Closures and Street Lighting, Lancaster, CA** – Senior Engineer
- **City of Lancaster, Health District Street Improvements and Street Lighting, Lancaster, CA** – Senior Engineer
- **City of Lancaster, ATP Cycles 6 and 7 Grant Application Support, Lancaster, CA** – Senior Engineer
- **City of Lancaster, Grant Writing Services for the Caltrans HSIP Cycle 11, Lancaster, CA** – Senior Engineer
- **City of Lancaster, Section 130 At-Grade Rail Crossing Improvements (Avenue J, K, M), Lancaster, CA** – Senior Traffic Engineer
- **City of Lancaster, Local Road Safety Plan (LRSP), Lancaster, CA** – Project Manager
- **City of Bakersfield, Monitor Street School Corridor Active Transportation Improvements Project, Bakersfield, CA** – Project Manager
- **City of Bakersfield, Active Transportation Plan, Bakersfield, CA** – QC/QA Manager
- **City of Bakersfield, Niles Street and Monterey Street Complete Streets Project, Bakersfield, CA** – Senior Engineer
- **City of Santa Ana, South Main Street Corridor Improvements, Santa Ana, CA** – Project Engineer
- **City of Simi Valley, LRSP, Simi Valley, CA** – Project Engineer
- **City of Buena Park, SRTS Plan, Buena Park, CA** – Project Manager
- **City of Buena Park, Orangethorpe Avenue Complete Streets Planning Study, Buena Park, CA** – Project Manager
- **City of Buena Park, Stanton Avenue Complete Streets Planning Study, Buena Park, CA** – Project Manager
- **City of Los Angeles, Department of Recreation and Parks, Griffith Park Safety & Mobility Active Transportation Project, Los Angeles, CA** – Project Manager
- **City of Los Angeles, Broadway-Manchester Active Transportation Equity Project, Los Angeles, CA** – Senior Engineer
- **City of Los Angeles, Mission Mile Sepulveda Project PA&ED, Los Angeles, CA** – Project Engineer





SRI CHAKRAVARTHY, PE, TE

Principal-in-Charge

Sri has more than 22 years of multifaceted transportation engineering and public works experience. Since beginning his career with Los Angeles County prior to joining Kimley-Horn, Sri has participated in a wide variety of public works capital improvement projects involving street improvements, active transportation, drainage/hydrology, and agency permitting. His projects are often multidisciplinary and require coordination with local and regional agencies, Caltrans, and local businesses and residents.

Professional Credentials

- Master of Science, Civil Engineering, Louisiana State University
- Bachelor of Science, Civil Engineering, Kakatiya University, India
- Professional Engineer in California #73629
- Traffic Engineer in California #2531

OFFICE: *Santa Clarita*

RELEVANT EXPERIENCE

- **City of Santa Clarita, Newhall Avenue Railroad Crossing Improvements Project, Santa Clarita, CA** – Principal-in-Charge
- **City of Santa Clarita, San Fernando Road Improvements, Santa Clarita, CA** – Project Engineer
- **City of Lancaster, Lancaster Health District Improvements, Lancaster, CA** – Principal-In Charge
- **City of Lancaster, Pedestrian and Bicycle Gap Closure Improvements at 36 Locations, Lancaster, CA** – Senior Project Engineer
- **City of La Cañada Flintridge, Foothill Boulevard Traffic Signals Improvements Project, La Cañada Flintridge, CA** – Project Manager
- **City of Los Angeles, Broadway-Manchester Active Transportation Equity Project, Los Angeles, CA** – QC/QA Manager
- **City of Los Angeles, Mission Mile Sepulveda Project, Los Angeles, CA** – Senior Traffic Engineer
- **City of Los Angeles, Griffith Park Safety and Mobility Active Transportation Project, Los Angeles, CA** – Principal-in-Charge
- **City of Norwalk, Zone 32 Local Streets Rehabilitation Project, Norwalk, CA** – Project Manager
- **City of Culver City, Ivy Station TOD: Washington Boulevard and National Boulevard Street Off-Site and On-Site Improvements), Culver City, CA** – Project Engineer
- **City of Agoura Hills, Kanan Road and Agoura Road Intersection Improvements, Agoura Hills, CA** – Principal-in-Charge
- **City of Malibu, PCH Las Flores & Rambla Pacifico Intersection Improvements, Malibu, CA** – Principal-in-Charge
- **City of Malibu, PCH Bicycle Route Improvements, Malibu, CA** – Project Manager
- **City of Malibu, Cliffside Drive Parking, Malibu, CA** – Project Manager
- **City of Thousand Oaks, Rancho Road Sidewalks and Bike Lanes, Thousand Oaks, CA** – Project Engineer
- **City of Oxnard, Oxnard Avenue & Saviers Road Traffic Signal Improvements, Oxnard, CA** – Project Manager
- **City of Ventura, Westside Community-Wide Active Transportation Improvements, Ventura, CA** – Principal-in-Charge
- **City of Rancho Cucamonga, Almond Street Improvements Project (Via Verde Street to Carnelian Street), Rancho Cucamonga, CA** – Project Manager
- **City of Fullerton, Nutwood Avenue Bicycle and Pedestrian Mobility Enhancements, Fullerton, CA** – Principal-in-Charge
- **City of Santa Ana, South Main Street Corridor Improvements, Santa Ana, CA** – Traffic Engineer
- **City of Irvine, Great Park Lots 6 and 7 Expansion, Irvine, CA** – Principal-in-Charge
- **City of Irvine, Secure Parking Lot Expansion Design, Irvine, CA** – Principal-in-Charge





RYAN CALAD, PE, TE

QC/QA Manager

Ryan has 20 years of experience in traffic engineering and is a recognized leader in the transportation and public works field. He has served in leading roles on many transportation and public works projects and has extensive experience managing safety projects. He has completed extensive work for bicycle and pedestrian improvements, roadway improvement plans, assessments, and safety studies. Ryan has also served as the engineering and countermeasure lead for several active transportation, bike, pedestrian, and SRTS projects.

Professional Credentials

- Bachelor of Arts, Social Ecology, University of California, Irvine
- Professional Engineer in California #91422
- Traffic Engineer in California #2692

OFFICE: *Orange*

RELEVANT EXPERIENCE

- **Town of Apple Valley, SRTS Master Plan, Apple Valley, CA** – Project Manager*
- **Town of Apple Valley, Town-Wide School Zone Analysis and LRSP, Apple Valley, CA** – Project Manager*
- **Town of Apple Valley, [ATP Cycle 6] Powhatan Road Complete Streets PS&E, Apple Valley, CA** – Project Manager
- **Town of Apple Valley, SR-18 Village Specific Plan Corridor Enhancement Study, Apple Valley, CA** – Project Manager*
- **City of Culver City, Overland Avenue High-Friction Surface Treatment (HFST) Project, Culver City, CA** – Traffic Design Lead/Engineer of Record
- **City of Culver City, MOVE Culver City 2023, Culver City, CA** – Traffic Design Lead/Engineer of Record
- **City of Fullerton, [ATP Cycle 6] Nutwood Avenue Bicycle and Pedestrian Mobility Enhancements PS&E, Fullerton, CA** – Traffic Engineer of Record/Task Manager
- **City of Palm Springs, South Palm Canyon Bicycle and Pedestrian Improvements Project, Palm Springs, CA** – Traffic Design Lead/Engineer of Record
- **City of Palm Springs, Racquet Club Road Bicycle and Pedestrian Improvements Project, Palm Springs, CA** – Traffic Design Lead/Engineer of Record
- **County of Los Angeles, Implementation of Vision Zero Mulholland Highway RSA & PS&E, Los Angeles, CA** – Project Manager
- **County of Los Angeles, Ped Feasibility Design Support ATP Grant Application, Los Angeles, CA** – Project Manager
- **City of Laguna Beach/Caltrans, Coast Highway Corridor Intersection Improvement Feasibility Analysis, Laguna Beach, CA** – Project Manager*
- **City of Laguna Beach/Caltrans, Coast Highway Corridor Intersection Improvement PS&E, Laguna Beach, CA** – Project Manager*
- **Costa Mesa, Development of STRS Action Plan, Costa Mesa, CA** – Action Plan Task Manager
- **City of Orange, Citywide School Crossing Guard Assessment, Orange, CA** – Project Manager
- **City of Hollister, Vision Zero Action Plan, Hollister, CA** – SRTS Task Manager
- **City of Garden Grove, SRTS Phase I Master Plan, Garden Grove, CA** – Engineering/Countermeasure Task Manager*
- **City of Irvine, Strategic ATP, Irvine, CA** – Engineering/ITS Task Lead
- **City of Palm Springs, LRSP, Palm Springs, CA** – Engineering/Countermeasure Task Manager*
- **City of Barstow, Reimagine Barstow Active Transportation Plan, Barstow, CA** – Engineering/Countermeasure Task Leader*
- **City of Anaheim, HSIP Cycle 12 Grant Application for the Brookhurst Street Corridor, Anaheim, CA** – Project Manager
- **City of Anaheim, Anaheim Pedestrian Crosswalks ATP, Anaheim, CA** – Quality Control Manager

**Prior to joining Kimley-Horn*





MOODY ADLI, PE

Existing Conditions, Data Collection, and Base Mapping

Moody is a civil engineer with diverse experience supporting both public agencies and private clients on multidisciplinary projects, with a background in civil design, traffic design, plan review, and municipal staff augmentation. His background includes design, review, and coordination of roadway improvements, subsurface utilities, drainage and grading, ADA compliance upgrades, active transportation facilities, TCPs, and sidewalk and curb ramp design. He is well versed in preparing construction documents, cost estimates, and project specifications. He has software experience with AutoCAD Civil 3D, Microsoft Office, and Bluebeam.

Professional Credentials

- Bachelor of Science, Civil Engineering, California State University, Northridge
- Professional Engineer in California #98938

OFFICE: *Santa Clarita*

RELEVANT EXPERIENCE

- **City of Rancho Cucamonga, Almond Street Improvements Project (Via Verde Street to Carnelian Street), Rancho Cucamonga, CA** – Project Engineer
- **City of Malibu, Land Development On-Call Plan Review and Plan Check Services, Malibu, CA** – Project Engineer
- **City of Malibu, On-Call Traffic Engineering, Malibu, CA** – Project Engineer
- **City of Artesia, On-Call Engineering Services, Artesia, CA** – Project Engineer
- **City of Agoura Hills, On-Call Engineering Services, Agoura Hills, CA** – Project Engineer
- **City of Burbank, San Fernando Bikeway, Burbank, CA** – Analyst
- **City of Los Angeles, Broadway-Manchester Active Transportation Equity Project, Los Angeles, CA** – Analyst
- **City of Lancaster, Haul Route/Detours Pavement Impact Fees Analysis, Lancaster, CA** – Analyst
- **City of Norwalk, Local Street Rehabilitation Program: Zones 2, 9, and 29, Norwalk, CA** – Analyst
- **City of Norwalk, Norwalk Boulevard Traffic Signal and Interconnect Improvements, Norwalk, CA** – Analyst
- **City of Norwalk, Studebaker Road Traffic Signal Synchronization Program (TSSP) and Interconnect Projects, Norwalk, CA** – Analyst
- **City of Agoura Hills, Kanan Road and Agoura Road Intersection Improvements, Agoura Hills, CA** – Analyst
- **City of Agoura Hills, Recreation Center Trail Project, Agoura Hills, CA** – Analyst
- **City of Agoura Hills, Chumash Park Restroom Rehabilitation and ADA Improvements, City of Agoura Hills, CA** –Analyst
- **City of Malibu, PCH Las Flores & Rambla Pacifico Intersection Improvements, Malibu, CA** – Anal
- **City of Malibu, Bluffs Park Pedestrian Walkway Improvements, Malibu, CA** – Analyst
- **City of Malibu, Kanan Dume Biofilters, Malibu, CA** – Analyst
- **Los Angeles County Metropolitan Transportation Authority (LA Metro), Rail to Rail Segment A Active Transportation Corridor, Los Angeles, CA** – Analyst
- **City of Simi Valley, Traffic Signal Condition Assessment, Simi Valley, CA** – Analyst
- **City of Simi Valley, First Street Rehabilitation Project, Simi Valley, CA** – Analyst
- **City of Simi Valley, Madera Road Rehabilitation Project, Simi Valley, CA** – Analyst
- **City of Oxnard, Traffic Signal Modifications, Oxnard, CA** – Analyst
- **City of Oxnard, Oxnard Boulevard & US 101 Traffic Signal Design, Oxnard, CA** – Analyst
- **City of Ventura, Sustainable Transportation Civil Engineering Design Services, Ventura, CA** – Analyst
- **City of Irvine, Great Park Parking Lots 6 and 7 Expansion, Irvine, CA** – Analyst
- **City of Irvine, Civic Center Main Parking Lot Improvements, Irvine, CA** – Analyst
- **City of Irvine, Protected-Permissive Left-Turn Phasing Project Phase II, Irvine, CA** – Analyst





JESSICA PADILLA BOWEN, APR | KPA

Community Engagement and Public Outreach

Jessica joined KPA in 2020, bringing with her more than 20 years of experience in government and nonprofit communication, with expertise in project management, event management and facilitation. She spent 15 years working in communication for the City of Carlsbad serving various departments including Community & Economic Development, Public Works, Library & Cultural Arts and more. She also served as Public Information Officer in the City's Emergency Operations Center. Prior to joining the City of Carlsbad, Jessica spent six years in nonprofit communication, handling all aspects of media relations, from photo and video shoots to pitching and coordinating hundreds of television, print, and radio interviews.

Professional Credentials

- Master of Public Administration
- San Diego State University, San Diego
- Bachelor of Arts, Theater & Economics Occidental College, Los Angeles
- Accredited in Public Relations (APR)

OFFICE: *Pasadena*

RELEVANT EXPERIENCE

- **Metro, Sepulveda Transit Corridor Project, LA County** – Outreach Associate
- **City of Glendale, Bicycle Transportation Plan (BTP) Update, Glendale, CA** – Outreach Project Manager
- **LA Department of Transportation, Safe Routes for Seniors, Los Angeles, CA** – Outreach Project Manager
- **LA Department of Transportation, Safe Routes for Seniors, Los Angeles, CA** – Outreach Project Manager
- **LA County, Disadvantaged Communities Water Systems Needs Assessment Water Replenishment District** – Outreach Team Member/Meeting Facilitator
- **City of El Centro, Imperial Avenue Complete Streets Plan, City of El Centro, CA** – Outreach Project Manager
- **7th Street Streetscape Improvement Project, Los Angeles, City of Los Angeles Bureau of Engineering (BOE), Los Angeles, December 2020** – Deputy Project Manager Outreach
- **Riverside County Transportation Commission, Riverside County Transit-Oriented Communities (TOC) Plan** – Outreach Project Manager
- **Ventura County, Commission Comprehensive Transportation Plan, Ventura, CA** – Outreach Project Manager
- **Imperial County, Transportation Commission Active Transportation Plan, Imperial County, CA** – Outreach Project Manager
- **LA County Department of Public Works, Re-envisioning Whiteman Airport, LA County Department of Public Works** – Outreach Project Manager/CAC Meeting Facilitator
- **Los Angeles County, NoHo to Pasadena Bus Rapid Transit, Metro, Los Angeles, CA** – Outreach Associate
- **LA County Department of Parks & Recreation Strategic Plan, LA County Department of Parks & Recreation, Los Angeles, CA** – Community Outreach Project Manager





XAVIER SIBAJA | KPA

Community Engagement and Public Outreach

KATHERINE PADILLA & ASSOCIATES, INC.

Xavier is a collaborative agency leader and social entrepreneur with a passion for serving community, educational, and arts organizations. Engaging communicator with strong people skills and breadth of knowledge from life-long learning. He is a Bilingual communicator (Spanish and English) with expertise in connecting with diverse communities. He has led successful merchant and community engagement campaigns. Xavier has secured funds and sponsorships and brought together people and organizations to leverage synergies toward achieving program goals. He has delivered outstanding PR coverage from Los Angeles Times, the New York Times, the Washington Post, CSPAN, PBS, and other outlets.

Professional Credentials

- Master of Public Administration, City University of New York, Baruch College
- Bachelor in Communication Sciences, Universidad Autónoma Metropolitana – Mexico City

OFFICE: *Whittier*

RELEVANT EXPERIENCE

- **Ventura County, Transportation Commission Comprehensive Transportation Plan, Ventura, CA** – Project Manager
- **County of Los Angeles Department of Public Works, Re-envisioning Whiteman Airport, Pacoima, CA** – Project Manager
- **Imperial County Transportation Commission, Long-Range Transportation Plan, Imperial County, CA** – Project Manager
- **Riverside County Transportation Commission (RCTC), Transit-Oriented Communities Study, Riverside, CA** – Project Manager
- **Metro Sepulveda Transit Corridor, Los Angeles, CA** – Project Manager
- **Metro LA River Path, Los Angeles** – Project Manager
- **City of Los Angeles Bureau of Engineering (BOE), 7th Street Streetscape Improvement Project, Los Angeles, CA** – Project Manager
- **Los Angeles County, Norwalk Boulevard Metro Rail Station First-Last Mile Plan, Norwalk, CA** – Outreach Associate
- **Connecting San Pedro Project Pedestrian Improvement & Multi-model Access, San Pedro, CA** – Outreach Associate
- **City of Fresno, South Central Fresno Community Truck Reroute Study (AB617), Fresno, CA** – Outreach Associate
- **LA County Department of Parks & Recreation, LA County Department of Parks & Recreation Strategic Plan, Los Angeles, CA** – Outreach Associate
- **East Bay Asian Youth Center (EBAYC), San Antonio Commercial Corridor, Oakland, CA** – Project Director





CHARIS AHN, PE

Studies: School Access and Circulation

Charis is a transportation engineer with experience in traffic engineering and ITS design, planning, and analysis projects. Her experience includes traffic signal design, signal interconnect design, street lighting design, signing and striping design, and planning level traffic studies. Charis has worked on a variety of projects during which she was involved with traffic intersection modeling, communication block diagrams and fiber-optic splice diagrams, data collection and field review, preparation of design plans using AutoCAD and MicroStation, cost estimation, and technical specifications preparation..

Professional Credentials

- Bachelor of Science, Civil Engineering, University of California, Los Angeles
- Professional Engineer in California #96083

OFFICE: *Santa Clarita*

RELEVANT EXPERIENCE

- **City of Lancaster, Safe Routes to School Master Plan, Lancaster, CA** – Traffic Engineer
- **City of Agoura Hills, Citywide School Campus Safety and Circulation Analysis, Agoura Hills, CA** – Project Engineer
- **Santa Monica-Malibu Unified School District, Edison Language Academy Traffic Circulation Study, Santa Monica, CA** – Project Engineer
- **City of Bakersfield, Monitor Street Safe Routes to School / School Corridor Improvements, Bakersfield, CA** – Project Analyst
- **City of Irvine, Great Park Parking Lots 6 and 7 Circulation Analysis, Conceptual Plans and PS&E, Irvine, CA** – Traffic Engineer
- **City of Irvine, Fire Evacuation Traffic Study, Irvine, CA** – Project Engineer
- **City of Lancaster, Lancaster Health District Traffic Design, Lancaster, CA** – Project Analyst
- **City of Simi Valley, LRSP, Simi Valley, CA** – Project Analyst
- **City of Malibu, PCH Las Flores & Rambla Pacifico Intersection Improvements, Malibu, CA** – Project Manager
- **City of Malibu, On-Call Traffic and Civil Engineering Services, Malibu, CA** – Project Analyst
- **City of Lancaster, Haul Route/Detours Pavement Impact Fees Analysis, Lancaster, CA** – Project Manager
- **City of Agoura Hills, Signing and Striping Plans for Bicycle Improvements, Agoura Hills, CA** – Project Manager
- **City of Agoura Hills, On-Call Traffic and Civil Engineering Services, Agoura Hills, CA** – Project Analyst
- **City of Ventura, Citywide Traffic Signal and Communication System Upgrade, Ventura, CA** – Project Analyst
- **City of La Cañada Flintridge, HSIP Cycle 9 Foothill Boulevard Traffic Signals Improvement Project, La Cañada Flintridge, CA** – Project Analyst
- **City of Lancaster, At-Grade Rail Crossing Improvements (Avenue K, J, M, G), Lancaster, CA** – Project Analyst
- **City of Lancaster, Avenue J/SR 14 (SR 138) Interchange PSR-PDS, PA&ED and PS&E, Lancaster, CA** – Project Analyst
- **City of Lancaster, Safe Routes to School Master Plan, Lancaster, CA** – Project Analyst
- **City of Rancho Cucamonga, Traffic Signal Modification, Rancho Cucamonga, CA** – Project Analyst
- **City of Los Angeles BOE, Broadway-Manchester Active Transportation Equity Project, Los Angeles, CA** – Project Analyst





DARRYL DEPENCIER, AICP, GISP, RSP$_1$, RSP$_{2B}$

udies: Corridor Analysis

Darryl has more than 19 years of experience in leading active transportation and safety planning projects. He uses data-driven approaches to assess transportation system performance for safety, equity, operations and other factors as needed. As a GIS Professional, Darryl uses GIS to efficiently assess existing conditions and analyze project alternatives. He has supported the development and implementation of GIS analysis methods for active transportation plans, traffic safety analysis, Americans with Disabilities Act (ADA) transition plans, and other transportation planning functions. He is experienced in estimating bicycle and pedestrian trip volumes, safety impacts, and benefit cost assessment. He has worked on studies at the statewide, regional, local, and site-specific levels that include guidance documents, Local Roadway Safety Plans, safety thresholds and audits, and local countermeasure recommendations.

Professional Credentials

- Master of Urban Spatial
- Analytics, University of
- Pennsylvania
- Bachelor of Arts,
- Geography, Carleton
- University, Ottawa Arts,
- American Institute
- of Certified Planners #26552
- GIS Professional #59317
- Roadway Safety Professional 2B #17

OFFICE: *Los Angeles*

RELEVANT EXPERIENCE

- **City of Anaheim, LRSP, Anaheim, CA** – Project Planner
- **City of Costa Mesa, Development of SRTS Action Plan, Costa Mesa, CA** – Project Planner
- **City of Monterey Park, Vision Zero Action Plan (SS4A) (CIP 96044), Monterey Park, CA** – Project Manager
- **City of Hollister, Safe Streets for All Plan and Grant Administration Statewide vulnerable road assessment, City of Hollister, CA** – Project Manager
- **City of Moreno Valley, Moreno Valley RSA/ Roadway Safety Signing Audit (RSSA)**
- – Project Planner
- **City of Orange, LRSP, Orange, CA** – Project Planner
- **City of Costa Mesa, LRSP, Costa Mesa, CA** – Project Planner
- **City of Seal Beach, LRSP, Seal Beach, CA** – Project Planner
- **City of Monterey Park, Various Signalized Intersections Along Garfield Avenue, Monterey Park, CA** – Project Planner
- **City of Compton, LRSP, Compton, CA** – QC/QA Reviewer
- **City of Palm Desert, SS4A Grant, Palm Desert, CA** – Project Planner
- **City of Lancaster, Local Road Safety Plan, Lancaster, CA** – Project Planner
- **City of Bakersfield, Active Transportation Plan, Bakersfield, CA** – Project Manager
- **City of Glendale, Wilson Avenue Multimodal Improvements, Glendale, CA** – Project Planner
- **City of Glendale, Colorado Street Multimodal Improvements, Glendale, CA** – Project Planner
- **City of Artesia, LRSP, Artesia, CA** – Project Manager
- **City of Artesia, Active Transportation Plan, Artesia, CA** – Project Planner
- **City of Ventura, Citywide SSARP, Ventura, CA** – Project Manager
- **County of Ventura, Vision Zero Action Plan, Ventura County, CA** – Project Manager
- **County of Ventura, LRSP, Ventura County, CA** – Project Manager





MATT STEWART, PE, TE

Studies: Corridor Analysis

Matt has experience in traffic engineering, transportation planning, and traffic safety analysis. His experience includes traffic signal operations and design, on call traffic engineering, traffic impact analysis, and parking analysis. Most recently, he worked on two traffic signal synchronization projects in Orange County, specifically Barranca TSSP in Irvine, Santa Ana, and Fountain Valley, and Aliso Creek TSSP in the cities of Laguna Woods, Aliso Viejo, and Laguna Niguel. Matt has experience in data collection and field review, traffic signal timing optimization, traffic management center (TMC) and controller cabinet timing implementation, fine-tuning, and corridor before and after studies.

Professional Credentials

- Master of Science in Civil Engineering, University of California, Berkeley
- Bachelor of Science, Civil and Environmental Engineering, University of California, Los Angeles
- Professional Engineer in California #90465
- Professional Traffic Engineer in California #3063

OFFICE: *Los Angeles*

RELEVANT EXPERIENCE

- **City of Lancaster, SS4A Grant Preparation, Lancaster, CA** – Project Engineer
- **City of Lancaster, Safe Routes to School Master Plan, Lancaster, CA** – Project Engineer
- **Orange County Transportation Authority (OCTA), Chapman Avenue Corridor Traffic Signal Synchronization Project (TSSP)** – Project Engineer
- **City of Agoura Hills, Kanan Corridor School Study, Agoura Hills, CA** – Project Manager
- **City of Agoura Hills, On-Call Traffic Engineering, Agoura Hills, CA** – Project Manager
- **Costa Mesa, SRTS Action Plan, Costa Mesa, CA** – Project Engineer
- **City of Malibu, Malibu Canyon Road Safety Study, Malibu, CA** – Project Engineer
- **City of Oxnard, La Colonia Green Alleys, Oxnard, CA** – Project Engineer
- **City of Oxnard, Timing Sheet Development at Various Signals, Oxnard, CA** – Project Engineer
- **City of Irvine, Barranca Parkway Regional Traffic Signal Synchronization Program, Irvine, CA** – Project Analyst
- **City of Los Angeles, Consolidated Rent-A-Car Off-Site Traffic Signal and Signing and Striping Improvements, Los Angeles, CA** – Project Analyst
- **City of Lancaster, Lancaster Health District Traffic Impact Analysis and Signing and Striping and Traffic Signal Plans, Lancaster, CA** – Project Analyst
- **City of Santa Clarita, ITS Multi-Phase Improvements, Santa Clarita, CA** –Project Engineer
- **City of Agoura Hills, Traffic Signal Design at Thousand Oaks Boulevard/Argos Street, Agoura Hills, CA** – Project Analyst
- **City of Rancho Mirage, Design of Traffic Signal Interconnect Improvements City Projects, Rancho Mirage, CA** – Project Analyst
- **City of Alhambra, 710 North Arterial and I-10 Interchange Improvements at I-10/Fremont Avenue, I-10/Atlantic Boulevard, and I-10/Garfield Avenue, Alhambra, CA** – Project Analyst
- **City of Diamond Bar, Procurement and Implementation Plan for Adaptive Traffic Control System (ATCS), Diamond Bar, CA** – Project Analyst





EDWARD POLUNIN

Studies: Corridor Analysis

AimTD LLC
Aim Traffic Data

Edward is responsible for operations, project management, supervision, and quality control for projects such as Intersection Turning Movement Counts, manual FHWA classification (ADT) Volume Counts for traffic studies. He has directly managed and supervised projects with a combined total of more than 20,000 traffic count locations. He has served as Project Manager with AimTD for 13 years.

Professional Credentials

- Bachelor of Science, Business Administration, DePaul University, Chicago

OFFICE: *Los Angeles*

RELEVANT EXPERIENCE

- **UC Davis Medical Center, Sacramento Campus, Parking Surveys, Sacrament, CA** – Project Manager
- **Orange County Transportation Authority (OCTA), CMP Traffic Data Collection, Orange County, CA** – Project Manager
- **OCTA Countywide Signal Synchronization Baseline (CSSB) Turning Movement Counts, Orange County, CA** – Project Manager
- **Port of Long Beach, On-Call Traffic Data Collection, Long Beach, CA** – Project Manager
- **City of Pasadena, On-Call Traffic Data Collection, Pasadena, CA** – Project Manager
- **Los Angeles Department of Transportation (LADOT), On-Call Traffic Data Collection, Los Angeles, CA** – Project Manager





JESSIE BARKLEY

Studies: Environmental Studies

Jessie is an environmental planner with over 25 years of experience. She is a skilled CEQA and NEPA practitioner that has led and contributed to numerous projects for a variety of project types, including infrastructure, mixed-use, entertainment, educational, medical, commercial, energy, and long-range community plans. Jessie's responsibilities include directing project teams; preparing and managing project work plans, scopes, schedules, and budgets; conducting senior-level review of draft work products; interfacing with clients, subconsultants, and agency staff; and marketing services among existing and prospective clients. Throughout her career, Jessie has supported a wide array of complex environmental documents (Program EIRs, Project EIRs, EIR Addendums, Supplemental EIRs, SCEAs, and MNDs) for all project types including specific plans, general plans, area plans, and project level mixed-use and transit-oriented development.

Professional Credentials

- Master of Arts, Urban and Regional Planning, University of California, Irvine
- Post-Graduate Certificate, Marketing and Communications, University of California, Irvine
- Bachelor of Arts, Geography, University of British Columbia, Vancouver

OFFICE: *Los Angeles*

RELEVANT EXPERIENCE

- **City of Monterey Park, Monterey Pass Road Complete Street Project, Monterey Park, CA** – Environmental Lead
- **City of Palmdale, Village Transit HUD Project, Palmdale, CA -Project Manager**
- **County of Los Angeles, Tapia Ranch EIR, Los Angeles County** – Project Manager
- **City of Los Angeles, On-Call for Environmental Services, Los Angeles, CA** – Project Manager*
- **City of South Gate, On-Call for Environmental Services, Los Angeles, CA** – Contract Manager and Project Manager
- **City of Santa Clarita, On-Call for Environmental Services, Los Angeles, CA** – Contract Manager and Project Manager
- **City of Simi Valley, On-Call for Environmental Services, Los Angeles, CA** – Contract Manager and Project Manager
- **University of California, Irvine, On-Call for Environmental Services, Los Angeles, CA** – Contract Manager and Project Manager
- **University of California, Irvine, On-Call for Environmental Services, Los Angeles, CA** – Contract Manager and Project Manager
- **Brightline, Brightline Rail Project, Los Angeles to Las Vegas, NV** – Assistant Project Manager*

**Performed prior to joining Kimley Horn*





EUGENE HUANG, PE

Concepts and Preliminary Engineering: Plan and Cost Estimates

Eugene has extensive experience delivering multimodal corridor and complete streets projects throughout Los Angeles County, applying strategic and context-sensitive approaches to improve safety, access, and mobility. He currently manages several complex, multi-jurisdictional efforts that integrate local street improvements with regional infrastructure such as freeway ramps and interchanges. Eugene brings a process-driven mindset to all phases of project delivery, with a proven track record of completing PSR PDS, PA&ED, PS&E, and construction in Caltrans District 7..

Professional Credentials

- Bachelor of Science, Civil Engineering, California Polytechnic State University, San Luis Obispo
- Professional Civil Engineer in California #87933

OFFICE: *Pasadena*

RELEVANT EXPERIENCE

- **City of Monterey Park, Monterey Pass Road Complete Streets, Monterey Park, CA** – Project Engineer
- **City of Alhambra, Fremont Avenue Complete Streets and Interchange Modifications, Alhambra, CA** – Project Manager
- **City of Lancaster, Avenue J/SR 14 (SR 138) Interchange, Lancaster, CA** – Project Manager
- **City of Camarillo, Pleasant Valley Road Bike Lanes, Camarillo, CA** – Project Engineer
- **City of Bakersfield, Niles and Monterey Complete Streets Project, Bakersfield, CA** – Project Engineer
- **City of Lancaster, Avenue M Interchange Improvements PS&E, Lancaster, CA** – Project Engineer
- **City of Lancaster, Lancaster Health District Construction Support, Lancaster, CA** – Project Manager
- **City of Alhambra, 710 North Arterial and I-10 Interchange Improvements at I-10/Fremont Avenue, I-10/Atlantic Boulevard, and I-10/Garfield Avenue, Alhambra, CA** – Project Manager
- **City of Lancaster, Lancaster Health District Construction Support, Lancaster, CA** – Project Manager SGVCOG, San Gabriel Valley Transit Study, Irwindale, CA – Project Engineer
- **City of Santa Clarita, Newhall Avenue Railroad Crossing Improvements Project, Santa Clarita, CA** – Project Manager
- **City of Ventura, Westside Community Wide Active Transportation Improvements, Ventura, CA** – Project Engineer
- **City of Los Angeles, Los Angeles Downtown Streetcar Independent Cost Estimate, Los Angeles, CA** – Project Engineer
- **LA Metro, County Grade Crossing and Corridor Safety Program, Los Angeles, CA** – Project Engineer LA Metro, SR 138 PA&ED, Los Angeles, CA – Project Engineer
- **City of Camarillo, Pleasant Valley Road Bike Lanes, Camarillo, CA** – Project Engineer
- **City of Culver City, Ivy Station Transit-Oriented Development (Washington Boulevard and National Boulevard Street Off-Site and On-Site Improvements), Culver City** – Project Engineer





LAURA FORINASH, PE, TE

Concepts and Preliminary Engineering: Plan and Cost Estimate

Laura is a professional civil and traffic engineer with 13 years of transportation engineering experience ranging from small design projects and task orders to large design-build environments. Her background encompasses traffic safety and transportation planning. Laura's key areas of specialty include extensive knowledge of the Manual on Uniform Traffic Control Devices (MUTCD) methodologies; active transportation design; traffic calming studies; traffic signal warrants, signing and striping, signal design and plan presentation, and signal timing and optimization.

Professional Credentials

- Master of Science, Civil Engineering, Georgia Institute of Technology
- Bachelor of Science, Civil Engineering, Georgia Institute of Technology
- Professional Engineer in California #93146
- Traffic Engineer in California #2818

OFFICE: *Long Beach*

RELEVANT EXPERIENCE

- **City of La Cañada Flintridge, Traffic Circulation, and Signal Operations for Foothill Boulevard and Angeles Crest Highway, La Cañada Flintridge, CA** – Project Engineer
- **City of Los Angeles, Mission Mile Sepulveda Project PA&ED and PS&E, Los Angeles, CA** – Traffic Engineer
- **City of Los Angeles, Broadway-Manchester Active Transportation Equity Project PA&ED and PS&E, Los Angeles, CA** – Traffic Engineer
- **City of Moorpark, Los Angeles Avenue Traffic Study, Moorpark, CA** – Traffic Engineer
- **City of Malibu, PCH Mobility Improvements at Various Locations, Malibu, CA** – Traffic Engineer
- **City of Agoura Hills, Kanan Road/Agoura Road Ultimate Intersection Improvements Project, Agoura Hills, CA** – Project Manager
- **City of Agoura Hills, On-Call General Engineering Services, Agoura Hills, CA** – Project Manager
- **Housing Authority of the City of San Buenaventura, Sustainable Transportation Civil Engineering Design Services, Ventura, CA** – Project Manager
- **City of Agoura Hills, SB 743 Vehicle Miles Implementation Study and Guidelines Development, Agoura Hills, CA** – Project Engineer
- **City of Oxnard, Fifth Street and Rice Avenue Grade PSR, PA&ED, and PS&E, Oxnard, CA** – Project Engineer
- **City of Oxnard, Oxnard Boulevard and Saviers Road Signal Improvements, Oxnard, CA** – Project Engineer
- **City of Agoura Hills, Bicycle Master Plan, Agoura Hills, CA** – Project Manager
- **City of Agoura Hills, Local Roadway Safety Plan, Agoura Hills, CA** – Project Manager
- **City of Agoura Hills, Reyes Adobe Road Pedestrian Hybrid Beacons, Agoura Hills, CA** – Project Manager
- **City of Ventura, Sustainable Transportation Infrastructure and Transportation Related Amenities, Civil Engineering Design Services, Ventura, CA** – Project Manager
- **City of Hawthorne, Safety Action Plan, Hawthorne, CA - Project Manager**
- **City of Hawthorne, General Plan Update, Hawthorne, CA** – Project Engineer
- **City of Bell Gardens, Transit Oriented Community Specific Plan, Bell Gardens, CA** – Project Engineer
- **City of Lomita, Traffic Calming Toolkit, Lomita, CA - Project Manager**
- **City of Laguna Niguel, Heather Ridge Bike Lanes, Laguna Niguel, CA - Project Manager • City of Laguna Niguel, Crown Valley Parkway Bike Lanes, Laguna Niguel, CA** – Project Manager





PRASAD KASTURI, PE, QSDP

Concepts and Preliminary Engineering: Drainage

Prasad brings nearly 20 years of experience in the civil engineering and infrastructure industry. His experience includes leading project design and management, providing technical support to public and private sector clients comprised of municipalities, government agencies, and private developers, and through all stages of project—from proposals, conceptual design, and detailed engineering to procurement, construction, and final acceptance.

Professional Credentials

- Master of Science, Civil Engineering, University of New Mexico
- Bachelor of Science, Civil Engineering, Jawaharlal Nehru Technological University Hyderabad, India
- Professional Engineer in California #84306
- Qualified Stormwater Pollution Prevention Act Developer/Practitioner in California #25781
- Certified Floodplain Manager (CFM) #US-16-0915

OFFICE: *Riverside*

RELEVANT EXPERIENCE

- **City of Palmdale, Avenue M Basin Improvements, Palmdale, CA** – Project Manager
- **City of Palm Springs, Indian Canyon and 18th Avenue Street Improvements, Palm Springs, CA** – Project Manager
- **City of Lancaster, Avenue G and 25th Street Improvements, Lancaster CA** – Project Manager
- **City of Rancho Cucamonga, Almond Street Improvements, Rancho Cucamonga, CA** – Drainage Manager
- **City of Banning, Wilson Street Improvements, Banning, CA** – Drainage Engineer
- **City of Corona, California Street Sewer Improvements, Corona, CA** – Drainage and Water Quality Management Plan (WQMP) Engineer
- **City of Southgate, Atlantic Avenue Improvements, Southgate, CA** – Drainage/WQMP Engineer City of Palm Springs, Indian Canyon and 18th Avenue Street Improvements, Palm Springs, CA – Project Manager
- **City of Lancaster, Avenue G and 25th Street Improvements, Lancaster CA** – Project Manager Harrington Group, Boardwalk Townhomes, Corona, CA – Drainage and WQMP Engineer
- **Tripointe Homes, Villages of Terrassa, Corona, CA** – Drainage and WQMP Engineer
- **Bandar Inc., Stonegate and Bondar Development, Corona, CA** – Drainage and WQMP Engineer
- **Sun Medical, Sun Medical Plaza and Sundance Corporate Center QSP Inspections, Beaumont, CA** – Drainage and WQMP Engineer
- **Sansone Group, Banning Commerce Center, Banning, CA** – Project Engineer
- **Coachella Valley Link, Trail Project, Coachella Valley, CA** – SWPPP/Erosion and Sediment Control Plan (ESCP)
- **Designer First Industrial Inc, Indian Palm Canyon Industrial Development, Palm Springs, CA** – Project Manager
- **SilverRock Inc., SilverRock Golf Resort, La Quinta, CA** – Drainage and WQMP Engineer
- **Lennar Homes, Lennar Renaissance Home Community, Rialto, CA** – Drainage and WQMP Engineer
- **KB Homes, Loma Linda Citrus Village, Loma Linda, CA** – Drainage and WQMP Engineer
- **City of Riverside, Phoenix Storm Drain Dry Weather Flow Diversion, Riverside, CA** – Project Manager*
- **Coachella Valley Association of Governments, Food and Blowsand Project, Palm Springs, CA** – Task Manager*
- **Northpoint, Project Maple, Lake Elsinore, CA** – Project Manager*

**Prior to joining Kimley-Horn*





AMANDA CARRO, EIT

Concepts and Preliminary Engineering: Utilities and ROW

Professional Credentials

- Bachelor of Science, Civil Engineering, Northeastern University
- Engineer-in-Training in California #168333

OFFICE: *Los Angeles*

Amanda has more than seven years of experience supporting the planning, design, and delivery of complex transportation and multimodal infrastructure projects throughout California. She is experienced in identifying utility conflicts, coordinating with public and private utility owners, managing utility investigations and relocation efforts, and resolving utility impacts during both design and construction. Amanda has worked closely with local agencies, Caltrans, and railroads to address right-of-way constraints, develop utility conflict matrices, and maintain project schedules. She is highly familiar with Caltrans standards, specifications, and project development procedures and has contributed to the preparation of PA&ED and PS&E documents for projects ranging from local roadway improvements to major transportation corridor and interchange improvements

RELEVANT EXPERIENCE

- **City of Lancaster, Section 130 At-Grade Crossing Improvements (Avenue J, K, M) PS&E, Lancaster, CA** – Project Analyst
- **City of Lancaster, Avenue M Interchange Improvements PS&E, Lancaster, CA** – Project Analyst
- **City of Los Angeles, Broadway-Manchester Active Transportation Equity Project PA&ED and PS&E, Los Angeles, CA** – Project Analyst
- **City of Los Angeles, Mission Mile Sepulveda Project PA&ED and PS&E, Los Angeles, CA** – Project Analyst
- **City of Los Angeles, Telfair Avenue Multimodal Bridge Over Pacoima Wash PA&ED and PS&E, Los Angeles, CA** – Project Analyst
- **City of Agoura Hills, Old Agoura Pavement Rehabilitation Project, Agoura Hills, CA** – Project Analyst
- **City of Camarillo, Pleasant Valley Road Bike Lanes, Camarillo, CA** – Project Analyst
- **City of Camarillo, Central Avenue Bike Lane Project, Camarillo, CA** – Project Analyst





KIRK AMMERMAN, PE

Concepts and Preliminary Engineering: Constructability Review

Professional Credentials

- Bachelor of Science, Civil Engineering, San Diego State University
- Professional Engineer in California #46482

OFFICE: *San Diego*

Kirk has 38 years of experience in a broad range of civil engineering practices, including, but not limited to, design, project and construction management, regulatory compliance, public works operations, and public contact and outreach. In addition, Kirk is knowledgeable about pertinent local, state, and federal rules, regulations, and laws. Prior to joining Kimley-Horn, Kirk was a principal civil engineer with the City of Chula Vista and, at various times, managed the following sections/ divisions: construction inspection services; stormwater compliance; design and project delivery; pavement management; land development and permitting; landscape architecture; and surveying.

RELEVANT EXPERIENCE

- **City of Oceanside, Oceanside Downtown Water and Sewer Replacement—Phase 2, Oceanside, CA** – Principal-in-Charge
- **San Diego Zoo Safari Park, WWTP Expansion (Water Pipeline Upgrades and Safari Park Grant Support), Escondido, CA** – Project Engineer
- **Padre Dam Municipal Water District, Magnolia Avenue and SR 67 Sewer Capacity Improvements Project, Santee, CA** – QC/QA Manager, Constructability Reviewer
- **City Of Escondido, 36-Inch Outfall Relocation/Rehabilitation, Escondido, CA** – Project Manager
- **SEJPA, San Elijo Lagoon 30-Inch Water, 12-Inch Water, 12-Inch Recycled Water, and 8-Inch Sewer Siphon Utility Relocation/ Replacements, San Diego, CA** – Project Engineer
- **County of San Diego, Lakeside and Spring Valley Sewer PER and PS&E, San Diego County, CA** – QC/QA Manager, Constructability Reviewer
- **City of Chula Vista, G Street Sewage Lift Station Rehabilitation, Chula Vista, CA** – QC/QA Reviewer, Constructability Task Lead, Construction Phase Support Services
- **City of San Diego, I-5/Genesee Avenue Interchange Pipeline Replacement, San Diego, CA** – QC/QA Reviewer
- **City of Chula Vista, La Media Sewer Repair, Chula Vista, CA** – Contract Manager
- **SEJPA, 16-Inch Recycled Water Pipeline Realignment, Encinitas, CA** – QC/QA Reviewer
- **San Diego Association of Governments (SANDAG), Mid-Coast Transportation Corridor—Genesee Avenue Drainage Improvements, San Diego, CA** – QC/QA Reviewer
- **Otay Water District, SR 94 16-Inch Water Pipeline Replacement, Jamul, CA** – QC/QA Reviewer
- **Santa Margarita Water District, SR 74 30-Inch Recycled Water Crossing, Rancho Mission Viejo, CA** – QC/QA Manager
- **City of Chula Vista, Parkside Drive Sewage Lift Station Rehabilitation, Chula Vista, CA** – Contract Manager
- **City of Chula Vista, City Hall Lift Station Emergency Storage Feasibility Study, Chula Vista, CA** – Contract Manager
- **City of Rialto, Frisbie Park Sewage Lift Station Design, Rialto, CA** – QC/QA Reviewer
- **City of Chula Vista, Salt Creek Interceptor Sewer, Chula Vista, CA** – Project Manager and Construction Manager*
- **City of Chula Vista, Otay Lakes Road Widening and 12-Inch Recycled Water Pipeline Installation, Chula Vista, CA** – Project Manager*

**Prior to Kimley-Horn*





SEAN HOUCK, PE

Concepts and Preliminary Engineering: Intersection Feasibility

Sean is a principal engineer with 30 years of success in the development and delivery of transportation projects for state and local agencies throughout California. His experience includes the preparation of feasibility studies, intersection control evaluations, project initiation documents, project assessment and environmental documents. Sean's project experience includes the planning and design of urban highway interchanges, urban arterials and collectors, road diet and complete street projects, conventional highways, as well as rail and transit facilities. In addition to traditional civil roadway design, Sean has over 18 years of experience in the planning and design of mini, single lane, and multi-lane roundabouts across the country.

Professional Credentials

- Master of Science, Civil Engineering, California State University, Long Beach
- Bachelor of Science, Civil Engineering, California State University, Long Beach

OFFICE: *Roseville*

RELEVANT EXPERIENCE

- **Alameda CTC, I-880 Interchange Improvements (Winton Ave/A St) PID and PA&ED, Hayward and Union City, CA** –Team Member
- **City of Alameda, On-Call Complete Streets Engineering Services, Alameda, CA** – Project Manager
- **City of Burlingame, California Drive Roundabout Project, Burlingame, CA** – Project Engineer
- **City of Morgan Hill, Intersection Improvements at Watsonville Rd and Sunnyside Ave/Santa Teresa Boulevard, Morgan Hill, CA** – Project Manager
- **City of Seaside, Broadway Corridor Bikeway Phase 1, Seaside, CA** – Project Manager
- **City of Seaside, Intersection Control Evaluation (ICE)/Broadway Active Transportation Program (ATP) Grant Services, Seaside, CA** – Project Manager
- **City of Seaside, Broadway RAB Corridor Bikeway, Phase 2, Seaside, CA** –Project Manager
- **City of Marina, Imjin Parkway Widening Project, Marina, CA** –Project Engineer
- **City of Marina, Imjin Parkway & 3rd Avenue and Del Monte Boulevard & Beach Road Intersection Improvements Traffic Signal, Marina, CA** – Project Manager
- **TAMC, SR 68 Scenic Highway Plan Study, Monterey and Salinas Counties, Monterey and Salinas, CA Project Manager**
- **City of Salinas, Williams Road Improvements (RAB), Salinas, CA** – Project Manager
- **City of Salinas, Boronda Road Corridor Widening, Salinas, CA** –Project Manager
- **City of Salinas, Engineering Services for the Harden Parkway Path & Safe Routes to School Project, Salinas, CA** – Project Manager
- **City of Salinas, 2017-2027 On-Call for Civil Engineering and Project Management, Traffic & Transportation, and NPDES Support Services, Salinas, CA** – Project Manager
- **County of San Luis Obispo, SR 227 and Los Ranchos Road Roundabout, San Luis Obispo County, CA, San Luis Obispo, CA** – Project Manager
- **SLOCOG, SR 227 Corridor Study, San Luis Obispo County, CA** – Project Engineer
- **County of San Luis Obispo, On-Call Professional Consultant List for Transportation Planning and Traffic Engineering Services, sub to RICK, San Luis Obispo, CA** – Project Manager
- **County of Sonoma, Airport Boulevard Complete Streets Project (Regional Parkway to North Laughlin Road/Skylane Boulevard), Santa Rosa, CA** – Project Manager
- **City of Goleta, Traffic Safety Study for the Systemic Safety Analysis Report Program (SSARP), Goleta, CA** – Project Engineer





MOLLY TREMBLAY, EIT

Concepts and Preliminary Engineering: Intersection Feasibility

Professional Credentials

- Bachelor of Science, Structural Engineering, University of California, San Diego

OFFICE: *Roseville*

Molly is a professional with a passion for projects that benefit communities through safety, equity, and active transportation-focused design. She has nearly a decade of experience in multidisciplinary municipal roadway and Task Order Proposal to Provide Professional Environmental Services for Yucca Valley Roundabout Design Projects active transportation projects as well as private site developments. She has been involved in a range of projects, including planning and final design of bikeways, bicycle and pedestrian facility intersection designs, complete streets, roundabouts, roadway alignments, curb extensions, and parks. Her work with these projects includes horizontal and vertical design, ADA-accessible grading, wet and dry utility plans, and collaboration with clients and local agencies to develop innovative solutions that effectively address design challenges. Molly has excellent written and verbal communication skills as well as a proclivity for communicating complex design issues to stakeholders and community members. She has leveraged this ability into a successful approach to grant writing through passionate storytelling backed by compelling data. Molly has led a variety of state and federal grant applications, winning more than $100 million in grant funding for clients throughout California. She has been involved in all stages of grant-funded projects, from the initial studies to concept refinement and design and through construction.

RELEVANT EXPERIENCE

- **City of Buena Park, Orangethorpe Avenue Complete Streets Planning Study, Buena Park, CA** – Project Analyst
- **City of Hawthorne, SS4A FY25 Grant Application, Hawthorne, CA** – Grant Writer
- **City of Oceanside, Coast Highway Corridor Design, Oceanside, CA** – Project Analyst and Grant Support
- **City of San Diego, Central Avenue Bikeway, San Diego, CA** – Project Analyst City of Vista, Emerald Drive Complete Street Improvements, Vista, CA – Project Analyst
- **City of King City, US 101 and San Antonio Drive Roundabout Improvements Project, King City, CA** – Grant Writer
- **City of Rocklin, Rocklin Road/Pacific Street Roundabout Design and Right-of-Way Services, Rocklin, CA** – Project Analyst
- **City of Folsom, ICE (Roundabout-11 Intersections), Folsom, CA** – Project Analyst
- **City of King City, San Antonio Drive Path and Safe Routes to Schools, King City, CA** – Deputy Project Manager and Funding Lead
- **City of Seaside, Intersection Control Evaluation (ICE)/Broadway Active Transportation Program (ATP) Grant Services, Seaside, CA** – Project Analyst
- **City of Salinas, Williams Road Safe Street Corridor, Salinas, CA** – Deputy Project Manager and Funding Lead
- **City of Salinas, Bardin Road SRTS Enhancement, Salinas, CA** – Grant Writer and Design Services
- **City of Seaside, Broadway Avenue Complete Street Corridor Improvement Project (PS&E), Seaside, CA** – Deputy Project Manager and Funding Lead
- **City of Salinas, John Street/Williams Road Safe Routes to Schools Project and Programming, Salinas, CA** – Grant Writer
- **City of King City, Broadway/US 101 Roundabout—HSIP Grant Application, King City, CA** – Analyst
- **City of Seaside, Broadway Avenue Complete Street Corridor PS&E, Seaside, CA** – Project Analyst and Funding Lead
- **City of West Sacramento, Grant Writing Services On-Call, West Sacramento, CA** – Project Manager



5 SOQ FORMS

CHECKLIST FOR RESPONDENTS

The following information is required of all Respondents at the time of SOQ submission:

- ☒ Cover Letter, signed by an authorized principal
- ☒ Statement of Qualifications, including:
  - Firm and team qualifications
  - Relevant project experience and references
  - Project understanding
  - Technical approach to the complete Base Phase
  - School access, pickup/drop-off, and engagement approach
  - Project organization, staffing, availability, schedule, and QA/QC
  - Firm Qualifications
  - Firm References
  - Project Organization and Staffing
  - Project Management
- ☒ Certification of SOQ
- ☒ Respondent's Acknowledgement of Liability Insurance Requirements
- ☒ Non-Collusion Declaration Form
- ☒ Federal Form : Certification Regarding Debarment, Suspension, and Other Responsibility Matters

The Respondent's failure to provide all required information in a complete and accurate manner renders the SOQ non-responsive.



CITY OF PALMDALE
PN 930 – 20TH STREET EAST CORRIDOR IMPROVEMENT PROJECT SS4A BASE PHASE (PRE-NEPA), REQUEST FOR QUALIFICATIONS (RFQ)
08/11/2026
ADDENDUM NO. 01

This Addendum is attached to and is part of Project No. 930, 20th Street East Corridor Improvement Project SS4A Base Phase (Pre-NEPA), RFQ, and must be signed as acknowledged and submitted with the Statement of Qualifications.

1) **Extended Due Date.** The Submission Due Date for Statement of Qualification (SOQ) Packages in response to the above-referenced project has been extended to September 8, 2026, at 10:00 AM (PST).

2) **Extended Q&A.** The Question Due Date for the Online Q&A for the above-referenced project has been extended to August 20, 2026, at 2:00 PM (PST).

3) Potential submitters shall note that staff resumes included in the SOQ package will not count toward the 25-page limit (per Set 1 of Released Questions). Addendum acknowledgements will not count toward the 25-page limit.

4) SOQ submitters may, at their discretion, include pages in landscape or portrait orientation (per Set 2 of Released Questions). Page orientation shall not be used in an attempt to show more than one page on a single sheet, and submitters shall remain mindful of legibility, readability, and presentation for the City's reviewers.

APPROVAL OF ADDENDUM

Michael C. Livingston 8/11/26
Michael C. Livingston, Deputy Director of Public Works, City of Palmdale
For: Lee Torres, P.E., Director of Public Works, City of Palmdale

ACKNOWLEDGMENT OF ADDENDUM

I/We the undersigned, hereby acknowledged receipt of the above addendum, and understand that my/our bid/submission may be disqualified if the addendum acknowledgement is not signed and included in the Proposal Documents or Qualification Package.

Signature: _____

Name: Srikanth Chakravarthy, PE, TE
Title: Senior Vice President
Company: Kimley Horn and Associates, Inc.
Date: August 11, 2026



DEPARTMENT OF PUBLIC WORKS
CAPITAL IMPROVEMENT PROGRAM

CITY OF PALMDALE

CERTIFICATION OF STATEMENT OF QUALIFICATION

TO THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF PALMDALE:

The undersigned, as Consultant, declares that: (1) this SOQ is made without collusion with any other person and that the only persons or parties interested as principals are those named herein; (2) the undersigned has carefully examined the Contract Documents (including all Addenda) and the Project site; and (3) the undersigned has investigated and is satisfied as to the conditions to be encountered, the character, quality and quantities of Work to be performed, and the materials to be furnished. Furthermore, the undersigned agrees that submission of this SOQ shall be conclusive evidence that such examination and investigation have been made and agrees, in the event the Contract be awarded to it, to execute the Contract with the City of Palmdale to perform the Project in accordance with the Contract Documents in the time and manner therein prescribed, and to furnish or provide all materials, labor, tools, equipment, apparatus and other means necessary so to do, except as may otherwise be furnished or provided under the terms of the Contract Documents.

Consultant acknowledges receipt of all addenda, as follows:

Addendum No.	001	Date:	August 11, 2026
Addendum No.		Date:	
Addendum No.		Date:	
Addendum No.		Date:	

Additionally, the undersigned declares that the Consultant meets the minimum qualifications stated in Section 1-12; has identified an integrated multidisciplinary team capable of performing the complete Base Phase scope; and will maintain the proposed Project Manager and key personnel subject to City approval of substitutions.

Consultant's Name: Kimley-Horn and Associates, Inc.

Signature:		Title:	Senior Vice President	Date:	September 8, 2026
Signature:		Title:		Date:	



DEPARTMENT OF PUBLIC WORKS
CAPITAL IMPROVEMENT PROGRAM

CITY OF PALMDALE

RESPONDENT'S ACKNOWLEDGMENT OF LIABILITY INSURANCE REQUIREMENTS

THE CONSULTANT ACKNOWLEDGES THAT HE/SHE HAS READ LIABILITY INSURANCE REQUIREMENTS OF SECTION 11 OF THE SAMPLE AGREEMENT AND AGREES TO COMPLY WITH ALL THE LIABILITY INSURANCE PROVISIONS AND REQUIREMENTS. FAILURE OF THE RESPONDENT TO OBTAIN THE REQUIRED LIABILITY INSURANCE AFTER THE AWARD OF CONTRACT MAY CONSTITUTE A FAILURE TO EXECUTE THE CONTRACT AND SHALL RESULT IN THE FORFEITURE OF THE SECURITY OF THE RESPONDENT.

As the Consultant's representative, I understand and agree to comply with all provisions of the Liability Insurance as required under the Sample Agreement.

Signature:		Title:	Senior Vice President	Date:	September 8, 2026
Signature:		Title:		Date:	



DEPARTMENT OF PUBLIC WORKS
CAPITAL IMPROVEMENT PROGRAM

CITY OF PALMDALE

NONCOLLUSION DECLARATION FORM

The undersigned declares:

I am the Senior Vice President (Title) of Kimley Horn and Associates, Inc. (Firm), the party making the foregoing Proposal.

The SOQ is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The SOQ is genuine and not collusive or sham. The Respondent has not directly or indirectly induced or solicited any other Respondent to put in a false or sham Proposal. The Respondent has not directly or indirectly colluded, conspired, connived, or agreed with any Respondent or anyone else to submit a sham SOQ or to refrain from proposing. The Respondent has not, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the SOQ price of the Respondent or any other Respondent or to fix any overhead, profit, or cost element of the SOQ price, or of that of any other Respondent. All statements contained in the SOQ are true. The Respondent has not, directly or indirectly, submitted or disclosed its Statement of Qualifications (SOQ), any portion thereof, or any information relating thereto, to any corporation, partnership, company, association, organization, SOQ depository, or to any member or agent thereof for the purpose of creating a collusive or sham response. The Respondent has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a Respondent that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the Respondent.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on September 8, 2026 (Date), at Santa Clarita, CA (City, State)

Signature:

Printed Name: Srikanth Chakravarthy, PE, TE

Date: September 8, 2026



Federal Form : Certification Regarding Debarment, Suspension, and Other Responsibility Matters

Term B.2 of the November 4, 2025 SS4A FHWA Exhibits

The undersigned certifies, to the best of its knowledge and belief, that the Consultant and its principals:

☒ Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency;

☒ Have not within the three-year period preceding this certification been convicted of or had a civil judgment, including a civil settlement, rendered against them for fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public transaction; violation of Federal or State antitrust statutes; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

☒ Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity with any of the offenses described above; and

☒ Have not within the three-year period preceding this certification had one or more public transactions terminated for cause or default.

If the Consultant cannot certify any statement, attach a complete explanation.

Consultant Legal Name:	Kimley-Horn and Associates, Inc.
Authorized Representative:	Srikanth Chakravarthy, PE, TE
Title:	Senior Vice President
Signature / Date:	



DEPARTMENT OF PUBLIC WORKS
CAPITAL IMPROVEMENT PROGRAM

CITY OF PALMDALE

DEVIATIONS and/or EXCEPTIONS FORM

Exhibit B

[ ] Specifications and/or Requirements

[X] Contract for Services Provisions (No exceptions and/or deviations to insurance requirements allowed)

All deviations and/or exceptions to the requirements of this solicitation must be noted below. The City will consider any deviations and/or exceptions indicated in its award decisions. The City reserves the right to accept or reject any and all responses based on any deviation and/or exception indicated on this form. Respondents are cautioned that by taking any exception they may be materially deviating from the RFQ. **Please do not attach a company letterhead in lieu of any entry on the section below.** In the absence of any entry on the section below, the bidder assures the City of their full compliance with the specification and conditions as listed in this solicitation. The page number, paragraph, and item number should be referenced when deviating from the specification and must be included.

The City reserves the right to reject any or all SOQs submitted in response to this RFQ, waive any informality or irregularity, and determine whether a requested deviation or exception is acceptable and in the City's best interest. Because this is a qualifications-based selection, respondents shall not include a fee proposal, total project cost, or task-specific cost information in the SOQ. This form may be duplicated if additional pages are needed.

Reference No.	Description
10. Indemnification	**Indemnification – Contract for Consultant Services RFP pg.41**

To the fullest extent permitted by law, and consistent with Civil Code section 2782.8, CONSULTANT and any contractors or subcontractors working on its behalf agree to indemnify CITY, its officers, employees, agents and elected and appointed boards (hereinafter "Indemnified Parties") for any loss, claim, demand, cause of action, cost, expense, damage, obligation or liability which to the extent arises out of, pertains to, or relates to the negligence, recklessness, or willful misconduct ~~or is in any way connected with the performance of any work under this agreement, including any acts or omissions, willful misconduct or negligent conduct, whether active or passive, on the part~~ of CONSULTANT, its contractors or subcontractors~~, and regardless of any acts, omissions or negligence (whether active or passive) of any person or entity indemnified hereunder~~. Notwithstanding the foregoing, the CONSULTANT shall not be liable for the defense or indemnification of the CITY for claims, actions, complaints or suits arising out of the sole or active negligence or willful misconduct of the CITY. Further, in no event shall the cost to defend charged to the design professional exceed the design professional's proportionate percentage of fault, unless otherwise specified in Civil Code section 2782.8. ~~At their own expense, CONSULTANT and, as applicable, any contractors or subcontractors working on its behalf, shall defend any suit, claim or action against the Indemnified Parties founded upon such loss, claim, demand, cause of action, cost, expense, damage, obligation or liability~~. CONSULTANT shall ensure that the contract of any contractor or subcontractor working under this agreement contain an indemnity agreement, requiring the contractor or subcontractor to indemnify and defend the Indemnified Parties pursuant the terms set forth above. CONSULTANT shall indemnify the Indemnified Parties, and save it harmless from any and all loss, damage, costs, expenses and attorney's fees suffered or incurred on account of any breach of the aforesaid obligations and covenants, and any other provision or covenant of this agreement.

These modifications bring the indemnification terms in line with the limitations of CA Civil Code 2782.8 and terms the City's standard design professional indemnification terms we have signed recently.



Kimley-Horn and Associates, Inc.
Company Name

Srikanth Chakravarthy, PE, TE, Senior Vice President
Printed Name and Title

Authorized Signature

CONTACT

SOWMYA CHANDRASEKHAR, PE, TE, PTOE

sowmya.chandrasekhar@kimley-horn.com
213.354.9400

25152 Springfield Court, Suite 200, Santa Clarita, CA 91355

www.kimley-horn.com

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Kimley»Horn

Expect More. Experience Better.



H. RATE SCHEDULE

Kimley»Horn

Rate Schedule
Effective July 1, 2026 to June 30, 2027

Classification	Billing Rate per Hour
Analyst I	$159.24
Analyst II	$167.11
Professional I	$185.28
Professional II	$219.04
Sr. Professional I	$270.44
Sr. Professional II	$320.15
Sr. Professional III	$389.12
Project Support	$147.50

KATHERINE PADILLA & ASSOCIATES, INC.

Classification	Billing Rate per Hour
Senior Associates.	$200.00
Sr. Project Manager/Creative Development Director	$180.00
Project Manager	$175.00
Outreach and IT Specialist	$160.00

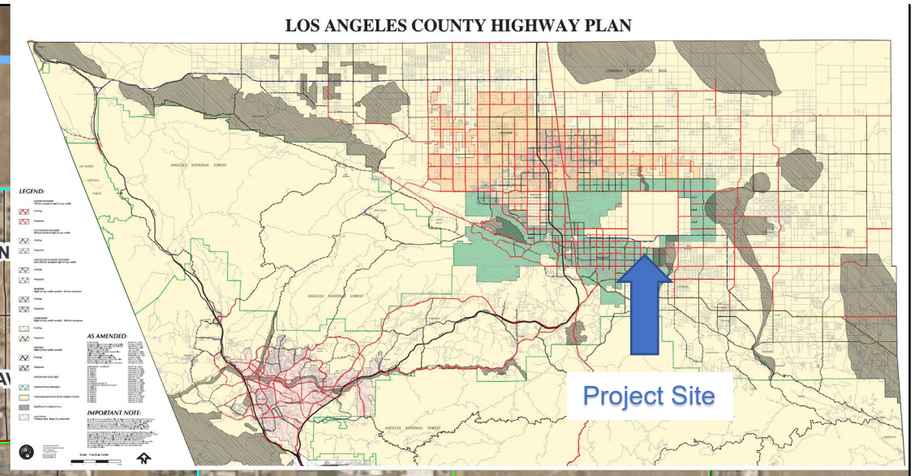
SOUTH ENVIRONMENTAL

Classification	Billing Rate per Hour
Principal Biologist	$220.00
Senior Biologist/GIS Lead	$189.00
Senior Arborist	$189.00
Biologist 2	$168.00
Biologist 1	$152.00
Biological Field Technician	$126.00

KDM MERIDIAN

Classification	Billing Rate per Hour
Principal	$250.00
Project Manager	$235.00
Project Surveyor	$220.00
Senior Survey Technician	$185.00
Survey Technician	$150.00
Clerical/Administration/Technical Aide	$100.00
Expert Witness	$525.00
Survey Crew (1-person)	$295.00
Survey Crew (2-person)	$400.00
Survey Crew (3-person)	$505.00

PN 930 SS4A 20TH STREET EAST CORRIDOR IMPROVEMENTS



PROJECT APE

SIDEWALK

CLASS II BIKE LANE

PROPOSED REALIGNMENT & ROUNDABOUT

HIGH INTENSITY ACTIVATED CROSSWAK SCHOOLS

COMMUNITY OUTREACH FOR TAMARISK ELEMENTARY

City Council Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **PUBLIC WORKS DEPARTMENT**
CAPITAL IMPROVEMENT PROGRAM DIVISION

DISTRICT: **1**

SUBJECT: **APPROVE AGREEMENT WITH H L HITCHCOCK CONSTRUCTION SERVICES, INC., FOR CONSTRUCTION SERVICES FOR ADA IMPROVEMENTS AND SIDEWALK GAP CLOSURE PROJECT, PN 923, ALONG RANCHO VISTA BOULEVARD, FOR A TOTAL NOT TO EXCEED AMOUNT OF $1,015,525, FOR A TERM OF 35 WORKING DAYS FROM THE DATE OF THE NOTICE TO PROCEED**

RECOMMENDATION

Staff recommend that the City Council:

1. Approve Agreement No. A-9877 with H L Hitchcock Construction Services, Inc., for ADA Improvements and Sidewalk Gap Closure Project, PN 923, along Rancho Vista Boulevard (Project) in substantially the form attached hereto, for a total not to exceed amount of $1,015,525, which includes a contract amount of $923,205, plus a 10% contingency amount of $92,320, for a term of thirty-five (35) working days from the date of the Notice to Proceed;

2. Authorize the City Manager or his designee to execute Agreement No. A-9877 with H L Hitchcock Construction Inc., including minimal and/or non-substantial changes;

3. Authorize the City Manager or his designee to approve change orders for additional or changed scopes of work up to the 10% contingency amount approved by the Council; and,

4. Find that the Project is categorically exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Section 15301(c) (Existing Facilities).

BACKGROUND

Project No. 923 will construct ADA and sidewalk improvements along Rancho Vista Boulevard between 30th Street West and 50th Street West. The Project will close existing

sidewalk gaps and improve pedestrian accessibility and connectivity to transit services, neighborhood destinations, and park amenities. The work generally includes construction of sidewalk, curb and gutter, ADA-compliant curb ramps, crosswalk and pavement-marking improvements, and associated traffic control. All improvements will be constructed within the existing public right-of-way. Construction is anticipated to take thirty-five (35) working days from the date the City issues the Notice to Proceed.

DISCUSSION

The Project was advertised for construction bids via the PlanetBids electronic platform on August 18, 2026. Eight (8) bids were received on September 17, 2026, and are listed below:

Bidder	Location	Amount
1. LCR Earthwork & Engineering Corp.	Jurupa Valley	$728,350.00
2. H L Hitchcock Construction Inc.	Rancho Cucamonga	$923,205.00
3. Hami Construction Inc.	Los Angeles	$950,000.00
4. Kalban, Inc.	Santa Clarita	$1,079,500.00
5. C. A. Rasmussen, Inc.	Valencia	$1,381,180.00
6. Carter Enterprises Group Inc.	Yorba Linda	$1,482,000.00
7. Alfaro Communications Const., Inc.	Compton	$1,624,238.15
8. R.C. Becker and Son, Inc	Santa Clarita	$1,726,317.80

Although LCR Earthwork & Engineering Corp. submitted the lowest amount reflected in the electronic bid results, staff, in consultation with the Purchasing Division, identified discrepancies in LCR's bid submission and a deficiency in the required bid security.

Following review of the bid documents and applicable solicitation requirements, staff determined LCR's bid to be nonresponsive. H L Hitchcock Construction Inc. was therefore determined to be the lowest responsive and responsible bidder. H L Hitchcock Construction Inc. submitted the required 10% bid security, and staff verified the firm's project references with positive results. Staff recommends awarding Project No. 923 to H L Hitchcock Construction Inc. in the amount of $923,205, plus a 10% contingency of $92,320, for a total contract not to exceed amount of $1,015,525.

H L Hitchcock Construction Inc. has successfully completed multiple public works projects comparable in scope to PN 923. Representative projects include the Highland Nature Parkland Trail project in the City of Highland and grading, ADA, and sidewalk improvements at San Bernardino High School. This Agreement is subject to the City's Community Workforce Agreement.

ENVIRONMENTAL REVIEW

The Project is categorically exempt from the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) ("CEQA") pursuant to CEQA Guidelines Section 15301(c) (Existing Facilities) because it consists of the repair and minor alteration of existing streets, sidewalks, curbs, gutters, and similar facilities within the existing public right-of-way, involving negligible or no expansion of existing use. None of the exceptions to the use of a categorical exemption set forth in CEQA Guidelines Section 15300.2 apply.

FISCAL IMPACT

$1,015,525; Sufficient funds are budgeted and available using Community Development Block Grant (CDBG) funds.

STRATEGIC PLAN

Goal III: Invest in infrastructure to improve community livability.

C. Plan and maintain safe and attractive neighborhoods, streets, facilities, and public spaces with exciting programming that promotes active fun for everyone.

Prepared by:	Leonardo Torres, P.E., Director of Public Works
Certified as to availability of Funds:	Janelle Samson, Deputy City Manager
Approved by:	Salvador Mendez, City Manager
Approved as to form:	Taylor Anderson, Deputy City Attorney

ATTACHMENTS

Agrmt No. A-9877 with H L Hitchcock Construction Inc.
Bid Schedule
Location Map

AGREEMENT NO. A- 9877
CONSTRUCTION CONTRACT
BETWEEN THE CITY OF PALMDALE AND HL HITCHCOCK, INC.,

THIS CONTRACT (“Contract”) is made and entered into by and between City of Palmdale, a public entity ("City"), and HL HITCHCOCK, INC.,, a General Engineering ("Contractor"). Contractor and City are collectively referred to herein as the “parties.” This Contract shall become effective on the date of the last signatory.

1 Scope of Work

Contractor shall complete the Project in accordance with this Contract. Contractor shall furnish all materials and perform all work required for the completion of the following Project:

City of Palmdale Project No. 923 generally includes but is not limited to: Traffic control plan development and implementation; survey; sawcutting, demolition, clearing and grubbing, removal, and disposal of various material; grading; construction of new portland cement concrete sidewalk, curb, gutter, curb ramps, cross-gutters, spandrels, driveways, and other concrete features; construction of retaining walls with footings; and compaction and material testing; all generally located on the south/west side of Rancho Vista Blvd, from Avenida Vista Verde to 30th Street West, in the City of Palmdale, in accordance with the project plans and specifications. The project will be funded using Community Development Block Grant (CDBG) funds. Contractor will abide by all state and federal requirements for CDBG projects.

2 Standard Specifications

Standard Specifications for City projects are those contained in the 2024 Greenbook edition of the "Standard Specifications for Public Works Construction" (the "Greenbook"). Except as otherwise expressly provided herein, the Standard Specifications shall control the general provisions, construction materials, and construction methods for this Contract (except as amended by the Plans for the Project), the General Specifications for the Project, the Special Provisions for the Project, any technical specifications for the Project, and any other contract documents.

Should it apply, the Successor Community Workforce Agreement policies and procedures must be followed as outlined in the attached agreement.

3 Compensation

City shall pay Contractor the total, all-inclusive, NOT-TO-EXCEED amount of NINE HUNDRED AND TWENTY THREE THOUSAND TWO HUNDRED AND FIVE Dollars ($923205.00) for the construction of the Project. This amount shall cover all expenses for labor, materials, and any and all other costs incurred by Contractor to satisfactorily construct the Project. Unless otherwise provided in the bid documents or agreed upon by the parties, Contractor shall submit detailed, monthly invoices for work actually performed.

4 Completion Date

The construction of the Project shall commence upon Contractor being given a written notice to proceed, and shall be completed within 35 working days of said notice.

5 Payment and Performance Bonds; Guaranty

5.1 Unless otherwise expressly provided in the bid documents, prior to commencing work, Contractor shall provide a payment bond and performance bond, each in an amount equal to 100% of the project price for each year of the term of the contract. Contractor shall submit all bonds electronically through Surety 2000. Pursuant to the bid documents for this Project, the Contractor is required to provide a written guaranty of Contractor's work. In furtherance thereof, Contractor shall execute the written form of Guaranty attached hereto and incorporated by reference herein.

5.2 Funding Contingency; Suspension or Termination. Notwithstanding any other provision of this Agreement, the parties acknowledge that performance under this Agreement is contingent upon the availability and continued appropriation of sufficient funding. In the event that anticipated, allocated, or appropriated funding is reduced, delayed, or not received in whole or in part ("Funding Shortfall"), the affected party may, upon written notice to the other party, suspend performance of its obligations under this Agreement to the extent reasonably necessary.

If the Funding Shortfall continues for a period of 35 working days following such notice, the affected party may terminate this Agreement, in whole or in part, without penalty or further liability, upon additional written notice. Any suspension or termination pursuant to this section shall not constitute a breach of this Agreement.

In the event of suspension or termination due to a Funding Shortfall, the parties shall equitably adjust compensation to reflect services properly performed and authorized expenses incurred prior to the effective date of suspension or termination. The affected party shall use reasonable efforts to provide prompt notice of any Funding Shortfall and to mitigate any adverse impact on the other party.

6 Licenses

At all times during the term of this Contract, Contractor shall possess a valid and current Class A Contractor's License to perform the required work ("Work"). Contractor's DIR registration number is 1000821711. Contractor hereby certifies that it holds the required license(s).

CONTRACTOR shall maintain in current status all Federal, State, and local licenses and permits required for the operation of the business conducted by the CONTRACTOR as applicable to this contract.

CONTRACTOR shall be required to obtain a current City of Palmdale business license, as required by the Palmdale Municipal Code, before an Authorization to Proceed is issued.

7 Subcontracting

Subject to any self-performance requirements herein, Contractor may subcontract any portion of the work required by this Contract to other persons or firms, and Contractor submitted with its bid a list of those subcontractors who will perform work in an amount in excess of one-half of one percent (1%) of the Contractor's total bid, in compliance with the Subletting and Subcontracting Fair Practices Act, California Public Contract Code § 4100, et seq. Only such listed subcontractors may perform on this Project.

8 Non-Assignability

Neither this Contract nor any rights, title, interest, duties or obligations under this Contract may be assigned, transferred, conveyed or otherwise disposed of by Contractor without the prior written consent of City.

9 Administration

This Contract will be administered by the Public Works Department of the City. The Director of Public Works or his or her designee shall be considered the Project Administrator and shall have the authority to act for the City under this Contract.

10 Indemnification

To the maximum extent permitted by law, Contractor shall indemnify, protect, defend and hold harmless the City, its Board of Director, the City's officers, employees, agents, volunteers, and representatives ("Indemnitees") with respect to any and all claims, suits, actions, stop notices, liabilities and/or damages, including related expenses, attorney's fees and costs, based on, arising out of, or in any way related to the work undertaken by Contractor pursuant to this Contract, and in connection with the Project.

11 Insurance

11.1 Without limiting Contractor's indemnification of City, as described in paragraph 10, and unless modified by City, Contractor shall obtain, provide and maintain, at its own expense, during the term of this Contract, a policy or policies of insurance, satisfactory to the City, from insurance carriers admitted to do business in the State of California and rated in A.M. Best's Insurance Guide with a rating of A:VII or better, which contain the coverage described below.

11.1.1 Commercial General Liability
$5,000,000.00 limit on a per occurrence basis
$10,000,000.00 general aggregate limit

11.1.2 Commercial Automobile Liability

$5,000,000.00 combined single limit including owned, non-owned and hired automobile coverage

11.1.3 Workers' Compensation and Employer's Liability

Workers' Compensation -- coverage as required by the State of California

Employer's Liability --

$1,000,000.00 each accident

$1,000,000.00 policy limit bodily injury

$1,000,000.00 each employee bodily injury by disease

11.1.4 Pollution/Environmental Liability*

$2,000,000.00 limit on a per occurrence basis

11.1.5 Professional Liability (Errors & Omissions) Insurance*

$2,000,000.00 limit on a per occurrence basis

11.2 Policies providing for bodily injury and property damage coverage shall contain the following:

A. An endorsement extending coverage to the City as an additional insured, as respects liability arising out of the performance of any work under the Contract. Such insurance shall be primary insurance, as respects the interest of the City, and any other insurance maintained by the City shall be considered excess coverage and not contributing insurance with the insurance required hereunder. The certificates shall state: "The City of Palmdale, Successor Agency to the Community Redevelopment Agency of the City of Palmdale, Palmdale Civic Authority, Housing Authority, Industrial Development Authority, Airport Authority, their officers, agents, employees and volunteers are named as additional insured".

B. "Severability of Interest" Clause.

The insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

The inclusion of the City and its officers, employees, agents, and volunteers as additional insureds shall not affect any rights the Contractor has under the policy, nor shall it limit the insurer's ability to deny coverage to any insured based on that insured's own acts or omissions.

11.3 Promptly upon execution of this Contract, and prior to commencement of any work, CONTRACTOR shall deliver to CITY certificates of insurance and endorsements to all required policies demonstrating that CONTRACTOR has the required coverage and showing the required named insured. Within five (5) days of written request from CITY, CONTRACTOR shall deliver to CITY full and complete copies of all insurance policies required by this Contract.

11.4 Said Certificates of Insurance shall provide that thirty (30) days' prior written notice of cancellation shall be given to the City in the event of cancellation and/or reduction in coverage of any nature.

11.5 The required policies of insurance shall be endorsed to waive all rights of subrogation. Contractors waives all rights of subrogation.

11.6 Acceptable Proof of Insurance:

A. ACORD Certificate of Insurance listing all coverage, limits, deductibles and insured; and endorsements for all applicable coverage if agent has authority to issue it; or additional insured Form CG20100704 and CG20370704 or equivalent must be provided for general liability coverage. Additional insured form CA0001 must be provided for automobile liability coverage.

B. Binders of insurance for all coverage. Agents must confirm that policy endorsements have been ordered from the respective insurance companies. Upon issuance, policy endorsements and a corresponding Certificate of Insurance listing all insurers and coverage must be submitted to the City Attorney.

C. *When pollution/environmental and/or professional liability coverage is provided on a "claims made basis", CONTRACTOR will continue to renew the insurance for a period of five (5) years after this Agreement expires or is terminated. Such insurance will have the same coverage and limits as the policy that was in effect during the term of this Agreement, and will cover CONTRACTOR, or its officers, employees, or agents during the time this Agreement was in effect.

11.7 The requirements as to the types and limits of insurance to be maintained by CONTRACTOR are not intended to and shall not in any manner limit or qualify CONTRACTOR's liabilities and obligations under this Contract.

11.8 Any policy or policies of insurance that CONTRACTOR elects to carry as insurance against loss or damage to its equipment and tools or other personal property used in the performance of this Contract shall include a provision waiving the insurer's right of subrogation against CITY.

11.9 Notwithstanding any other provision of this Contract, CITY may immediately terminate this Contract if, at any time CONTRACTOR fails to maintain the required insurance for any period of time or fails to comply with any of the insurance requirements listed above.

11.10 CONTRACTOR shall require any and all subcontractors working on its behalf to provide insurance coverages and limits that are based on the scope of work and nature of risk being performed by the subcontractor. Any and all subcontractors working on behalf of CONTRACTOR shall be subject to all other insurance requirements that are stated herein.

Any deviation in this requirement will be CONTRACTOR's sole risk. CONTRACTOR's insurance requirements in Section 11 will not be impacted and/or limited by such deviation.

12 State Labor Code

12.1 This Contract calls for work to be performed constituting public works. Contractor and all subcontractors shall pay the general prevailing rate of per diem wages as determined and as published by the State Director of the Department of Industrial Relations pursuant to Article 2 of Chapter 1 of Part 7, of Division 2 of the State Labor Code, including, but not limited to, Sections 1770, 1771, 1773, 1773.2 and 1774.

12.2 This is a public work and requires the payment of prevailing wages for the work or craft in which the worker is employed for any public work done under the contract by Contractor or by any subcontractor pursuant to Section 1771 of the Labor Code. Pursuant to the provisions of Section 1773 of the Labor Code of the State of California, the City has obtained the general prevailing rate of per diem wages and the general rate for holiday and overtime work in this locality for each craft, classification, or type of workman needed to execute this contract from the Director of the Department of Industrial Relations. These rates are on file with the City or may be obtained at http://www.dir.ca.gov/OPRL/DPreWageDetermination.htm.

Contractor shall post a copy of such wage rates at the job site and shall pay the adopted prevailing wage rates as a minimum. Contractor shall comply with the provisions of Sections 1775, 1776, 1777.5, 1777.6, and 1813 of the Labor Code. Pursuant to the provisions of 1775 of the Labor Code, Contractor shall forfeit to the City, as a penalty, not more than $200.00 for each calendar day, or portion thereof, for each laborer, worker, or mechanic employed, paid less than the stipulated prevailing rates for any work done under this Contract, by him or by any subcontractor under him, in violation of the provisions of this Agreement.

12.3 Contractors and subcontractors who are ineligible to bid for work on, or be awarded, a public works project pursuant to Labor Code Sections 1777.1 and 1777.7 are prohibited from bidding on, being awarded, or performing work as a subcontractor, on this Project pursuant to Public Contract Code Section 6109.

12.4 Contractor's attention is directed to the provisions in Sections 1774, 1775, 1776, 1777.5 and 1777.6 of the Labor Code. Contractor shall comply with the provisions in these Sections. The statutory provisions for penalties for failure to comply with the State's wage and hours laws will be enforced. Pursuant to Section 1775 of the Labor Code, the Contractor and any subcontractors, shall, as a penalty to the City forfeit the prescribed amounts per calendar day, or portion thereof, for each worker paid less than the prevailing wage rates.

12.5 Pursuant to Labor Code Section 1771.4, the Project is subject to compliance monitoring and enforcement by the California Department of Industrial Relations.

12.6 Each Contractor and subcontractor shall furnish the records specified in Labor Code Section 1776 directly to the State Labor Commissioner at least monthly in the format prescribed by the State Labor Commissioner.

12.7 Sections 1774 and 1775 require the Contractor and all subcontractors to pay not less than the prevailing wage rates to all workmen employed in the execution of the Contract and specify forfeitures and penalties for failure to do so. The minimum wages to be paid are those determined by the State Director of the Department of Industrial Relations. Section 1776 requires the Contractor and all subcontractors to keep accurate payroll records, specifies the contents thereof, their inspection and duplication procedures and certain notices required of the Contractor pertaining to their location.

12.8 Section 1777.5 of the Labor Code requires Contractor or subcontractor employing workers in any apprenticeable occupation to apply to the Joint Apprenticeship Committee nearest the site of the public works project, which administers the apprenticeship program in that trade for a certificate of approval. The certificate will also fix the ratio of apprentices to journeymen to be used in the performance of the Contract. The Contractor is required to make contributions to funds established for the administration of apprenticeship programs if he employs registered apprentices or journeymen in any apprenticeable trade and if other contractors on the public works site are making such contributions. Information relative to apprenticeship standards, contributions, wage schedules and other requirements may be obtained from the State Director of Industrial Relations or from the Division of Apprenticeship Standards. Section 1777.6 of the Labor Code provides that it shall be unlawful to refuse to accept otherwise qualified employees as registered apprentices solely on the grounds of race, religious creed, color, national origin, ancestry, sex, or age.

12.9 Eight hours labor constitutes a legal day's work, as set forth in Labor Code

Section 1810. The statutory provisions for penalties for failure to comply with the State's wage and hour laws will be enforced as set forth in Labor Code Section 1813.

13 Antitrust Claims

In entering into this Agreement, Contractor offers and agrees to assign to the City all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the California Business and Professions Code) arising from purchases of goods, services, or materials pursuant to the Agreement. This assignment shall be made and become effective at the time the City tenders final payment to Contractor without further acknowledgment by the parties.

14 Trenching and Excavations

Pursuant to Public Contract Code Section 7104, if the Project involves trenching more than four (4) feet deep, Contractor shall promptly and before the following conditions are disturbed notify the City in writing of any:

14.1 Material that Contractor believes may be material that is hazardous waste, as defined in California Health and Safety Code Section 25117, that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law; and/or

14.2 Subsurface or latent physical conditions at the site differing from those indicated; and/or

14.3 Unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract.

14.4 As required by Labor Code Section 6705 and in addition thereto, whenever work under the Contract that involves an estimated expenditure in excess of twenty-five thousand dollars ($25,000) for the excavation of any trench or trenches five (5) feet or more in depth, Contractor shall submit for acceptance by City in advance of excavation, a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from the hazard of caving ground during the excavation, of such trench or trenches. If such plan varies from the shoring system standards established by the Construction Safety Orders of the Division of Industrial Safety, the plan shall be prepared by a registered civil or structural engineer employed by Contractor, and all costs therefor shall be included in the price of the Contract. Nothing in this provision shall be deemed to allow the use of a shoring, sloping, or other protective system less effective than that required by the Construction Safety Orders. Nothing in this provision shall be construed to impose tort liability on the City or on any City officer, agent, consultant, representative, or employee. All plans, processing and shoring costs are Contractor's responsibility and must be included in Contractor's bid.

15 Location of Existing Elements

Pursuant to Government Code Sections 4216 to 4216.9, the methods used and costs involved to locate existing elements, points of connection and all construction methods are Contractor's sole responsibility. Accuracy of information furnished, as to existing conditions, is not guaranteed. Contractor, at its sole expense, must make all investigations necessary to determine locations of existing elements, which may include, without limitation, contacting U.S.A. alert and other private underground locating firm(s), and/or utilizing potholes, specialized locating equipment and/or hand trenching.

16 Third Party Claims

Pursuant to Public Contract Code Section 9201, the City has full authority to compromise or otherwise settle any claim relating to this Contract at any time. The City shall timely notify Contractor of the receipt of any third-party claim relating to the Contract. The City shall be entitled to recover its reasonable costs incurred in providing the notification required by Public Contract Code Section 9201(b).

17 Non-Collusion

Contractor hereby certifies that this bid is genuine and not a sham or collusive, or made in the interest or on behalf of any person or business not herein named. Contractor further certifies that Contractor has not directly or indirectly induced or solicited any other bidder to furnish a sham bid, or any other person or business to refrain from bidding, and Contractor has not in any manner sought by collusion to secure itself an advantage over any other bidder. Contractor also affirms that it has signed and submitted with its bid to the City a Non-collusion Declaration as required by Public Contract Code Section 7106.

18 Conflicts of Interest

Contractor agrees not to accept any employment or representation during the term of this Contract or within twelve (12) months after completion of the work under this Contract which is or may likely make Contractor "financially interested," as provided in Government Code Section 1090 and 87100, in any decisions made by City on any matter in connection with which Contractor has been retained pursuant to this Contract.

19 Audit

The City or its representative shall have the option of inspecting and/or auditing all records and other written materials used by Contractor in preparing its billings to the City as a condition precedent to any payment to Contractor. Contractor will promptly furnish documents requested by the City. Additionally, pursuant to Government Code Section 8546.7, if this Contract involves the expenditure of public funds in excess of ten thousand dollars ($10,000), Contractor shall be subject to State Auditor examination and audit at the request of the City or as part of any audit of the City, for a period of three (3) years after final payment under this Contract.

20 Substitute Security

Pursuant to Public Contract Code Section 22300, the substitution of securities for any moneys withheld by the City to ensure performance under a contract is permitted, except where financing will be provided by the Farmers Home Administration of the United States Department of Agriculture pursuant to the Consolidated Farm and Rural Development Act (7 U.S.C. Sec. 1921 *et seq*.) or where federal regulations or policies, or both, do not allow the substitution of securities. At the request and expense of Contractor, securities equivalent to the amount withheld shall be deposited with the City, or with a state or federally chartered bank in the State of California as the escrow agent, that shall then pay those moneys to Contractor. Upon satisfactory completion of the Contract, the securities shall be returned to Contractor.

Alternatively, Contractor may request and the City shall make payment of retentions earned directly to the escrow agent at the expense of Contractor. At the expense of Contractor, Contractor may direct the investment of the payments into securities, and Contractor shall receive the interest earned on the investments upon the same terms provided for securities deposited by Contractor. Upon satisfactory completion of the Contract, Contractor shall receive from the escrow agent all securities, interest, and payments received by the escrow agent from the City, pursuant to the terms of this section.

Securities eligible for investment shall include those listed in California Government Code Section 16430, bank or savings and loan certificates of deposit, interest-bearing demand deposit accounts, standby letters of credit, or any other security to which Contractor and the City agree in writing. Contractor shall be the beneficial owner of any securities substituted for moneys withheld and shall receive any interest thereon.

If Contractor elects to receive interest on moneys withheld in retention by the City, it shall, at the request of any subcontractor performing more than five percent (5%) of Contractor's total bid, make that option available to the subcontractor regarding any moneys withheld in retention by Contractor from the subcontractor. If Contractor elects to receive interest on any moneys withheld in retention by the City, then the subcontractor shall receive the identical rate of interest received by Contractor on any retention moneys withheld from the subcontractor by Contractor, less any actual pro rata costs associated with administering and calculating that interest. In the event that the interest rate is a fluctuating rate, the rate for the subcontractor shall be determined by calculating the interest rate paid during the time that retentions were withheld from the subcontractor. If Contractor elects to substitute securities in lieu of retention, then, by mutual consent of Contractor and its subcontractor, the subcontractor may substitute securities in exchange for the release of moneys held in retention by Contractor. No Contractor shall require any subcontractor to waive any provision of this paragraph.

The escrow agreement for security deposits in lieu of retention shall be substantially similar to the form provided in Public Contract Code Section 22300(f).

21 Claims Dispute Resolution

In the event of any dispute or controversy with the City over any matter whatsoever, the Contractor shall not cause any delay or cessation in or of Work, but shall proceed with the performance of the Work in dispute. The Contractor shall retain any and all rights provided that pertain to the resolution of disputes and protests between the parties. The Disputed Work will be categorized as an "unresolved dispute" and payment, if any, shall be as later determined by mutual agreement or a court of law. The Contractor shall keep accurate, detailed records of all Disputed Work, claims and other disputed matters.

All claims arising out of or related to the Contract documents or this Project, and the consideration and payment of such claims, are subject to the Government Claims Act (Government Code Section 810 et seq.) with regard to filing claims. All such claims are also subject to Public Contract Code Section 9204 and Public Contract Code Section 20104 et seq. (Article 1.5), where applicable. This Contract hereby incorporates those provisions as though fully set forth herein. Thus, the Contractor or any Subcontractor must file a claim in accordance with the Government Claims Act as a prerequisite to filing a construction claim in compliance with Section 9204 and Article 1.5 (if applicable), and must then adhere to Section 9204 and Article 1.5 (as applicable), pursuant to the definition of "claim" as individually defined therein.

22 Ownership And Delivery Of Work Product

All documents, data, reports, studies, analyses, field notes, investigations, plans, specifications, software, programs, manuals, instructions, and other materials of any nature, whether complete or incomplete, that are prepared, developed, or produced by CONTRACTOR or Contractor's subcontractors in the performance of this Agreement (collectively, "Work Product") shall be the exclusive property of the CITY.

All Work Product shall be delivered to or left with the CITY upon completion, expiration, or termination of this Agreement. Upon request, CONTRACTOR shall provide the CITY with originals and reproducible and electronic copies of all Work Product. Electronic copies shall be provided in an unprotected format that allows the CITY to copy, reproduce, modify, and use the Work Product without restriction.

23 Ownership Of Intellectual Property

The Work Product and all intellectual property rights therein shall be deemed "works made for hire" under the United States Copyright Act (17 U.S.C. § 101 et seq.), and the CITY shall be deemed the author and exclusive owner thereof, in perpetuity and worldwide.

To the extent any Work Product does not qualify as a work made for hire, CONTRACTOR hereby irrevocably assigns, transfers, and conveys to the CITY all right, title, and interest in and to such Work Product, including all copyrights, trademarks, patents, and other proprietary rights. CONTRACTOR consents to the use of CONTRACTOR's name in conjunction with the sale, use, performance, and distribution of Work Product, for any purpose and in any medium.

CONTRACTOR agrees to execute any documents and take any actions reasonably requested by the CITY to confirm or perfect the CITY'S ownership of such rights.

CONTRACTOR waives any and all moral rights or similar rights under California Civil Code section 980 or any other applicable law to the extent permitted by law.

24 Non-discrimination and Equal Employment Opportunity

24.1 In performance of this Contract, CONTRACTOR shall not discriminate against any employee, subcontractor, or applicant for employment because of sex, color, race, religion, ancestry, national origin, disability, medical condition including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sexual orientation, age, gender, gender identity, gender expression, genetic information, or military and veteran status. CONTRACTOR will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their sex, color, race, religion, ancestry, national origin, disability, medical condition including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sexual orientation, age, gender, gender identity, gender expression, genetic information, or military and veteran status . Affirmative action relating to employment shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

25 SB 1383 Compliance

CONTRACTOR shall comply with all applicable requirements of California Senate Bill 1383 (SB 1383) and related regulations concerning the reduction of organic waste, diversion from landfills, and edible food recovery.

26 WCAG 2.1AA Compliance

Information and communication technology means information technology and other equipment, systems, technologies, or processes, for which the principal function is the creation, manipulation, storage, display, receipt, or transmission of electronic data and information, as well as any associated content. Examples include computers and peripheral equipment; information kiosks and transaction machines; telecommunications equipment; customer premises equipment; multifunction office machines; software; applications; Web sites; videos; and electronic documents.

Each information and communication technology (hereinafter referred to as "ICT") product or service furnished to the City under this Contract shall be accessible to and usable by individuals with disabilities in accordance with the Americans with Disabilities Act, as amended, (hereinafter referred to as the "ADA") and other applicable Federal laws, including Section 508 of the Rehabilitation Act, as amended, and State laws and implementing regulations. For purposes of this clause, Contractor shall be considered in compliance with the ADA and other Federal and State laws if it satisfies the requirements (including exceptions) specified in the regulations 36 CFR Part 1194 implementing Section 508 of the Rehabilitation Act, including the Web Content Accessibility Guidelines (WCAG) 2.1 Level A and Level AA Success Criteria and Conformance Requirements (2008), which are incorporated by reference, and the functional performance criteria.

Contractor shall maintain and retain, subject to review by the City, full documentation of the measures taken to ensure compliance with the applicable requirements and functional performance criteria, including records of any testing or simulations conducted. For each ICT subject to the Contract, the documentation shall include a description of conformance with applicable federal and state laws by means of either a Voluntary Product Accessibility Template (VPAT) or other comparable document, upon request.

If Contractor claims its products or services satisfy the applicable requirements and standards specified above and it is later determined by the City that any furnished product or service is not in compliance with such requirements and standards, the City will promptly inform the Contractor in writing of the noncompliance. The Contractor shall, at no cost to the City, repair or replace the non-compliant products or services within the period specified by the City. If the repair or replacement is not completed within the specified time, the City may cancel the Contract or have any necessary changes made or repairs performed by employees of the City or by another contractor, and Contractor shall reimburse the City for any expenses incurred thereby. Contractor shall indemnify and hold the City harmless in the event of claims arising from inaccessibility.

27 Integration

This Contract supersedes any and all agreements, either oral or written, between the parties hereto with respect to the construction of the Project by Contractor for City

and contains all of the covenants and agreements between the parties with respect to the construction of the Project. Each party to this Contract acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made with regard to the construction of the Project by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement, or promise regarding work not contained in this Contract shall be valid or binding. Any modification or amendment of this Contract will be effective only if it is in writing and signed by the parties to this Contract. Any changes to the work required by this Contract will be by change order signed by the parties.

28 Debarment and Suspension Certification

Title 2, Code of Federal Regulations, Part §180.300

The bidder, under penalty of perjury, certifies that, except as noted in a separate document, he/she or any other person associated therewith in the capacity of owner, partner, director, officer, or manager:

- is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any Federal agency;
- has not been suspended, debarred, voluntarily excluded or determined ineligible by any Federal agency within the past 3 years;
- does not have a proposed debarment pending; and
- has not been indicted, convicted, or had a civil judgment rendered against it by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past 3 years.

29 Compliance With Law

29.1 CONTRACTOR shall comply with all state and federal laws, including but not limited to, the requirement to hire only those persons authorized by federal law to work in the United States. If CONTRACTOR uses any subcontractors to complete this Contract, this same requirement shall be included in all subcontracts and strictly enforced by CONTRACTOR.

29.2 The law of the state of California shall govern this Contract. The venue of any legal action, either formal or informal, shall be the County of Los Angeles.

29.3 If applicable, CONTRACTOR acknowledges and understands it must comply with the prevailing wage requirements as well as the execution of a Worker's Compensation Certificate.

30 Health And Safety Provisions

A. CONTRACTOR and all subcontractors shall abide by all health and safety mandates issued by federal, state, county, City of Palmdale, and/or public health officers, and worksite-specific mandates. If multiple mandates exist, the CONTRACTOR and subcontractors shall abide by the most restrictive mandate.

B. Costs associated with adhering to health and safety mandates are the responsibility of the CONTRACTOR. CONTRACTOR is responsible for the tracking and compliance of health and safety mandates and may be audited upon request.

31 Notifcation And Access Revocation

The CONTRACTOR shall notify the CITY in writing prior to or no later than twenty-four (24) hours after, the termination, expiration, suspension, reassignment, or removal of any Contractor Personnel with access to the Project or Owner Resources. For Contractor Personnel with Information Technology access, notification must be immediate, or the CITY may consider the CONTRACTOR to be in breach of contract. Notice shall include the individual's name, role, effective date and time of termination or removal, and systems or resources accessed.

The CITY reserves the right, in its sole discretion, to immediately suspend or revoke access for any Contractor Personnel upon receipt of notice or upon CITY'S determination that such access is no longer required or appropriate.

32 Force Majure

Neither Party shall be liable for any failure or delay in performing its obligations under this Agreement (other than payment obligations) if such failure or delay is caused by an event or circumstance beyond the reasonable control of the affected Party ("Force Majeure Event"). Force Majeure Events include, but are not limited to, acts of God; flood; fire; earthquake; explosion; war; terrorism; civil disturbance; epidemic or pandemic; quarantine; governmental actions or orders; or other similar events beyond the control of the affected Party.

The affected Party shall provide written notice to the other Party within ten (10) calendar days of the occurrence of the Force Majeure Event, describing the nature, expected duration, and anticipated impact on performance. The Party shall use all diligent efforts to mitigate the effects of the event and resume performance as soon as practicable.

When CONTRACTOR is the sole cause of the delay to the commissioning and substantial completion and delay is not caused by an event of Force Majeure or by the CITY'S failure to make payments in accordance with the Contract or to provide required information to CONTRACTOR when contemplated in the Contract, CITY shall be entitled to liquidated damages in the sum at the daily rate of one-thousand five hundred dollars ($1500.00).

33 Successors and Assigns

The terms and conditions of this Contract shall be binding on the successors and assigns of the parties to this Contract.

34 Exhibits

The exhibits and attachments referenced in this Contract are attached hereto and incorporated herein by this reference as though set forth in full in the Contract.

35 Authority to Sign

The person or persons executing this Contract on behalf of the Contractor warrant and represent that they have the authority to execute this Contract on behalf of the Contractor and have the authority to bind Contractor to the construction of the Project.

36 Time is of the Essence

Time is of the essence in every provision of this Agreement in which time to perform is a factor.

In Witness Whereof, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE

SIGNATURE AREA

Salvador Mendez Date
City Manager

SIGNATURE AREA

ADDRESS FOR NOTICE:
CITY OF PALMDALE
38250 Sierra Hwy
Palmdale, CA 93550

APPROVED AS TO FORM:

SIGNATURE AREA

Taylor Anderson
City Attorney

ATTEST:

SIGNATURE AREA

Rochelle Scott
City Clerk

HL HITCHCOCK, INC.,

SIGNATURE AREA

Hunter Hitchcock Date
CEO

ADDRESS FOR NOTICE:
HL HITCHCOCK, INC.,
10950 Arrow Route, Unit 607
Rancho Cucamonga, CA 91729

ATTEST: If Corporation

SIGNATURE AREA

Secretary

[Signatures of contractor on bond(s) must be notarized. Obtain two corporate signatures if contractor is a corporation.]

---------- INTERNAL USE ONLY ----------

□Certificate(s) and Endorsement(s) attached
□Confirmed business name on contract with certificate(s)
□Attached notarized bond(s), Worker's Compensation Certificate, and Guaranty
□Attached Agreement Checklist and met all requirements
□2 CFR 200 Checklist (if federally funded)

Rancho Vista Blvd Sidewalk Closure - PN 923
Engineers Estimate
HL Hitchcock

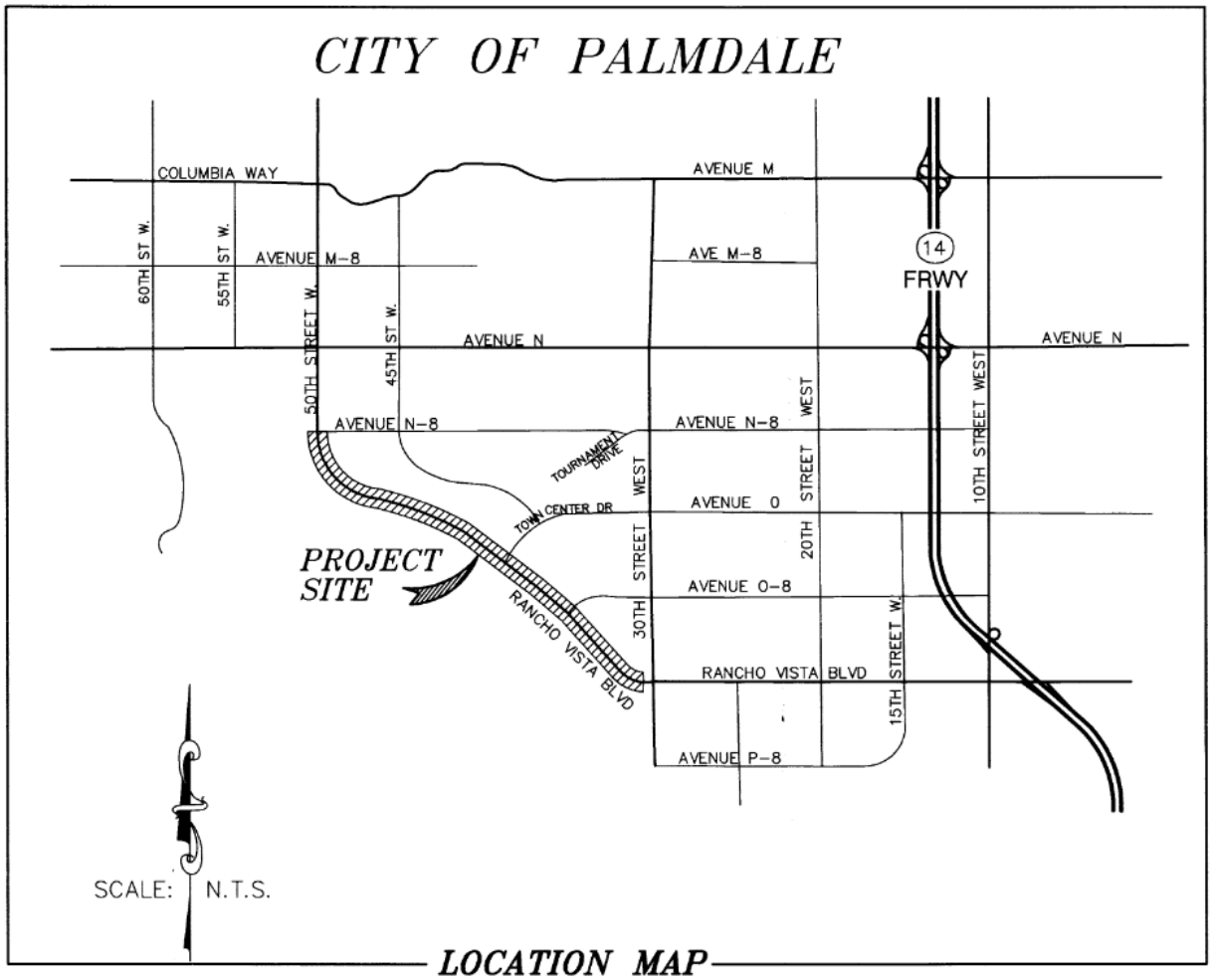
Bid Item	Description	Unit	Quantity	Unit Cost	Total
1	Mobilization/Demobilization, Bonds & Insurance (Cannot Exceed 5% of Total Contract	LS	1	$31,275.00	$31,275.00
2	Traffic Control & CMS Boards	LS	1	$11,450.00	$11,450.00
3	Project Sign Purchase, Installation, and Removal	LS	1	$2,500.00	$2,500.00
4	Storm Water Pollution Prevention Plan	LS	1	$5,895.00	$5,895.00
5	Utility Coordination, including all necessary potholing for marked & unmarked utilities; repair all finished surfaces; protect utilities as applicable	LS	1	$8,500.00	$8,500.00
6	Survey & Construction Staking	LS	1	$5,500.00	$5,500.00
7	Traffic Control Per the MUTCD	Days	35	$1,350.00	$47,250.00
8	Clearing & Grubbing	LS	1	$15,335.00	$15,335.00
9	Provide As-Built Plans	LS	1	$4,500.00	$4,500.00
10	Sawcut and Demolition PCC Commercial Driveway	EA	5	$3,500.00	$17,500.00
11	Detached Retaining Wall	LF	700	$195.00	$136,500.00
12	Install 4" PCC Sidewalk, 4.5' wide, over 4" crushed aggregate base.	SF	8000	$9.75	$78,000.00
13	Install 4" PCC Sidewalk, 7.5' wide, over 4" crushed aggregate base.	SF	25500	$11.25	$286,875.00
14	Install PCC Commercial Driveways	EA	5	$5,500.00	$27,500.00
15	Install PCC Handicap Ramps, includes all items of work from the BCR to ECR including any modifications for ADA Compliance.	EA	36	$5,500.00	$198,000.00
16	Remove and Replace PCC Curb and Gutter	LF	1000	$38.75	$38,750.00
17	Adjust Utilities to Grade in the Sidewalk	LS	1	$7,875.00	$7,875.00

HL Hitchcock Subtotal	Total		$923,205.00
Contingency		$	92,320.50
Contract Total			**$1,015,525.50**

LOCATION MAP

PROJECT NO. 923

RANCHO VISTA BLVD ADA IMPROVEMENTS AND SIDEWALK GAP CLOSURE



City Council Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **PUBLIC WORKS DEPARTMENT**
ENGINEERING DIVISION

DISTRICT: **5**

SUBJECT: **ADOPT RESOLUTION NOS. CC 2026-062 AND CC 2026-063, RESOLUTIONS OF THE CITY COUNCIL OF THE CITY OF PALMDALE INITIATING PROCEEDINGS FOR THE ANNEXATION OF TERRITORY TO THE CITY OF PALMDALE STREETLIGHT MAINTENANCE ASSESSMENT DISTRICT NO. 1, AS ANNEXATION 2026-204, PRELIMINARILY APPROVING THE ANNEXATION AND ANNUAL LEVY REPORT, DECLARING THE CITY'S INTENTION TO ANNEX TERRITORY TO THE CITY OF PALMDALE STREETLIGHT MAINTENANCE ASSESSMENT DISTRICT NO. 1, AS ANNEXATION 2026-204 AND TO LEVY AND COLLECT ASSESSMENTS FOR FISCAL YEAR 2026-27**

RECOMMENDATION

Staff recommend that the City Council:

1. Adopt Resolution No. CC 2026-062, a Resolution of the City Council of the City of Palmdale, initiating proceedings for the annexation of territory to the City of Palmdale Streetlight Maintenance Assessment District No. 1, as Annexation 2026-204;

2. Adopt Resolution No. CC 2026-063, a Resolution of the City Council of the City of Palmdale, declaring the City's intention to annex territory to the City of Palmdale Streetlight Maintenance Assessment District No. 1, as Annexation 2026-204;

3. Authorize the Mayor to execute Resolution Nos. CC 2026-062 and CC 2026-063, initiating annexation proceedings and declaring the City's intent to annex, and preliminarily approving the Annexation and Annual Levy Report for the City of Palmdale Streetlight Maintenance Assessment District No. 1, as Annexation 2026-204; and,

4. Set the time and place for a public hearing on December 1, 2026, and order the initiation of assessment ballot proceedings.

BACKGROUND

The developer of a multi-family housing project located on the northwest corner of Avenue Q and 25th Street East, Palmdale Family Apartments LP, has requested the annexation of their parcels into the City's Streetlight Maintenance District for the future maintenance of the streetlighting infrastructure required to support their development. This annexation was also a condition of approval for the development identified during the entitlement process.

According to the "Landscaping and Lighting Act of 1972", Part 2 of Division 15 of the California Streets and Highways Code, the City may establish a streetlight maintenance assessment district or annex territory into an existing district to provide for the installation, continued maintenance, and servicing of streetlight improvements. Placing streetlight improvements within a district will ensure their continued maintenance after the developer installs them and the City accepts them.

Article XIII D of the California Constitution and Section 53753 of the California Government Code both require that a notice of the proposed assessment and ballot be mailed to the record owner of each parcel on which an assessment is imposed. Additionally, the Article requires that the City conduct a public hearing no earlier than 45 days from the date of approval of the Resolution of Intention.

At this time, Palmdale Family Apartments LP is the sole owner of the two parcels requesting annexation. The owner has been mailed a petition allowing them to waive the 45-day notice period, thereby shortening the time between the Resolution of Intention and the Public Hearing. A ballot has been mailed to the owner to indicate their support or opposition to the Annexation.

The City has prepared resolutions initiating proceedings, declaring its intention to annex territory to the District, and to levy and collect assessments to fund the cost of maintenance of streetlighting improvements within the Annexation. The City Council has designated NBS as the assessment engineer and has reviewed the preliminary report outlining the Annexation and the proposed annual assessments.

The attached Resolutions and Annexation and Annual Levy Report initiate the process for the Annexation and set a date for the Public Hearing. At the time of the Public Hearing, the returned ballot will be checked. If the vote is yes, the Annexation and Annual Levy Report and Resolution will confirm, and levy assessments on each parcel for the operation, maintenance, and servicing costs of the new streetlighting assets.

DISCUSSION

These two Resolutions are before Council for review and adoption to initiate proceedings, declaring the City's intention to annex territory into the District, preliminarily approving the Annexation and Annual Levy Report, and declaring the City's intention to levy and collect assessments for Fiscal Year 2026-27, and setting the date for the required Public Hearing.

To assist the City with the Annexation proceedings, the City has contracted with the assessment engineer, NBS. NBS has prepared the Annexation and Annual Levy Report, which includes a description of the improvements, the estimated costs of the improvements, a diagram of the Annexation, and the assessment roll containing the Fiscal Year 2026-27 levy for each parcel within the Annexation. NBS is also managing the noticing and balloting process.

FISCAL IMPACT

$9,801.07; The Report indicates the proposed assessments for the City of Palmdale Streetlight Maintenance Assessment District No. 1, Annexation 2026-204. The total maximum assessment revenue from the Annexation for fiscal year 2026-27 is $9,801.07, and the City's general benefit contribution is $558.93. The appropriate funding source for the general benefit contribution will be determined during the FY 2026-27 budget review and approval process.

STRATEGIC PLAN

Goal II: Ensure the long-term fiscal health of the City and maintain funding for services.

A. Manage resources, costs, and liabilities to ensure the City's long-term fiscal health.

Prepared by:	Leonardo Torres, P. E., Director of Public Works
Certified as to availability of Funds:	Janelle Samson, Deputy City Manager
Approved by:	Salvador Mendez, City Manager
Approved as to form:	Taylor Anderson, Deputy City Attorney

ATTACHMENTS

Reso. No. CC 2026-062
Reso. No. CC 2026-063
Rpt Annexation and Annual Levy

Assessment District Diagram

CITY COUNCIL
CITY OF PALMDALE, CALIFORNIA
RESOLUTION NO. CC 2026-062

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE INITIATING PROCEEDINGS FOR THE ANNEXATION OF TERRITORY TO THE CITY OF PALMDALE STREETLIGHT MAINTENANCE ASSESSMENT DISTRICT NO. 1, AS ANNEXATION 2026-204, DESCRIBING THE PROPOSED IMPROVEMENTS TO SERVE SAID DISTRICT, AND ORDERING THE PREPARATION OF THE ANNEXATION AND ANNUAL LEVY REPORT

WHEREAS, the City Council (the "Council") of the City of Palmdale ("City"), State of California, has previously formed the City of Palmdale Streetlight Maintenance Assessment District No. 1 (the "District") pursuant to the Landscaping and Lighting Act of 1972, Part 2, Division 15 of the California Streets and Highways Code (commencing with Section 22500), and Article XIIID of the California Constitution (collectively referred to as the "Assessment Law"), that provides for the levy and collection of assessments by the County of Los Angeles for the City of Palmdale to finance the cost and expenses of the maintenance of certain improvements described in Section 4 hereof. The Council wishes to annex certain territory to the District. Said annexation shall be known and designated as "City of Palmdale Streetlight Maintenance Assessment District No. 1, Annexation 2026-204" (the "Annexation"); and it shall be subject to an assessment under the Assessment Law beginning with the fiscal year commencing July 1, 2026, and ending June 30, 2027.

WHEREAS, the provisions of Article 2 of Chapter 2 of the Assessment Law authorize the annexation of territory to the District;

WHEREAS, such provisions also provide the requirement for the preparation of resolutions, an assessment engineer's report, and notice of public hearing;

WHEREAS, notwithstanding that such provisions of Assessment Law related to the annexation of property to the District, Article XIIID of the Constitution of the State of California establishes certain procedural requirements for the authorization to levy assessments which apply to the levy of annual assessments on the territory proposed to be annexed to such District;

WHEREAS, the owners of certain property have requested that such property (collectively, the "Territory") be annexed to the District in order to provide for the levy of annual assessments to finance the cost and expenses of the maintenance of certain improvements (the "Improvements");

WHEREAS, the Council desires to initiate proceedings to annex territory into the District and to levy annual special benefit assessments within said Annexation; and

WHEREAS, the City has retained NBS for the purpose of assisting with the annexation and annual levy of the Annexation and to prepare and file a report with the City Clerk in accordance with the Assessment Law.

NOW THEREFORE, BE IT RESOLVED, THE CITY COUNCIL OF THE CITY OF PALMDALE DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

SECTION 1. The above recitals are all true and correct and by this reference made an operative part hereof.

SECTION 2. That the Council hereby proposes the Annexation to the District and the levy of collection and assessments.

SECTION 3. The Council hereby orders NBS to prepare and file with the City Clerk the Annexation and Annual Levy Report concerning the Annexation and the levy and collection of assessments for the fiscal year commencing July 1, 2026, and ending June 30, 2027, in accordance with Chapter 1, Article 4, Section 22565 of the Act.

SECTION 4. Generally, the improvements within the Annexation, which shall be maintained for the benefit of the proposed Annexation and through the special benefit assessments levied annually, shall include, but not be limited to, the following:

(a) the installation, construction, or operation of public lighting, facilities, including, but not limited to, streetlights and any related electrical appurtenances which are necessary or convenient for the maintenance or servicing thereof;

(b) the maintenance and servicing of any of the foregoing.

The Annexation and Annual Levy Report shall describe all improvements.

SECTION 5. The boundaries of the Annexation are described as being located on the northwest corner of Avenue Q East and 25th Street East within the boundaries of the City of Palmdale within the County of Los Angeles, State of California.

SECTION 6. The proposed Annexation is designated as: City of Palmdale Streetlight Maintenance Assessment District No. 1, with the annexation territory being described as Annexation 2026-204.

SECTION 7. That the City Clerk shall attest and certify to the passage and adoption of this Resolution, and it shall become effective immediately upon its approval.

PASSED, APPROVED and **ADOPTED** this 1st day of December 2026.

_____
Eric Ohlsen, Mayor

APPROVED AS TO FORM:

_____
Aleks Giragosian, City Attorney

ATTEST:

_____
Rochelle Scott, City Clerk

I, Rochelle Scott, City Clerk of the City of Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the 1st day of December 2026 by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____ABSENT:_____

Date: _____ _____
Rochelle Scott, City Clerk

CITY COUNCIL
CITY OF PALMDALE, CALIFORNIA
RESOLUTION NO. CC 2026-063

A RESOLUTION OF THE COUNCIL OF THE CITY OF PALMDALE DECLARING ITS INTENTION TO ANNEX TERRITORY TO THE CITY OF PALMDALE STREETLIGHT MAINTENANCE ASSESSMENT DISTRICT NO. 1, AS ANNEXATION 2026-204, PRELIMINARILY APPROVING THE ANNEXATION AND ANNUAL LEVY REPORT, AND SETTING A TIME AND PLACE FOR HEARING PROTESTS

WHEREAS, the City Council (the "Council") of the City of Palmdale ("City"), State of California, has previously formed the City of Palmdale Streetlight Maintenance Assessment District No. 1 (the "District") pursuant to the Landscaping and Lighting Act of 1972, Part 2, Division 15 of the California Streets and Highways Code (commencing with Section 22500), and Article XIIID of the California Constitution (collectively referred to as the "Assessment Law"), that provides for the levy and collection of assessments by the County of Los Angeles for the City of Palmdale to finance the cost and expenses of the maintenance of certain improvements described in Section 4 hereof. The Council wishes to annex certain territory to the District. Said annexation shall be known and designated as "City of Palmdale Streetlight Maintenance Assessment District No. 1, Annexation 2026-204" (the "Annexation"); and it shall be subject to an assessment under the Assessment Law beginning with the fiscal year commencing July 1, 2026, and ending June 30, 2027.

WHEREAS, the provisions of Article 2 of Chapter 2 of the Assessment Law authorize the annexation of territory to the District;

WHEREAS, such provisions also provide the requirement for the preparation of resolutions, an assessment engineer's report, and a notice of public hearing;

WHEREAS, notwithstanding that such provisions of Assessment Law related to the annexation of property to the District, Article XIIID of the Constitution of the State of California establishes certain procedural requirements for the authorization to levy assessments which apply to the levy of annual assessments on the territory proposed to be annexed to such District;

WHEREAS, the owners of certain property have requested that such property (collectively, the "Territory") be annexed to the District in order to provide for the levy of annual assessments to finance the cost and expenses of the maintenance of certain improvements (the "Improvements");

WHEREAS, the owners of certain property have requested that the Territory be annexed to the District in order to provide for the levy of annual assessments to finance the maintenance of the Improvements;

WHEREAS, all of the owners of the Territory have filed with the City Clerk duly executed forms entitled "A Petition to the City Council of the City of Palmdale, County of Los Angeles, State of California", petitioning the Council to initiate proceedings for the annexation of the Territory to the City of Palmdale Streetlight Maintenance Assessment District No. 1, as Annexation 2026-204, assessor's parcel numbers 3022-012-036 and 3022-012-037, located on the northwest corner of Avenue Q East and 25th Street East, pursuant to the Landscaping and Lighting Act of 1972, Being Part 2 of Division 15 of the California Streets and Highways Code and as Provided by Article XIIID of the California Constitution (the "Petition, Consent and Waiver");

WHEREAS, by such Petition, Consent and Waiver, all the owners of the Territory have expressly waived any and all of the procedural requirements as prescribed in the Act to the annexation of the Territory to the District and have expressly consented to the annexation of the Territory to the District;

WHEREAS, by such Petition, Consent and Waiver, all the owners of the Territory have also expressly waived any and all of the procedural requirements as prescribed in the Act and/or Article XIII D applicable to the authorization to levy the proposed annual assessment against the Territory set forth in the Annexation and Annual Levy Report (the "Report") attached hereto and incorporated herein by this reference and have declared support for, consent to and approval of the authorization to levy such proposed annual assessment set forth in the Report attached hereto;

WHEREAS, by such Petition, Consent and Waiver, all the owners of the Territory have also expressly agreed for themselves, their heirs, successors and assigns that:

(1) The proportionate special benefit derived by each parcel in the Territory from the Improvements has been determined in relationship to the entirety of the maintenance and operation expenses of the Improvements;

(2) The proposed annual assessment does not exceed the reasonable cost of the proportional special benefit from the Improvements conferred on each parcel in the Territory.

WHEREAS, on December 1, 2026, by Resolution No. CC 2026-062, the City Council (the "Council") of the City of Palmdale ("City"), State of California, initiated proceedings to annex territory to the District and ordered the preparation of the Report for said Annexation for Fiscal Year 2026/27, that provides for the levy and collection of assessments by the County of Los Angeles for the City of Palmdale to pay for the maintenance and services of all improvements and facilities related thereto;

WHEREAS, the Council has retained NBS for the purpose of assisting with the Annexation and the annual levy of the Annexation and to prepare and file the Report with the City Clerk in accordance with the Assessment Law;

WHEREAS, at this time the Council desires to declare its intention to annex territory to the District and to provide for the levy and collection of annual assessments, beginning with in Fiscal Year 2026-27, to provide for the costs and expenses necessary to pay for the maintenance and servicing of the improvements (defined below) within the Annexation;

WHEREAS, the Report has been filed with the City Clerk and submitted to this Council in accordance with the Assessment Law;

WHEREAS, the Council has carefully examined and reviewed the Report as presented and is satisfied with the proposed Annexation, each and all of the budget items and documents as set forth therein, and is satisfied that the levy amounts have been spread in accordance with the special benefit received from the improvements, operation, maintenance, and services within the Annexation as set forth in said Report; and

WHEREAS, for purposes of this Annexation, the Public Works Director is designated to be the Superintendent of Streets.

NOW THEREFORE, BE IT RESOLVED, THE CITY COUNCIL OF THE CITY OF PALMDALE DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS

SECTION 1. The above recitals are all true and correct and by this reference made an operative part hereof.

SECTION 2. The Council hereby declares its intention to order the levy of assessments within the Annexation and seek the Annual Levy of the Annexation pursuant to the Act, over and including the land within the Annexation, and to levy and collect assessments on all such land to pay the annual costs of the improvements. The Council has determined at this time to call an assessment ballot proceeding therein to authorize the levy of assessments (which are more particularly outlined in the Report) to pay the costs and expenses of the improvements described in Section 5 of this Resolution. The Council finds that the public's best interests require such a levy and its collection.

SECTION 3. Pursuant to Proposition 218, Section 4, Sub-Section 4 (c), now California Constitutional Articles XIIIC and XIIID, (hereafter referred to as the "Proposition 218") approved by the California voters in November 1996, an assessment ballot proceeding is hereby called on behalf of the Annexation on the proposition of levying the

assessments and the assessment range formula to allow for reasonable increases within the Annexation.

SECTION 4. The assessment ballot proceeding for the Annexation on the proposition of authorizing the assessments and the assessment range formula to allow for reasonable increases, pursuant to Section 4, Sub-Section 4 (c and d) of Proposition 218 consists of a ballot, included with the mailed notice required by Proposition 218, distributed to the property owners of record within the Annexation as of the County's last equalized roll or as evidenced to the City. Each property owner's ballot is weighted by the amount of their proposed assessment, and they may return the ballot by mail or in person to the City Clerk not later than the conclusion of the Public Hearing on December 1, 2026. At the conclusion of the Public Hearing, pursuant to Section 4, Sub-Section 4 (e) of Proposition 218, the agency shall tabulate the ballots to determine whether a majority protest exists. The ballots shall be weighed according to the proportional financial obligation of the affected property. A majority protest exists if, upon the conclusion of the Public Hearing, ballots submitted in opposition to the assessments exceed the ballots submitted in favor of the assessments.

SECTION 5. The boundaries of the Annexation are described as being only the portion of assessor's parcel numbers 3022-012-036 and 3022-012-037, located on the northwest corner of Avenue Q East and 25th Street East, within the boundaries of the City of Palmdale within the County of Los Angeles, State of California.

SECTION 6. The Report as presented, consisting of: (i) a description of improvements, (ii) an annual budget (costs and expenses of services, operations and maintenance) and (iii) the assessment roll containing the Fiscal Year 2026/27 levy for each Assessor's parcel within the Annexation, is hereby approved and ordered to be filed in the office of the City Clerk as a permanent record and to remain open to public inspection.

SECTION 7. Generally, the improvements within the Annexation, which shall be maintained for the benefit of the proposed Annexation and through the special benefit assessments levied annually, shall include, but not be limited to, the following:

(a) the installation, construction, or operation of public lighting, facilities, including, but not limited to, streetlights and any related electrical appurtenances which are necessary or convenient for the maintenance or servicing thereof;

(b) the maintenance and servicing of any of the foregoing.

SECTION 8. For Fiscal Year 2026-27, the proposed assessments are outlined in the Report, which details the annual assessments and formula.

SECTION 9. Property owners have been provided with a notice and an assessment ballot to cast on the proposed assessment and the assessment range formula, which allows for reasonable increases. Ballots must be received prior to the conclusion of the Public Hearing at which they will be tabulated. At the Public Hearing, all interested persons shall be afforded the opportunity to hear and be heard.

SECTION 10. The City Clerk hereby declares that a Public Hearing on these matters will be held by the City Council on December 1, 2026, at 5:00 pm or as soon thereafter as feasible in the City Council Chambers, located at 38300 Sierra Highway, Suite C, Palmdale, CA 93550.

SECTION 11. That the City Clerk shall attest and certify to the passage and adoption of this Resolution and it shall become effective immediately upon its approval.

PASSED, APPROVED and **ADOPTED** this 1st day of December 2026.

_____
Eric Ohlsen, Mayor

APPROVED AS TO FORM:

_____
Aleks Giragosian, City Attorney

ATTEST:

_____
Rochelle Scott, City Clerk

I, Rochelle Scott, City Clerk of the City of Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the 1st day of December 2026 by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____ABSENT:_____

Date: _____ _____
Rochelle Scott, City Clerk

CITY OF PALMDALE

Annexation and Annual Levy Report For:

Streetlight Maintenance Assessment District No. 1 Annexation 2026-204

Palmdale Family Apartments

October 2026

Fiscal Year 2026/27

Prepared by:

NBS
helping communities fund tomorrow

nbsgov.com

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Temecula, CA 92592
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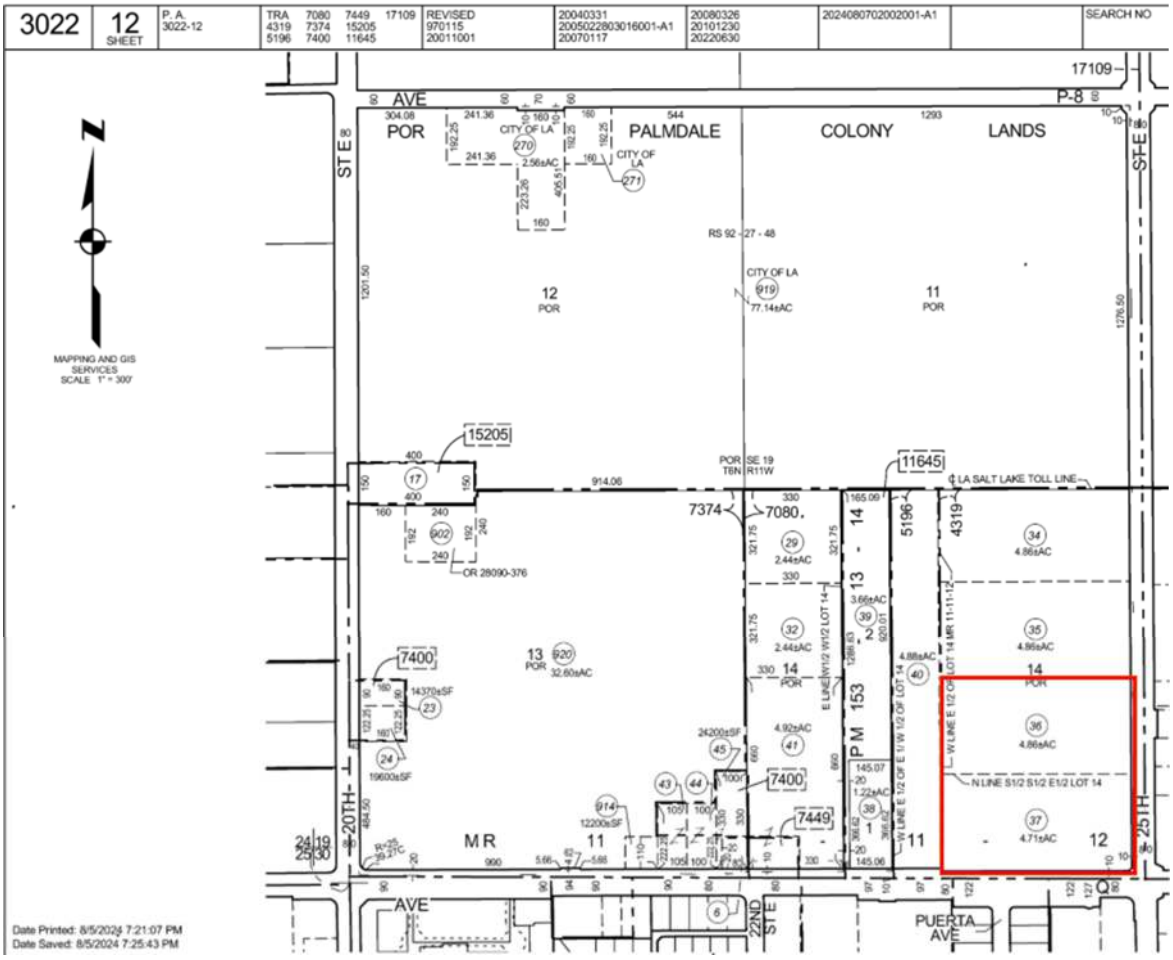
1. INTRODUCTION

1.1 District History

The City of Palmdale ("City") provides maintenance and servicing of certain publicly owned streetlights throughout its jurisdictional boundaries. In order to fund the maintenance and operation (the "Services") of these projects and improvements, the City has formed five Streetlight Maintenance Assessment Districts, including subsequent annexations, covering over 40 thousand parcels. The assessments described in this Report have been prepared pursuant to Article XIII D of the California Constitution, the Proposition 218 Omnibus Implementation Act (Division 2 of the California Government Code §53739 et seq.), and the Landscaping and Lighting Act of 1972 (Division 15 of the California Streets and Highways Code §22500 et seq.) collectively, the "Assessment Law".

As a condition of approval, the Palmdale Family Apartments project is required to fund the maintenance and servicing associated with the streetlight improvements fronting the project parcels. This annexation, a 9.813-acre multi-family residential project, will consist of assessor's parcel numbers 3022-012-036 and 3022-012-037, located on the northwest corner of Avenue Q East and 25th Street East, as illustrated below.



The Streetlight Maintenance Assessment District No. 1, Annexation 2026-204 (the "Annexation") is proposed to fund the maintenance and servicing of streetlights that benefit the parcels that form the Annexation.

1.2 Legislative Context

Determinations of special and general benefits must comply with the requirements of Assessment Law. The following is a description of the legislative context within which this report is written.

In 1996, California Voters adopted Proposition 218, the "Right to Vote on Taxes Act" which added Articles XIII C and XIII D to the California Constitution. Article XIII D imposes certain substantive and procedural requirements on any agency that wishes to levy special assessments.

The substantive requirements are twofold: (1) assessments can only be imposed for a "special benefit" conferred on an assessed parcel, and (2) assessments must be in proportion to, and no greater than, the special benefit conferred on an assessed parcel.

The special benefit and proportionality requirements are described in Section 4, Subdivision (a) of Article XIII D: "*An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and an agency shall separate the general benefits from the special benefits conferred on a parcel*…"

In addition to its substantive requirements, Article XIII D imposes certain procedural requirements, which include preparing an engineer's report, providing written notice to property owners, providing assessment protest ballots to property owners, holding a public hearing, and tabulating the assessment protest ballots.

1.3 Court Rulings

Since the initial passage of Proposition 218, several court rulings have helped provide context and direction on the practical implementation procedures and requirements for levying assessments. Several of the key concepts from these rulings are summarized below.

1.3.1 GENERAL BENEFIT

Article XIII D requires an agency to separate the general benefits from the special benefits conferred because only special benefits are assessable.

The Court of Appeal in *Golden Hills Neighborhood Assn., Inc. v. City of San Diego* (2011) ("*Golden Hills"*)[i] clarified this concept by stating, "*Separation and quantification of general and special benefits must be accomplished by apportioning the cost of a service or improvement between the two and assessing property owners only for the portion of the cost representing special benefits*."

The Court of Appeal in *Beutz v. County of Riverside* (2010) ("*Beutz"*)[ii] quoted from the Legislative Analyst's Office pamphlet titled "Understanding Proposition 218" which states an agency must, "*estimate the*

amount of special benefit landowners would receive from the project or service, as well as the amount of 'general benefit.' This step is needed because Proposition 218 allows local government to recoup from assessments only the proportionate share of cost to provide the special benefit."

The Court in *Beutz* furthered this idea stating, "*Separating the general from the special benefits of a public improvement project and estimating the quantity of each in relation to the other is essential if an assessment is to be limited to the special benefits*."

1.3.2 BENEFIT-BASED NOT COST-BASED

In *Bonander v. Town of Tiburon* (2009) ("*Tiburon*")[iii], the Court of Appeal clarified the idea that assessments must be apportioned based upon benefit rather than cost. The Court stated, "*Proportionate special benefit is the basis upon which a project's total assessable costs are apportioned among parcels within an assessment district.*"

The assessment on a particular property cannot be based on the relative cost of the improvements, but rather the special benefit conferred on such property. The Court in *Tiburon* also stated, "*an assessment represents the entirety of the cost of the improvement or property-related service, less any amount attributable to general benefits (which may not be assessed), allocated to individual properties in proportion to the relative special benefit conferred on the property*."

1.3.3 PUBLIC PROPERTY

Section 4, Subdivision (a) of Article XIII D states, in part, "*Parcels within a district that are owned or used by any agency, the State of California or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit.*" Historically, there had been differing opinions about whether this requirement that publicly owned property should not be exempt actually meant those properties must be assessed.

The Court of Appeal in *Manteca Unified School District v. Reclamation District No. 17 et al* (2017) *("Manteca")*[iv] clarified this issue by stating, *"section 4, subdivision (a) of article XIII D of the California Constitution unambiguously conditions any continuing benefit assessment exemption on a showing by clear and convincing evidence of no special benefit.*"

1.3.4 IMPRECISION

The Court in *Tiburon* acknowledged the difficulty of trying to precisely assign and measure special benefit, stating, "*Any attempt to classify special benefits conferred on particular properties and to assign relative weights to those benefits will necessarily involve some degree of imprecision.*"

The Court in *Tiburon* went on to say that a formula assigning equal weight to different special benefits *"may be a legally justifiable approach to measuring and apportioning special benefits,* [but] *it is not necessarily the only valid approach. Whichever approach is taken to measuring and apportioning special benefits, however, it must be both defensible and consistently applied*."

2. IMPROVEMENTS

The improvements to be maintained and serviced within the Annexation are to be part of the local and peripheral streetlight system of the City of Palmdale that confers special benefit to the Annexation parcels. The specific location of both local and periphery streetlight improvements within the City can be found on the Streetlight Inventory Maps maintained by the City and on file in the office of the City Engineer where they are available for inspection. The City also maintains a lamp location list that is a tabulated listing of every street by alphabetical order. Included in the items listed for each lamp are the exact location by street address number and lamp size.

The local streetlight improvements to be maintained and serviced within the Annexation include ten (10) streetlights within the right of way of the local public streets located within the boundaries of the Annexation. These lights are all within close proximity to the Annexation parcels identified as receiving local lighting benefit, and as such, provide special benefit to the parcel.

The City seeks to fund the following services and maintenance activities:

- Streetlight Maintenance

The services and maintenance activities listed above are collectively referred to as the "Improvements." The Improvements include, but are not limited to, the removal, repair, relocation, replacement or acquisition of light standards, poles, bulbs, fixtures and appurtenances, electrical energy, supplies, engineering and incidental costs relating to the maintenance and servicing of the street lighting improvements benefiting the parcels within the Annexation. The Assessment Diagram for the Annexation can be found in Section 8 of this report.

2.1 Streetlight Maintenance

As part of the conditions of approval of the project, the property owner requested the formation of a streetlight maintenance assessment district to fund the Improvements fronting the Annexation parcels along Avenue Q East and 25th Street East. The lights to be maintained by the Annexation include a total of ten (10) streetlights. Below is a diagram included in the plans titled "City of Palmdale Street Lighting Plans Zenith on 25th SOP 25-0030," illustrating the proposed area in which the Improvements can be found.



LEGENDS

- INSTALL LED STREET LIGHT LEOTEK GC1-50F-MV-WW-3-GY-530 FOR OR APPROVED EQUAL ON CONCRETE POLE FOUNDATION PER CITY STANDARD PW-19 POLE:1C123
- INSTALL LED STREET LIGHT LEOTEK GC1-40F-MV-NW-3-GY-700-PCR7 FOR OR APPROVED EQUAL ON CONCRETE POLE FOUNDATION PER CITY STANDARD POLE:15TS
- NEW METERED SERVICE PEDESTAL - 100AMPS 120/240V,1PH.,3W PER STANDARD PW-20 ADDRESS: TBA
- UNDERGROUND PULLBOX SEE GENERAL SPECIFICATIONS NOTE #11
- 2" SCH. 40 PVC CONDUIT & (2) #6 XHHW-2 (XLPE) - AL & (1) #5 AL - GND 30" BELOW GUTTER FLOW LINE PER DETAIL PW-20
- 2" SCH. 40 PVC CONDUIT & (4) #6 XHHW-2 (XLPE) - AL & (1) #5 AL - GND 30" BELOW GUTTER FLOW LINE PER DETAIL PW-20
- POLE NUMBER
- CONDUIT RUN NUMBER

3. BENEFITS

The Improvements will confer special benefits upon the parcels within the Annexation. These benefits are summarized in the table below:

Improvement	Benefit(s)
Street Lighting	Improved Safety and Crime Prevention Improved Access and Traffic Circulation

The special benefits to be conferred by the Improvements are detailed below.

3.1 Improved Safety and Crime Prevention

The street lighting improvements will confer safety benefits and help mitigate potential criminal activity within the Annexation. This benefit extends to property, as adequate lighting should decrease vandalism and other property-related crime. The following safety and crime prevention benefits will be provided as a result of the street lighting improvements.

The street lighting improvements will provide enhanced lighting throughout the Annexation, which will ensure that sidewalks, streets and property fronts are more visible during dusk and nighttime hours. The increased level of visibility, during these darker periods of the day, will reduce opportunities for potential vandalism and other property-related crimes. “Lighting has a positive effect on reducing crime and the positive benefits are similar to those observed for roadway lighting reducing crashes.” The creation of a cohesive neighborhood is also accomplished by lighting in that “lighting may send a message that goes beyond visibility as a means for providing a community with crime-reducing benefit.” (Review of the Safety Benefits and Other Effects of Roadway Lighting, National Cooperative Highway Research Program, Transportation Research Board of the National Academies, 2009).

The street lighting improvements also provide a measure of safety for pedestrian and vehicular traffic within the Annexation. “Published studies having different methodologies tend to converge on an overall average reported 20% to 30% reduction in nighttime crash risk from lighting” (National Cooperative Highway Research Program Transportation Research Board of The National Academies, 2009). This is of particular importance in a residential area where pedestrians are likely to be present during nighttime hours. The same report also states, “… lighting has a positive effect on reducing crime ...” Therefore, the street lighting improvements will confer safety benefits to property within the Annexation.

3.2 Improved Access and Traffic Circulation

The street lighting improvements also provide improved accessibility and traffic circulation benefits to the Annexation parcel where the access route to the property utilizes street lighting. The maximum usefulness of a parcel cannot be fully realized unless it is accessible. Thus, improving the accessibility of a parcel especially during nighttime hours, through proper street lighting, can improve the overall utilization of the parcel. The street lighting improvements will also improve the overall accessibility for emergency response vehicles. The efficient and timely response to emergencies is a critical component to the effectiveness of emergency response. It is reasonable to conclude that improving street lighting will improve accessibility

and emergency response efficiency, especially during the nighttime hours for the parcel within the Annexation.

The street lighting improvements will also provide improved traffic circulation benefits by facilitating a more efficient and safer flow of traffic to and from properties within the Annexation between the dusk and dawn hours. This increased traffic circulation benefit is due to the fact that well-maintained and reliable lighting artificially extends the “lighted” hours, which increases the amount of time for activity to occur. It is a well-accepted fact that pedestrian and traffic safety is considerably reduced in the hours of darkness. Various studies have concluded that good quality street lighting reduces the accident rate by increasing the overall visibility, as vehicle headlights are inadequate for high-speed traffic. “Driving outside of daylight hours is more dangerous – only a quarter of all travel by car drivers is between the hours of 7pm and 8am, yet this period accounts for 40% of fatal and serious injuries in the same group.” (Night-time accidents: a scoping study, UCL, London, 2009). Therefore, the street lighting improvements will confer traffic circulation benefits to property within the Annexation.

4. SPECIAL BENEFIT DISTRIBUTION

Once special benefits are identified, they must be assigned based on the estimated proportionate special benefit derived by the parcels. This section describes the assignment of special benefits to the parcels.

4.1 Parcel Size

It is believed parcels of the same use will experience different degrees of special benefit in relation to differences in their acreage. For example, a parcel with a large acreage will experience greater special benefit than a parcel with a small acreage. Accordingly, as acreage increases, parcels are considered to receive proportionately greater special benefit. Therefore, these parcel characteristics are deemed appropriate factors for determining proportional special benefit.

The Annexation consists of two parcels. Consequently, it is expected the parcels will experience special benefits from the Improvements. The Annexation parcels comprise 9.813 acres.

4.2 Land Use Type

In addition to parcel size, a parcel's land use type will also affect the special benefits received. Following the assignment of the Parcel Size Factor, a Land Use Benefit Point was assigned. This benefit point corresponds to the special benefits described in the Benefits section of this report.

The parcels within the proposed Annexation boundary are assigned a land use type for purposes of determining the special benefits received. Below is a description of the land use type category to be assessed within the Annexation.

> **Multi-Family Residential Property** consists of parcels with a residential structure or structures containing more than one residential unit where such units are income-restricted and offered for rent to the public and cannot be purchased by individual homebuyers.

4.2.1 APPORTIONING SAFETY AND CRIME PREVENTION BENEFIT

For the most part, Safety and Crime Prevention benefits are universal benefits for the parcels within the Annexation. The overall appeal and safety of an area is enhanced when street lighting improvements are in place and kept in a satisfactory condition. Conversely, appeal and safety decreases when street lighting is not operational or provides inconsistent illumination. Therefore, each parcel is assigned 1.00 benefit point for Safety and Crime Prevention.

4.2.2 APPORTIONING ACCESS AND TRAFFIC CIRCULATION BENEFIT

Generally, Access and Traffic Circulation benefits are universal benefits for the parcel within the Annexation. The improved accessibility and traffic circulation benefits to the Annexation parcel maximizes the overall usefulness of the parcel. Therefore, each parcel is assigned 1.00 benefit point for Access and Circulation.

4.2.3 LAND USE BENEFIT POINTS

The table below summarizes the Land Use Benefit Points assigned to the parcels within the Annexation:

Land Use Type	Safety and Crime Prevention	Access and Traffic Circulation	Total Land Use Benefit Points
Multi-Family Residential	1.00	1.00	2.00

4.3 Total Special Benefit Points

The calculation of Total Special Benefit Points for the Annexation takes into account each component analyzed and described above, parcel characteristics and land use. The formula for determining the Annexation's Total Benefit Points is as follows:

Parcel Size Factor		Land Use Benefit Points		Total Special Benefit Points
	X		=	

The Total Special Benefit Points are computed for each parcel in the Annexation and summed. The Total Annexation Special Benefit Points are 19.626. These Total Annexation Special Benefit Points are used to determine the proposed assessment amounts on each parcel.

Below is the Total Special Benefit Points calculation for the Annexation:

Parcel Size Factor		Land Use Benefit Points		Total Special Benefit Points
9.813	X	2.00	=	19.626

5. SEPARATION AND QUANTIFICATION OF GENERAL BENEFITS

As described in the Introduction, only special benefits are assessable and in order to assess only special benefits, the general benefits resulting from the Improvements must be separated and quantified. This section describes the process used to separate and quantify the general benefits.

5.1 Summary

As detailed below, it is estimated the Improvements will confer an Effective General Benefit of 5.40%.

5.2 General Benefits Identified

Section 4 of Article XIIID of the California Constitution provides that once a local agency which proposes to impose assessments on property has identified those parcels that will have special benefits conferred upon them and upon which an assessment will be imposed, the local agency must next "separate the general benefits from the special benefits conferred," and only the special benefits can be included in the amount of the assessments imposed.

General benefit is an overall and similar benefit to the public at large resulting from the maintenance of the Improvements provided by the assessments levied. The Improvements to be maintained by the Annexation are located within the Annexation boundaries only. There will be no Annexation maintenance activities provided for Improvements located outside of the Annexation boundaries.

The ongoing maintenance of the Improvements will provide safety and crime prevention and access and traffic circulation benefits to the property within the Annexation. However, it is recognized that the ongoing maintenance activities will also provide a level of benefit to some property within proximity to the Annexation, as well as individuals passing through. Therefore, the general benefit created as a result of the Annexation maintenance activities has been considered.

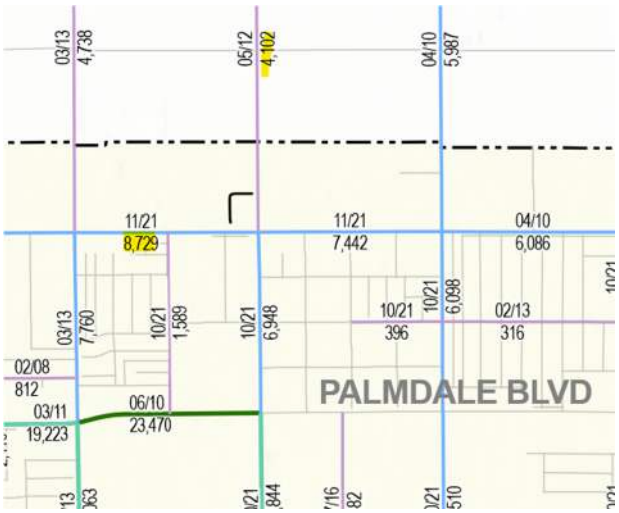
5.3 General Benefit Analysis

As a result of the maintenance and operation of the Improvements, there will be a level of general benefit to people that do not work or intend to conduct business within the Annexation. In order for property within the Annexation to be assessed only for that portion of special benefits received from the Annexation's maintenance activities, general benefits provided by the ongoing maintenance of the Improvements needs to be quantified. The amount of general benefit that is provided from the Annexation's maintenance activities cannot be funded via property owners' assessments.

5.3.1 GENERAL BENEFIT: PASS-THROUGH TRAFFIC

As a result of the Improvements, there will be a level of general benefit conferred to pass-through vehicle traffic related to properties outside of the Annexation whose occupants do not intend to access property within the Annexation. As such, the benefit derived by pass-through vehicle traffic needs to be quantified. In order to do this, we must first estimate the average daily vehicle trips through the Annexation area.

Daily vehicle trip counts for Avenue Q East and 25th Street East in the area of the Annexation was obtained from the City. Based upon the daily trip counts, the total estimated current daily trip traffic through the Annexation is 12,831 vehicle trips (highlighted in yellow in the figure below).



Next, we must estimate the number of daily vehicle trips that will be generated by land uses within the Annexation. To accomplish this, data from the ITE Trip Generation Manual was used to estimate the average daily vehicle trips for each land use type within the Annexation. The land use included in the Annexation is 223 – Affordable Housing. The estimated number of daily vehicle trips that will be generated by the 272 dwelling units within the Annexation is approximately 1,308.32, as summarized below.

ITE Land Use Type	Estimated Daily Vehicle Trips (1)
223 – Affordable Housing	1,308.32

(1) Extracted from the ITETripGen Web-based App, Trip Generation Manual, 12th Edition.

Therefore, the estimated number of pass-through vehicle trips related to properties outside of the Annexation is 12,831.

Average Vehicle Trips Through Annexation(1)		Estimated Annexation-Generated Vehicle Trips		Estimated Pass Through Vehicle Trips
14,139.32	-	1,308.32	=	12,831.00

(1) Includes Estimated Annexation-Generated Vehicle Trips

However, simply estimating the number of pass-through vehicle trips does not necessarily indicate the level of benefit accruing to vehicles passing through the Annexation. Estimating the total amount of time these pass-through vehicles spend driving through the Annexation, as compared to the time drivers spend within the Annexation, is a better indicator of the temporary benefits accruing to vehicles passing through the Annexation.

To estimate the total time these pass-through vehicles spend within the Annexation, and receive benefit from the Improvements, we must take into account the total road length of Avenue Q East and 25th Street East containing the Improvements, as well as the average traffic speed (using local speed limits):

Street	Length (in Miles) Within Annexation		Average Speed Within Annexation (MPH)		Travel Time (in Hours) Through Annexation per Vehicle
Avenue Q East	0.121	/	50	=	0.0024
25th Stret East	0.126	/	55	=	0.0023

Applying the total travel time through the Annexation per vehicle to each of the pass-through vehicle trips results in an aggregate daily pass-through time of approximately 31 hours, time in which vehicles passing through the Annexation spend in proximity to the Improvements:

Street	Travel Time (in Hours) Through Annexation per Vehicle		Estimated Pass Through Vehicle Trips		Total Pass Through Time (in Hours)
Avenue Q East	0.0024	x	8,729	=	21.1943
25th Stret East	0.0023	x	4,102	=	9.3651
Totals			**12,831**		**30.5594**

Further, the amount of time that the District properties spend in proximity to the Improvements should also be considered to determine the overall benefit of the Improvements. Properties within the District are permanently located in close proximity to the Improvements and experience the most benefit from these Improvements during the dusk to dawn hours, approximately 12 hours per day. Vehicles passing through only receive benefit from the Improvements while passing through the District. As such, the previously identified daily pass-through time for vehicles receiving limited benefit from the Improvements should be compared to the total time the District properties benefit from being in permanent proximity to the District Improvements:

Time Class	Hours	Percentage
Total Pass-Through Time	30.5594	0.93%
Total District Property Time [1]	3,264.0000	99.07%
Totals	**3,294.5594**	**100.00%**

(1) Equals the number of dwelling units within the Annexation (272) multiplied by 12 (hours).

Of the total benefits provided by the Improvements, the percentage of time allocated to vehicles passing through the Annexation is 0.93%.

Pass Through Vehicle Traffic General Benefit	0.93%

As a result of the Improvements, there will be a level of general benefit to pedestrians and others who do not live in or intend to access property within the Annexation. There will be pedestrian traffic generated from property outside of the Annexation that will utilize the maintained sidewalks to pass through the Annexation and access property located outside of the Annexation. In addition to accessing property located outside of the Annexation, there will also be a level of pedestrian activity that will utilize the maintained sidewalks for leisure and fitness activities. Pedestrians will incorporate the maintained sidewalks into their leisure and fitness routines, thus making the Annexation sidewalks serve as a pass-

through portion of their overall route traveled. The benefit provided to property and pedestrians, because of the maintained sidewalks serving as a pass-through corridor needs to be quantified.

People walk for a variety of reasons, whether the reason is to commute to work, run errands, shop, leisure activities, fitness, or some other purpose. To enhance the overall walking experience, pedestrians will seek out and utilize sidewalk facilities that provide a safe place to walk as well as an environment that provides a certain amount of visual interest. The Summary of Travel Trends, 2022 National Household Travel Survey (NHTS) prepared by the U.S. Department of Transportation Federal Highway Administration (FHWA, 2022) analyzed the number of person trips by various modes of transportations such as private vehicle, transit, walking, or some other means of transportation. This study showed that approximately 6.90% of daily person trips occur by walking.

According to the Urban Area data extracted from the 2022 NHTS database, of the annual 17,390 (in millions) total person trips made using walking as the primary mode of transportation (FHWA, 2022), 50.59% of the trips were identified as work/work related, shopping/errands, and school/church activities (unrelated to Annexation activities such as: social, recreational, other reasons).)

Trip Purpose	Number of Walking Trips (in millions)
Work/Work Related	8.29%
Shopping/Errands	26.26%
School/Church	16.04%
Total	**50.59%**

Applying this percentage of non-Annexation related activity to the 6.90% of daily person trips that occur by walking results in 3.47% of pedestrian trips related to general benefit activity.

Pass Through Pedestrian Traffic General Benefit	3.47%

Additionally, an estimated 1% of all US trips are made by bicycle[v]. Although the Annexation fronts Avenue Q East and 25th Street and there is no dedicated bike lane or paved sidewalks along these streets, there is the ability to pass through the Annexation by bicycle. Therefore, it would be reasonable to assume there would be some level of general benefit received from bicycle traffic passing through the Annexation. According to the National Household Travel Surveys, 49% of bike trips are for recreation, exercise, and sports[vi]. As a result, approximately 1.00% general benefit is attributable to bicycles passing through the Annexation.

Pass Through Bicycle Traffic General Benefit	1.00%

5.3.2 TOTAL GENERAL BENEFIT

Since the Annexation is comprised of safety and crime prevention and improved access and traffic circulation benefits resulting from the Improvements, the activity of vehicles, pedestrians and bicycles passing through the Annexation must be addressed in a collective form rather than independently. This general benefit result is provided in the table below:

General Benefit	Percentage
Pass-through Vehicle Traffic	0.93%
Pass-through Pedestrian Traffic	3.47%
Pass-through Bicycle Traffic	1.00%
Totals	**5.40%**

6. BUDGET

The following table summarizes the estimated annual costs to fund the Improvements for Fiscal Year 2026/27:

Description	Amount
Maintenance	
Direct Labor/Maintenance Costs	$6,755.00
Utility Costs	1,515.00
Administration	
Overhead/Engineer/Consultant Costs	2,090.00
Total Cost of Improvements	**$10,360.00**

6.1 Maximum Balance to Be Assessed

The total maximum amount to be assessed upon the specially benefitting parcel is the total cost of the Improvements, as detailed above, less the portion of Maintenance costs attributable to General Benefit as detailed in the Separation and Quantification of General Benefits section.

The calculation of the balance to be assessed is shown below:

Description	Amount
Total Cost of Improvements	$10,360.00
Less Maintenance General Benefit Portion (5.40%)	(558.93)
Total Cost of Improvements to Be Assessed	**$9,801.07**

6.2 Maximum Assessment Rate per Special Benefit Point

The Maximum Assessment Rate per Special Benefit Point is determined by dividing the Total Cost of Improvements to Be Assessed by the sum of the Total Annexation Special Benefit Points noted in Section 4.

The calculation of the Maximum Assessment Rate per Special Benefit Point is shown below:

Description	Amount
Balance to Be Assessed	$9,801.07
Total Annexation Special Benefit Points	19.626
Maximum Assessment Rate per Special Benefit Point[(1)]	**$499.39**

(1) Beginning July 1, 2027, the maximum assessment per Special Benefit Point will be increased by the change in the February to February Consumer Price Index for all Urban Consumers, for the Los Angeles-Long Beach-Anaheim, CA region compared year over year not to exceed 3% annually.

The Maximum Assessment Rate per Special Benefit Point is multiplied by each parcel's Total Special Benefit Points to determine a maximum assessment amount per parcel.

6.3 Annual Maximum Assessment Rate Increases

Each parcel's actual assessment is determined by multiplying the assessment rate by the parcels total specific benefit points. If the total Annexation special benefit points change in future years, the allowable annual Maximum Assessment Rate will not be recalculated. The allowable annual Maximum Assessment Rate per special benefit point, plus the annual cost of living inflator, will remain fixed. The actual annual assessment rate will be calculated by dividing the fiscal year's net cost estimate to be assessed by the fiscal year's total special benefit points, not to exceed the allowable annual Maximum Assessment Rate for that fiscal year. The Maximum Assessment Rate per special benefit point is escalated each year on July 1 by the annual change in the February-to-February Consumer Price Index for all Urban Consumers, for the Los Angeles-Long Beach-Anaheim CA region not to exceed 3% annually, beginning July 1, 2027.

In any given year, the assessments may be levied at any rate sufficient to meet the estimated budget, as long as the actual assessment rate does not exceed the Maximum Assessment Rate for that fiscal year.

6.4 Future Changes to Parcel Characteristics

Future changes to parcel characteristics will cause changes in the total assessment revenue. The assessment revenue for any given year will be the product of the Annexation's parcel characteristics and the budget in effect for such fiscal year.

6.5 Data for Annual Assessment Calculations

Each year, as part of the assessment calculation procedures, the City or its designated consultant shall determine the land use type for each parcel based on the County Assessor's use code or other supplementary information made available and deemed reliable. The parcel characteristics of lot size shall similarly be based on the County Assessor's secured rolled data for the applicable year and may be supplemented with other reliable data sources.

Assessment amounts may change over time in accordance with changes to parcel characteristics including land use type and lot size.

6.6 Appeals

If any property owner believes the data used to calculate the assessment is inaccurate for any reason, the property owner shall submit, in writing, a request for review to the City. The property owner shall provide documentation needed to support the request for review. The City or its designated consultant shall review the request and provide a response to the property owner. The property owner must be current in the payment of all assessments when filing the request for review and must remain current during the review process. The property owner should continue to pay any regular property taxes due according to the County's due dates.

If the review conducted by the City or its designated consultant results in changes to any parcel characteristics used to compute the assessment, the City or its designated consultant shall recalculate the assessment. When recalculating the assessment, the assessment rates actually applied in such fiscal year shall be used. Only the assessment for the parcel or parcels subject to review shall be recalculated.

If the recalculated assessment is less than the amount submitted to the County on the secured property tax roll, the difference shall be credited back to the property owner. This credit shall be limited to the current fiscal year and the prior fiscal year, if applicable. The "fiscal year" shall follow the County's fiscal year for property taxes, from July 1 to June 30. The applicable fiscal year shall be determined by the date the request for review is submitted to the City.

> *For example, if a request for review is submitted to the City during Fiscal Year 2027/28, the Fiscal Year 2026/27 and 2027/28 assessments will be reviewed. The property owner credit shall be limited to any difference calculated for Fiscal Year 2027/28 (the current fiscal year) and Fiscal Year 2026/27 (the prior fiscal year).*

The credit may be provided in the form of a check to the property owner, an adjustment to the current year's property tax roll (if possible), or a credit to the succeeding year's assessment thereby reducing the amount placed on the secured property tax roll for such year.

If the recalculated assessment is greater than the amount submitted to the County on the secured property tax roll, the City or its designated consultant shall apply the recalculated assessment to the succeeding year's property tax roll and no adjustments shall be made to the prior or current fiscal years' assessments.

In any dispute over parcel characteristic data used to compute assessments, the City shall make a conclusive determination and its decision shall be final.

6.7 Method of Collection

The assessments will be collected annually on the County's secured property tax roll. The assessments will be subject to the County's assigned due dates and late penalties. However, the City may choose to collect the assessments in an alternate manner (including directly billing the property owner) as may be deemed appropriate or necessary by the City.

7. ENGINEER'S STATEMENT

The City of Palmdale Streetlight Maintenance Assessment District No. 1, Annexation 2026-204 assessments described in this Report have been prepared pursuant to Article XIII D of the California Constitution, the Proposition 218 Omnibus Implementation Act (Division 2 of the California Government Code §53739 et seq.), and the Landscaping and Lighting Act of 1972 (Division 15 of the California Streets and Highways Code §22500 et seq.) collectively, the "Assessment Law".

1. I have identified the parcels that will have a special benefit conferred upon it by the Improvements described in Section 2 of this Report (the "Specially Benefited Parcels").
    a. For particulars as to the identification of the parcels, reference is made to the Assessment Diagram, a copy of which is included in Section 8 of this Report.
2. I have assessed the estimated costs and expenses of the Improvements upon the Specially Benefited Parcel. In making such assessment:
    a. The proportionate special benefit derived from the Improvements by the Specially Benefited Parcels was determined in relationship to the entirety of the cost of the Improvements;
    b. No assessment has been imposed on any Specially Benefited Parcel which exceeds the reasonable cost of the proportional special benefit conferred on such parcel by the Improvements; and
    c. The general benefits have been separated from the special benefits and only special benefits have been assessed.

I, the undersigned, respectfully submit this Annexation Report and, to the best of my knowledge, information and belief, this Report, the assessments, and the Assessment Diagram herein have been prepared and computed in accordance with the Assessment Law.

By: John G Egan

John G. Egan
Assessment Engineer
R.C.E. 14853

9/29/2026



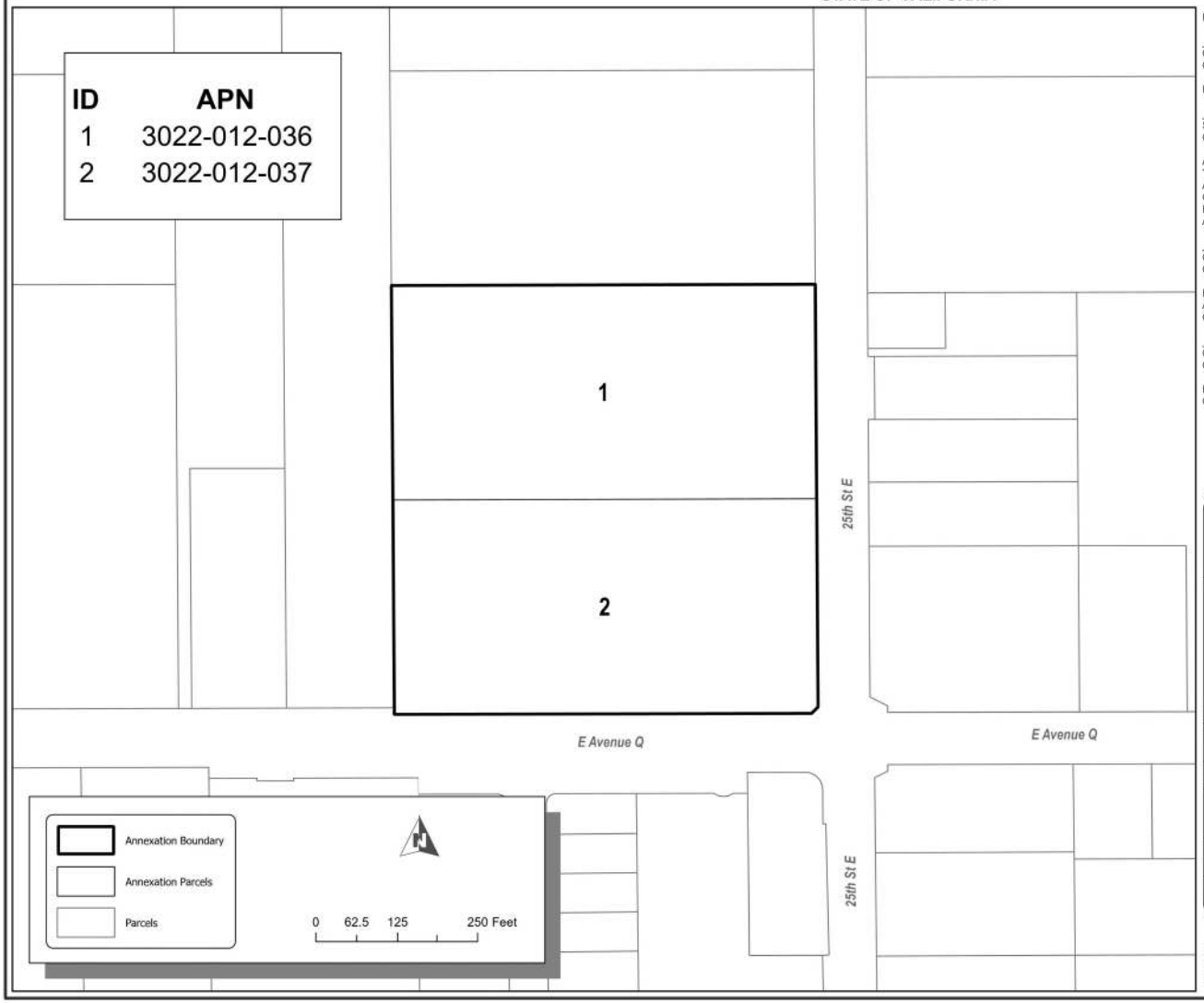
8. ASSESSMENT DIAGRAM

The following pages contains the assessment diagram for the Annexation.

ASSESSMENT DIAGRAM
STREETLIGHT MAINTENANCE ASSESSMENT DISTRICT NO. 1, ANNEXATION 2026-204

CITY OF PALMDALE
COUNTY OF LOS ANGELES
STATE OF CALIFORNIA

ID	APN
1	3022-012-036
2	3022-012-037



FILED IN THE OFFICE OF THE CITY CLERK, THIS ____ DAY OF _____, 202_.

_____
CITY CLERK
CITY OF PALMDALE

RECORDED IN THE OFFICE OF THE SUPERINTENDENT OF STREETS THIS ____ DAY OF _____, 202_.

_____
SUPERINTENDENT OF STREETS
CITY OF PALMDALE

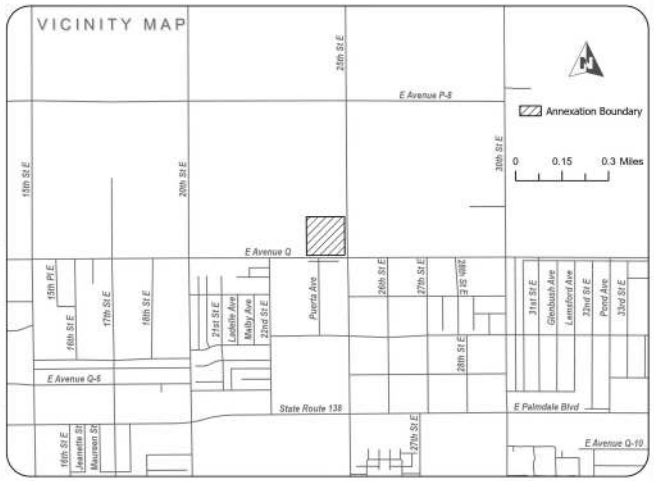
AN ASSESSMENT WAS LEVIED BY THE CITY COUNCIL ON THE LOTS, PIECES, AND PARCELS OF LAND SHOWN ON THIS ASSESSMENT DIAGRAM. THE ASSESSMENT WAS LEVIED ON THE ____ DAY OF _____, 202_. THE ASSESSMENT DIAGRAM AND THE ASSESSMENT ROLL WERE RECORDED IN THE OFFICE OF THE SUPERINTENDENT OF STREETS OF THE CITY ON THE ____ DAY OF _____, 202_. REFERENCE IS MADE TO THE ASSESSMENT ROLL RECORDED IN THE OFFICE OF THE SUPERINTENDENT OF STREETS FOR THE EXACT AMOUNT OF EACH ASSESSMENT LEVIED AGAINST EACH PARCEL OF LAND SHOWN ON THIS ASSESSMENT DIAGRAM.

_____
CITY CLERK
CITY OF PALMDALE

FILED THIS ____ DAY OF _____, 202_, AT THE HOUR OF _____ O'CLOCK _.M. IN BOOK ____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE ___, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA.

_____
COUNTY RECORDER
COUNTY OF LOS ANGELES

FOR PARTICULARS OF THE LINES AND DIMENSIONS OF ASSESSOR PARCELS, REFERENCE IS MADE TO THE MAPS OF THE ASSESSOR, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA.



Source: Los Angeles County GIS
Geographic Coordinate Reference: GCS North American 1983
Projection: NAD 1983 StatePlane California V FIPS 0405 Feet

NBS

9. ASSESSMENT ROLL

City of Palmdale
Streetlight Maintenance Assessment District No. 1, Annexation 2026-204
Fiscal Year 2026/27 Proposed Maximum Assessment

ID	Assessor's Parcel Number	Fiscal Year 2026/27 Proposed Maximum Assessment
1	3022-012-036	$4,900.04
2	3022-012-037	$4,901.03
	TOTAL	**$9,801.07**

10. REFERENCES

[i] *Golden Hill Neighborhood Assn. v. City of San Diego* CA4/1, D062203 (Cal. Ct. App. 2013)

[ii] *Beutz v. County of Riverside*, 109 Cal. Rptr. 3d 851 (Cal. Ct. App. 2010)

[iii] *Bonander v. Town of Tiburon,* 147 Cal. App. 4th 1116 (Cal. Ct. App. 2007)

[iv] *Manteca Unified School District v. Reclamation District No. 17 et al*, C077906 (Cal. Ct. App. 2017)

[v] U.S Department of Transportation. Federal Highway Administration. (2001). Designing Sidewalks and Trails for Access, Part II of II: Best Practices Design Guide. Retrieved from http://www.fhwa. dot. gov/ environment/bicycle_pedestrian/publications/sidewalk2/

[vi] Pucher, J., Buehler R., Meron, F., and Bauman, A. American Journals of Public Health, Supplement 1, Vol 101, No S1 (2011). Walking and Cycling in the United States, 2001-2009: Evidence from the National Household Travel Surveys. Retrieved from http://www.ncbi.nlm.nih.gov/pubmed/21551387

ASSESSMENT DIAGRAM
STREETLIGHT MAINTENANCE ASSESSMENT DISTRICT NO. 1, ANNEXATION 2026-204

CITY OF PALMDALE
COUNTY OF LOS ANGELES
STATE OF CALIFORNIA



FILED IN THE OFFICE OF THE CITY CLERK, THIS ____ DAY OF _____, 202_.

_____
CITY CLERK
CITY OF PALMDALE

RECORDED IN THE OFFICE OF THE SUPERINTENDENT OF STREETS THIS ____ DAY OF _____, 202_.

_____
SUPERINTENDENT OF STREETS
CITY OF PALMDALE

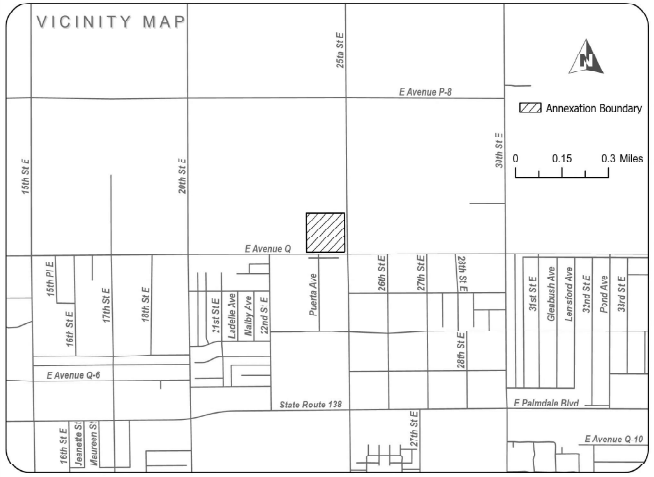
AN ASSESSMENT WAS LEVIED BY THE CITY COUNCIL ON THE LOTS, PIECES, AND PARCELS OF LAND SHOWN ON THIS ASSESSMENT DIAGRAM. THE ASSESSMENT WAS LEVIED ON THE ____ DAY OF _____, 202_; THE ASSESSMENT DIAGRAM AND THE ASSESSMENT ROLL WERE RECORDED IN THE OFFICE OF THE SUPERINTENDENT OF STREETS OF THE CITY ON THE ____ DAY OF _____, 202_. REFERENCE IS MADE TO THE ASSESSMENT ROLL RECORDED IN THE OFFICE OF THE SUPERINTENDENT OF STREETS FOR THE EXACT AMOUNT OF EACH ASSESSMENT LEVIED AGAINST EACH PARCEL OF LAND SHOWN ON THIS ASSESSMENT DIAGRAM.

_____
CITY CLERK
CITY OF PALMDALE

FILED THIS ____ DAY OF _____, 202_, AT THE HOUR OF ____ O'CLOCK .M. IN BOOK ____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE ___, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA.

_____
COUNTY RECORDER
COUNTY OF LOS ANGELES

FOR PARTICULARS OF THE LINES AND DIMENSIONS OF ASSESSOR PARCELS, REFERENCE IS MADE TO THE MAPS OF THE ASSESSOR, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA.



Source: Los Angeles County GIS
Geographic Coordinate Reference: GCS North American 1983
Projection: NAD 1983 StatePlane California V FIPS 0405 Feet

NBS

City Council Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **PUBLIC WORKS DEPARTMENT**
MAINTENANCE DIVISION

DISTRICT: **1**

SUBJECT: **AUTHORIZE THE PURCHASE OF FURNISHINGS IN AN AMOUNT NOT TO EXCEED $660,000, USING A COOPERATIVE AGREEMENT PURSUANT TO PALMDALE MUNICIPAL CODE (PMC) § 3.08.140(D) FOR THE CHIMBOLE CENTER PROJECT**

RECOMMENDATION

Staff recommend that the City Council:

1. Authorize the City Manager or designee to purchase furnishings in an amount not to exceed $660,000, using a cooperative agreement pursuant to the PMC § 3.08.140(D) for the Chimbole Center Project; and

2. Authorize the City Manager or designee to approve the requisition and resulting purchase order, including minimal and/or non-substantial changes.

BACKGROUND

Phase I of the Chimbole Center/Library Renovation Project (PN 878) includes owner-furnished, contractor-installed furnishings. The City is responsible for purchasing the designated furnishings, while the general contractor and applicable subcontractors are responsible for coordinating transfer to the project site, assembly, and installation as required by the contract documents.

DISCUSSION

The purchase of furniture, fixtures, and equipment (FF&E) is necessary to support the operation and public use of the renovated Chimbole Cultural Center. The proposed purchase includes furnishings for the first and second floors, including administrative offices, reservation rooms, library activity rooms, study rooms, staff breakrooms, gathering spaces, outdoor areas, children’s reading rooms, and ballroom facilities.

The proposed furnishings include office workstations, task chairs, storage cabinets, conference and activity tables, nesting chairs, banquet tables and chairs, outdoor furniture, children's furniture, bookcases, lounge seating, furniture transportation carts, and a demountable stage, and will support community programs, public meetings, special events, educational activities, and private reservations. Stackable chairs, nesting and folding tables, and transportation carts will allow staff to efficiently reconfigure spaces to accommodate varying operational and event requirements.

Pursuant to PMC § 3.08.140(D), staff proposes to utilize a cooperative agreement offering the most advantageous pricing to the City while meeting the project requirements and funding timelines.

FISCAL IMPACT

$660,000; Sufficient funds are budgeted and available in Fiscal Year 2026-27 for this purchase.

STRATEGIC PLAN

Goal III. Invest in infrastructure to improve community livability.

A. Seek innovative, cost effective, customer focused methods of service delivery.

Prepared by:	Leonardo Torres, P.E., Director of Public Works
Certified as to availability of Funds:	Janelle Samson, Deputy City Manager
Approved by:	Salvador Mendez, City Manager
Approved as to form:	Taylor Anderson, Deputy City Attorney

ATTACHMENTS

Exh A Furnishings List

CHIMBOLE CENTER | ITEMIZED FURNITURE

Floor	Room / Area	Item Description (or Approved Equivalent)	Quantity
First	CHILDREN'S READING ROOM	ERG - Mia Round Ottoman; 18"Round x 17H; No Legs, No Handle, No Casters	2
First	CHILDREN'S READING ROOM	ERG - Connos 45 Degree Arc Unit; Composed of (2) Units, Ganged; Fully Upholstered	2
First	CHILDREN'S READING ROOM	Haworth - Jive Table; 24x60, Nesting; Laminate Top; Metal Base	1
First	CHILDREN'S READING ROOM	KI - Strive Nesting Chair; Poly Shell; With Canteliver Arms; Silver metal leg; Carpet Casters	4
First	CHILDREN'S READING ROOM	Freshcoast - Quince Square Table; 36" Diameter x 20"H; Laminate Top; Wood Base	1
First	CHILDREN'S READING ROOM	Freshcoast - Quince Chairs; 12" Seat Height; Wood Frame and Base	4
First	CHILDREN'S READING ROOM	Carolina - Voyage Lounge Chair; Fully Upholstered; Wood Legs	2
First	CHILDREN'S READING ROOM	OFS - Carolina X&O Coffee Table - 24" round; 24" Round x 20"H, Tapered Cylinder; Laminate Base; Laminate Top	1
First	CHILDREN'S READING ROOM	McMurray Stern- Children's Bookcase; Laminate end Panels and metal shelving; 60”H x36”W x 12”D	9
First	CONCOURSE	SitOnIt - Focus 2.0 Chair; Mid-Back, Mesh; Frame: Fog; Base: Black; Arms: Height Adjustable; Mechanism: Enhanced; Carpet Casters	3
First	CONCOURSE	Haworth - X-Series Mobile Ped; 18"D, Metal; Box-box file; No Cushion Top; Lockable	2
First	CONCOURSE	Loftwall - Framewall; 52"W x 78"H; Base with Casters	6
First	FUTURE PROGRAMING	Haworth - Jive Table; 24x60, Nesting; Laminate Top; Metal Base	1
First	FUTURE PROGRAMING	KI - Strive Nesting Chair; Poly Shell; With Canteliver Arms; Silver metal leg; Carpet Casters	4
First	FUTURE PROGRAMING	Freshcoast - Quince Square Table; 36" Diameter x 20"H; Laminate Top; Wood Base	1
First	FUTURE PROGRAMING	Freshcoast - Quince Chairs; 12" Seat Height; Wood Frame and Base	4
First	FUTURE PROGRAMING	McMurray Stern- Children's Bookcase; Laminate end Panels and metal shelving; 60”H x36”W x 12”D	4
First	GATHERING ROOM 101	MityLite - ABS Round Folding Table; 72" Round x 30"H	9
First	GATHERING ROOM 101	Mitylite - Encore Banquet Chair	90
First	GATHERING ROOM 101	MityLite Circular Table Edge Cart; Holds (5) 72" Round tables	2
First	GATHERING ROOM 101	MityLite - 4-Wheel Comfort Seating Cart; Holds (10) Chairs	9
First	LIBRARY ACTIVITY ROOM 114	Haworth - Jive Table; 24x60, Nesting; Laminate Top; Metal Base	12
First	LIBRARY ACTIVITY ROOM 114	KI - Strive Nesting Chair; Poly Shell; With Canteliver Arms; Silver metal leg; Hard Casters	24
First	LIBRARY ACTIVITY ROOM 114	Haworth - X Series Storage Cabinet; 5H x 36"W; Metal, Locking with Adjustable Shelves	7
First	OUTDOOR AREA	Akula - SoHo Bistro Dining Table; 36" Round x 30"H; Color: Lava	10
First	OUTDOOR AREA	Akula - Metris Dining Chair; Armless; Color: Lava	40
First	OUTDOOR AREA 112	Akula - SoHo Bistro Dining Table; 36" Round x 30"H; Color: Lava	3

CHIMBOLE CENTER | ITEMIZED FURNITURE

Floor	Room / Area	Item Description (or Approved Equivalent)	Quantity
First	OUTDOOR AREA 112	Akula - Metris Dining Chair; Armless; Color: Lava	12
First	RESERVATION ROOM 109	Haworth - Jive Table; 24x60, Nesting; Laminate Top; Metal Base	12
First	RESERVATION ROOM 109	KI - Strive Nesting Chair; Poly Shell; With Canteliver Arms; Silver metal leg; Hard Casters	24
First	RESERVATION ROOM 110	Haworth - Jive Table; 24x60, Nesting; Laminate Top; Metal Base	12
First	RESERVATION ROOM 110	KI - Strive Nesting Chair; Poly Shell; With Canteliver Arms; Silver metal leg; Hard Casters	24
First	STAFF 131	SitOnIt - Focus 2.0 Chair; Mid-Back, Mesh; Frame: Fog; Base: Black; Arms: Height Adjustable; Mechanism: Enhanced; Carpet Casters	2
First	STAFF 131	Haworth - Build out Desk Configuration	2
First	STAFF 132	SitOnIt - Focus 2.0 Chair; Mid-Back, Mesh; Frame: Fog; Base: Black; Arms: Height Adjustable; Mechanism: Enhanced; Carpet Casters	1
First	STAFF 132	Haworth - Build out Desk Configuration	1
First	STAFF 132	Haworth - Maari Guest Chair; Poly Shell; Upholstered Seat; Armless; Wood Base	2
First	STAFF BREAKROOM 115	Haworth - Jive Table; 36" Round x 30"H; Laminate Top; Metal Disc Base	2
First	STAFF BREAKROOM 115	SitOnIt - Baja Chair; 4-leg, stackable; Sled base; Color: Charcoal/Black	8
First	STUDY ROOM 120	Nevins - Geo Table; 60" Round x 30"H; No Power; Laminate Top and Base	1
First	STUDY ROOM 120	KI - Strive Nesting Chair; Poly Shell; With Canteliver Arms; Silver metal leg; Carpet Casters	6
First	STUDY ROOM 121	Nevins - Geo Table; 60" Round x 30"H; No Power; Laminate Top and Base	1
First	STUDY ROOM 121	KI - Strive Nesting Chair; Poly Shell; With Canteliver Arms; Silver metal leg; Carpet Casters	6
First	STUDY ROOM 122	Nevins - Geo Table; 60" Round x 30"H; No Power; Laminate Top and Base	1
First	STUDY ROOM 122	KI - Strive Nesting Chair; Poly Shell; With Canteliver Arms; Silver metal leg; Carpet Casters	6
First	STUDY ROOM 123	Nevins - Geo Table; 60" Round x 30"H; No Power; Laminate Top and Base	1
First	STUDY ROOM 123	KI - Strive Nesting Chair; Poly Shell; With Canteliver Arms; Silver metal leg; Carpet Casters	6
Second	BALLROOM LOBBY	SitOnIt - Cameo Three Seat Bench; 81"L; Vinyl; Base: Chrome	4
Second	BALLROOMS 201, 202 & 203	MityLite - ABS Rectangle Folding Table - 72" Round; 72" Round x 30"H	18
Second	BALLROOMS 201, 202 & 203	MityLite - Encore - Banquet Chair; Grade 1 frame/Fabric: TBD	350
Second	BALLROOMS 201, 202 & 203	MityLite Circular Table Edge Cart; Holds (5) 72" Round tables	4
Second	BALLROOMS 201, 202 & 203	MityLite - 4-Wheel Comfort Seating Cart; Holds (10) Chairs	35
Second	BALLROOMS 201, 202 & 203	MityLite - ABS Rectangle Folding Table - 72" x 30"; Rectangle	11
Second	BALLROOMS 201, 202 & 203	MityLite - ABS Rectangle Folding Table - 96" x 30"; Rectangle	14

CHIMBOLE CENTER | ITEMIZED FURNITURE

Floor	Room / Area	Item Description (or Approved Equivalent)	Quantity
Second	BALLROOMS 201, 202 & 203	MityLite RT Cart Edge; Holds (10) 30x72 Rectangle Tables	2
Second	BALLROOMS 201, 202 & 203	MityLite RT Cart Edge; Holds (10) 30x96 Rectangle Tables	2
Second	BALLROOMS 201, 202 & 203	Stage Depot - DEMOUNTABLE STAGE; 12'X8'X8"H; Economy Stage System; 3 Pcs of 4x8 Platforms @ 8"H; Poly	1

City Council Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **DEPARTMENT OF HUMAN RESOURCES**

DISTRICT: **ALL**

SUBJECT: **AUTOMATED EXTERNAL DEFIBRILLATOR (AED) UPDATE**

RECOMMENDATION

Staff recommend that the City Council:

1. Receive and file Automated External Defibrillator (AED) Update.

BACKGROUND

On August 4, 2026, there was discussion regarding the installation of life-saving automated external defibrillators (AED's) at City facilities. Council discussed the importance of having AED's available at City properties and proposed that the City move forward with purchasing and implementing AEDs at City facilities, along with providing training to City staff and Councilmembers on their proper use.

Staff conducted a site-specific evaluation to identify public-facing facilities where AED placement would enhance accessibility and support community safety. This review included all major parks, recreation buildings, and public-facing operational facilities located within the City.

This site-specific evaluation identified:

- Locations that need AEDs for public use.
- Locations that currently have AEDs but require relocation to accessible areas.
- Locations where AEDs are not needed, based on facility use and risk assessment.

DISCUSSION

Based on the City's evaluation of 33 city parks and public facilities, the following needs have been identified.

AEDs Needed:

- 1 location has been identified to need up to four (4) AEDs:
    - Marie Kerr Park/BOTW & Amp*

- 3 locations have been identified to need up to two (2) AEDs:
    - Domenic Massari Park*
    - Pelona Vista Park*
    - Sam Yellen Park & Dog Park*
- 12 locations have been identified to require one (1) AED:
    - Anaverde Park
    - Arnie Quinones Park
    - Desert Sands Park*
    - Foothill Park
    - Joshua Hills Park
    - Manzanita Heights Park
    - Marie Kerr Recreation Center*
    - Palmdale Oasis Park*
    - Palmdale Oasis Recreation Center*
    - SAVES*
    - William J. McAdam Park
    - Development Services* (AEDs for employee use are already in place, but we do require one for public use).

No AEDs Needed:

- 5 locations currently have AEDs, where County requirements already mandate their presence:
    - DryTown Water Park
    - Marie Kerr Pool
    - Melville J. Courson Pool
    - Palmdale Oasis Pool
    - William J. McAdams Pool
- 9 locations have been identified to as not requiring an AED, as these facilities do not provide permanent sports infrastructure or regularly host organized recreational or youth sports activities.
    - Amargosa Creek Trail
    - Tejon Park/Barrel Springs Trail
    - Dr. Robert C. St. Clair Parkway
    - Joe Davies Heritage Airpark
    - Joshua Ranch Trail
    - Legacy Park
    - Melville J. Courson Park
    - Poncitlán Square
    - Rancho Vista Park

Relocation AEDs Needed:

- 3 locations have been identified to have one (1) AED already installed, but will need to be moved to a public area:
    - Legacy Commons
    - Palmdale City Library

- Palmdale Playhouse

Phase Approach
To support implementation planning, AED needs were categorized into two phases:

Phase 1 – High-priority locations, locations with an asterisk*, with significant public activity, sports programming, or larger park acreage. **Total of 16 new AEDs.**

Phase 2 – Lower priority locations where AEDs are not immediately necessary. These include low-traffic trails, small neighborhood parks, and areas identified as low risk based on current use. **Total of 9 AEDs (6 new and relocation of 3).**

Timeline
- November-December 2026:
  - Finalize site tiering for Phase 1 and Phase 2 locations.
- January 2027-February 2027:
  - Select device vendor and AED model for Phase 1 and 2 deployments.
- March 2027-April 2027
  - Install Phase 1 AED units and corresponding signage.
- May 2027–June 2027:
  - Install Phase 2 AED units and corresponding signage.

FISCAL IMPACT

$0; There is no fiscal impact associated with receiving this update.

The City has identified a current need for approximately **25 AED units** at City facilities. Based on vendor pricing, the estimated cost is $157.50 per AED per month, which includes the AED device, wall cabinet, pad cartridge, rescue kit, charging package, and monthly service checks.

The estimated fiscal impact for 25 AED units is:
- **Estimated Monthly Cost:** $3,937.50
- **Estimated Annual Cost:** $47,250

Staff is continuing to assess individual facility requirements. While the standard AED package includes a wall cabinet, some locations may require specialized cabinets or customized mounting solutions based on accessibility requirements or site-specific considerations. Any additional costs associated with these requirements will be identified during final implementation planning and incorporated into the project budget as needed.

STRATEGIC PLAN

Goal II: Ensure long-term fiscal health of the City and maintain funding for services.

C. Involve and expand engagement to enhance public oversight and transparency.

Prepared by:	Tina Lopez, Interim Human Resources Director
Certified as to availability of Funds:	Janelle Samson, Deputy City Manager
Approved by:	Salvador Mendez, City Manager
Approved as to Form:	Taylor Anderson, Deputy City Attorney

City Council Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **CITY ATTORNEY'S OFFICE**

DISTRICT: **ALL**

SUBJECT: **ADOPT CITY ATTORNEY OVERSIGHT POLICY**

RECOMMENDATION

Staff recommend that the City Council:

1. Review and consider the proposed City Attorney Oversight Policy; and,

2. Adopt the proposed policy establishing a consistent framework for City Council oversight, communication, performance evaluation, accountability, and related administrative matters concerning the City Attorney.

BACKGROUND

At its August 4, 2026 meeting, the City Council discussed creating a City Attorney Oversight Policy and directed staff to develop a consistent process for overseeing the City Attorney, including communication, performance evaluations, accountability, and related administrative matters.

The City Attorney is the City's chief legal advisor and provides legal services to the City Council, City Manager, City departments, boards, commissions, and other authorized City entities.

State law gives city councils authority over the appointment of city attorneys. Because Palmdale is a charter city, the City Charter, Municipal Code, state and federal law, and the City Attorney's employment agreement must all be considered when managing the position.

The proposed policy does not give the City Attorney any new legal authority**.** Instead, it explains how the City Council will carry out its existing oversight responsibilities and how the Council and City Attorney will work together regarding legal services, expectations, communication, and accountability.

DISCUSSION

The purpose of the policy is to create a clear and consistent process for City Council oversight of the City Attorney.

The policy is intended to:

- Clearly define the roles of the City Council and City Attorney.
- Provide for regular performance evaluations.
- Set clear communication and reporting expectations.
- Promote accountability, professionalism, and ethical legal services.
- Protect attorney-client privilege and confidential communications.
- Ensure legal advice remains independent, objective, and consistent with the law.

The policy also makes clear that it does not interfere with the City Attorney's professional responsibilities, attorney-client obligations, professional conduct rules, or attorney-client privilege.

The proposed policy addresses:

- Appointment and Council Oversight
- Role and Responsibilities of the City Attorney
- Council-City Attorney Relationship
- Communications with Individual Council Members
- Attorney-Client Privilege and Confidentiality
- Closed Sessions
- Annual Performance Evaluation
- Evaluation Process
- Performance Concerns
- Budget and Administration
- Outside Council
- Litigation Claims and Settlements
- Contracts and Legal Documents
- Ethics and Conflicts of Interest
- Independence of Legal Advice
- Public Transparency
- Council Direction
- Removal and Employment Actions
- Periodic Policy Review

FISCAL IMPACT

$0; There is no fiscal impact associated with this item.

STRATEGIC PLAN

Goal II: Ensure long-term fiscal health of the City and maintain funding for services.

C. Involve and expand engagement to enhance public oversight and transparency.

Prepared by:	Taylor Anderson, Deputy City Attorney
Certified as to availability of Funds:	Janelle Samson, Deputy City Manager
Approved by:	Salvador Mendez, City Manager
Approved as to form:	Taylor Anderson, Deputy City Attorney

ATTACHMENTS

City Attorney Oversight Policy

City Attorney Oversight Policy

PURPOSE

The purpose of this policy is to establish a clear and consistent process for City Council oversight, evaluation, and accountability of the City Attorney.

The City Attorney serves as the chief legal advisor to the City and provides legal services to the City Council, City Manager, City departments, boards, commissions, and other City officials and entities as authorized by law.

This policy is intended to:

- Establish clear roles between the City Council and City Attorney.
- Provide for regular performance evaluation.
- Establish clear communication and reporting expectations.
- Promote accountability, professionalism, and ethical legal services.
- Protect attorney-client privilege and confidential legal communications.
- Ensure that legal advice remains independent, objective, and consistent with applicable law.

Nothing in this policy shall interfere with the City Attorney's professional duties, attorney-client obligations, applicable rules of professional conduct, or attorney-client privilege.

POLICY & PROCEDURES

1. City Attorney Appointment and Council Oversight

The City Attorney shall be appointed by and serve at the pleasure of the City Council, consistent with the Palmdale Municipal Code, City Charter, applicable law, and any employment agreement.

The City Council shall provide overall policy direction and oversight concerning the City Attorney's performance.

The City Attorney shall remain responsible for providing independent and professional legal advice to the City and its authorized officers and entities.

2. Role of the City Attorney

The City Attorney shall provide legal advice and representation concerning City business and shall perform the duties established by the Palmdale Municipal Code, City Charter, Council action, applicable law, and the City Attorney's employment agreement.

The City Attorney's responsibilities may include:

- Advising the City Council.

- Advising the City Manager and City departments.
- Preparing and reviewing ordinances, resolutions, contracts, and other legal documents.
- Representing the City in litigation and administrative proceedings.
- Providing legal advice concerning proposed City actions.
- Advising concerning compliance with applicable federal, state, and local law.
- Advising concerning conflicts of interest, ethics, open-meeting requirements, public records, and other governmental legal matters.
- Providing other legal services authorized by the City Council.

3. Council-City Attorney Relationship

The City Council and City Attorney shall maintain a professional relationship based upon mutual respect, confidentiality, independence, and clear communication.

The City Attorney shall advise the City Council concerning the legal consequences and risks associated with proposed City actions.

Legal advice shall be objective and based upon applicable law rather than political considerations.

Nothing in this policy requires the City Attorney to provide legal advice that the City Attorney believes would violate applicable law or professional obligations.

4. Communication with Councilmembers

Councilmembers may communicate directly with the City Attorney concerning City legal matters.

When a matter involves significant legal, financial, litigation, or policy implications, the City Attorney may recommend that the matter be considered by the full City Council.

Individual Councilmembers shall not use the City Attorney to circumvent Council procedures or obtain legal services for matters unrelated to official City business.

The City Attorney shall establish reasonable procedures for responding to individual Councilmember legal inquiries.

5. Legal Advice and Attorney-Client Privilege

Legal advice provided by the City Attorney may be protected by the attorney-client privilege or attorney work-product doctrine.

The City Attorney shall take reasonable steps to protect confidential legal communications.

Councilmembers, City officers, and employees shall maintain the confidentiality of privileged and confidential communications as required by law.

Nothing in this policy requires the disclosure of privileged legal advice to the public or to individual Councilmembers when disclosure is legally prohibited or inconsistent with the attorney-client relationship.

6. Closed Session

The City Attorney shall advise the City Council regarding matters that may appropriately be considered in closed session.

The City Attorney shall ensure that closed-session matters are conducted in accordance with applicable law.

The City Attorney shall advise the Council regarding the legal requirements for closed-session discussions, including litigation, personnel, real property, labor negotiations, and other matters when authorized by law.

7. Annual Performance Evaluation

The City Council shall conduct a formal performance evaluation of the City Attorney at least annually, unless otherwise provided by the City Attorney's employment agreement.

The evaluation shall consider:

- Quality and effectiveness of legal services.
- Responsiveness to the City Council.
- Responsiveness to the City Manager and City departments.
- Legal research and analysis.
- Litigation management.
- Contract and ordinance review.
- Compliance and risk management.
- Communication.
- Professionalism and ethics.
- Management of the City Attorney's Office.
- Overall performance.

The evaluation shall be conducted by the City Council as a whole.

8. Evaluation Process

The evaluation process should generally include:

1. Review of established goals and expectations.

2. Review of the City Attorney's accomplishments and performance.
3. Input from individual Councilmembers.
4. Collective Council discussion.
5. A formal evaluation discussion with the City Attorney.
6. Identification of goals for the following year.

The Council may use an independent facilitator or consultant to assist with the evaluation.

The evaluation shall not be used to interfere with the City Attorney's independent professional judgment.

9. Performance Concerns

If the City Council identifies performance concerns, the Council should communicate those concerns directly to the City Attorney.

When appropriate, the Council may establish a performance improvement plan identifying:

- The performance concern.
- The applicable expectation.
- Corrective action.
- Performance objectives.
- A reasonable timeframe for improvement.

The City Attorney shall be given an opportunity to respond.

Nothing in this section limits the Council's authority to take action when authorized by law, the employment agreement, or other applicable authority.

10. Budget and Administration

The City Attorney shall prepare or oversee preparation of the City Attorney's Office budget and provide information necessary for the City Council to evaluate legal-service needs.

The City Attorney shall administer the approved budget in accordance with City policies and applicable law.

The City Council shall approve the budget for the City Attorney's Office through the City's normal budget process.

11. Outside Counsel

The City Attorney shall manage the City's use of outside legal counsel, subject to the City's procurement requirements, budget, Council direction, and applicable law.

The City Attorney may recommend the retention of specialized outside counsel when the matter requires expertise, creates a conflict, involves specialized litigation, or otherwise warrants outside representation.

The City Attorney shall keep the City Council appropriately informed regarding significant outside-counsel engagements, subject to attorney-client privilege and other confidentiality requirements.

12. Litigation and Claims

The City Attorney shall oversee litigation involving the City and shall advise the City Council concerning significant litigation risks, potential exposure, and recommended legal strategies.

The City Attorney shall coordinate with the City Manager, Risk Management, insurers, and outside counsel as appropriate.

Information concerning pending litigation shall be provided consistent with attorney-client privilege, attorney work product, applicable law, and the need to protect the City's legal position.

13. Settlements

The City Attorney shall advise the City Council and City Manager concerning settlement of claims, disputes, and litigation.

Settlement authority shall be exercised in accordance with the Palmdale Municipal Code, City Council resolutions, applicable policies, and applicable law.

The City Attorney shall advise the appropriate decision-maker regarding the legal risks, potential costs, and recommended resolution of significant claims and litigation.

14. Contracts and Legal Documents

The City Attorney shall provide legal review of City contracts, agreements, ordinances, resolutions, and other legal documents when required by law, City policy, or Council direction.

Legal review shall focus on:

- Legal compliance.
- Risk allocation.
- Indemnification.

- Insurance.
- Liability.
- Contract terms and enforceability.
- Applicable statutory requirements.

Legal approval shall not replace the administrative, financial, procurement, or policy approval required from the appropriate City official or body.

15. Ethics and Conflicts of Interest

The City Attorney shall advise City officials and employees concerning applicable ethics and conflict-of-interest requirements.

The City Attorney shall identify potential legal conflicts and advise the affected officials regarding appropriate procedures.

When the City Attorney's Office has a conflict that prevents it from providing independent advice, the City Attorney shall recommend appropriate alternative counsel or other lawful procedures.

16. Independence of Legal Advice

The City Attorney's legal advice shall be based upon applicable law and the City Attorney's professional judgment.

The City Council may disagree with legal advice and may direct the City Attorney to take a different lawful position when appropriate.

Nothing in this policy authorizes the City Council or an individual Councilmember to require the City Attorney to provide advice that would violate the law or applicable professional obligations.

17. Public Transparency

The City shall provide public information concerning the City Attorney's Office to the extent required by law.

Nothing in this policy requires disclosure of:

- Attorney-client privileged communications.
- Attorney work product.
- Confidential litigation strategy.
- Confidential settlement information.
- Confidential personnel matters.
- Other information protected from disclosure by law.

18. Council Direction

The City Council shall provide direction to the City Attorney through formal Council action when Council action is required.

Individual Councilmembers may communicate with the City Attorney concerning official City business but shall not represent that an individual Councilmember's legal request constitutes direction from the City Council as a whole.

The City Attorney shall distinguish between a Councilmember's individual inquiry and formal Council direction.

19. Removal of City Attorney

The City Attorney serves at the pleasure of the City Council, subject to the Palmdale Municipal Code, City Charter, applicable law, and any employment agreement.

Any removal or other employment action shall comply with applicable notice, voting, contractual, and legal requirements.

20. Policy Review

The City Council shall periodically review this policy to ensure consistency with:

- The Palmdale Municipal Code.
- The City Charter.
- Applicable state and federal law.
- Rules of professional conduct.
- The City Attorney's employment agreement.
- City policies and procedures.

If this policy conflicts with applicable law, professional obligations, the City Charter, Municipal Code, or a controlling employment agreement, the controlling authority shall govern.

City Council Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **CITY MANAGER'S OFFICE**

DISTRICT: **ALL**

SUBJECT: **ADOPT RESOLUTION NO. CC 2026-056, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE ADOPTING A POLICY ESTABLISHING PROCEDURES FOR COMMUNITY MEETINGS**

RECOMMENDATION

Staff recommend that the City Council:

1. Review and consider the proposed policy establishing procedures for community meetings; and,

2. Adopt Resolution No. CC 2026-056, a Resolution of the City Council of the City of Palmdale adopting a policy establishing procedures for community meetings.

BACKGROUND

At the July 7, 2026, meeting, the City Council discussed Town Hall meetings and directed staff to prepare a draft resolution outlining meeting protocols and a policy framework.

DISCUSSION

The proposed Policy establishes a clear and consistent process for conducting City Community Meetings while providing meaningful opportunities for public participation and responsible use of City resources.

Key provisions include:

- Community Meetings
- Getting the Word Out
- How Meetings Work
- Community Participation
- Respect and Safety
- Accessibility

- City Resources
- Legal Requirements

Overall, the policy is intended to promote public participation, transparency, and open communication while maintaining an orderly, respectful, and safe meeting environment.

FISCAL IMPACT

$0; There is no fiscal impact associated with this item.

STRATEGIC PLAN

Goal II: Ensure long-term fiscal health of the City and maintain funding for services.

C. Involve and expand engagement to enhance public oversight and transparency.

Prepared by:	Salvador Mendez, City Manager
Certified as to availability of Funds:	Janelle Samson, Deputy City Manager
Approved by:	Salvador Mendez, City Manager
Approved as to form:	Taylor Anderson, Deputy City Attorney

ATTACHMENTS

Reso. No. CC 2026-056
Exh. 1 Reso. No. CC 2026-056 Community Meetings

CITY COUNCIL
CITY OF PALMDALE, CALIFORNIA
RESOLUTION NO. CC 2026-056

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE ADOPTING A POLICY ESTABLISHING PROCEDURES FOR COMMUNITY MEETINGS

WHEREAS, the City Council of the City of Palmdale recognizes the importance of providing meaningful opportunities for residents and community stakeholders to communicate directly with elected officials regarding matters of community interest; and

WHEREAS*,* Community Meetings provide an accessible forum for residents and community stakeholders to receive information regarding City programs, projects, services, and initiatives, and to ask questions and provide comments to members of the City Council

WHEREAS, the City Council desires to establish a consistent, transparent, and orderly process for Community Meetings, including meetings sponsored, organized, or conducted at the request of the City Council or individual Councilmembers, and meetings organized or hosted by members of the public, community groups, or other non-City entities at which Councilmembers, City staff, or City contractors attend or participate at the public's request; and

WHEREAS, the City is committed to promoting transparency, public access to information, meaningful public participation, and equal and consistent treatment of meeting participants; and

WHEREAS, Community Meetings are informal forums for community engagement and, except as otherwise required by law, are not meetings required to be noticed under the Ralph M. Brown Act (Cal. Gov. Code § 54950 et seq.); and

WHEREAS, the activity is not a "Project" as defined under Section 15378 of the California Environmental Quality Act (CEQA) State Guidelines; therefore, pursuant to State CEQA Guidelines Section 15060(c)(3), no environmental review is required; and

WHEREAS, the proposed City Council policy establishing procedures for Community Meetings is attached hereto as Exhibit 1.

NOW THEREFORE, BE IT RESOLVED, THE CITY COUNCIL OF THE CITY OF PALMDALE DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

SECTION 1. The City Council of the City of Palmdale, hereby adopts the City Council policy entitled "Community Meetings Policy and Procedure", attached hereto as

Exhibit 1 and incorporated herein by reference, with such minor modifications as may be required or approved by the City Attorney.

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SECTION 2. The City Clerk shall certify the adoption of this resolution.

PASSED, APPROVED and **ADOPTED** this 1st day of December, 2026.

_____
Eric Ohlsen, Mayor

APPROVED AS TO FORM:

_____
Aleks R. Giragosian
City Attorney

ATTEST:

_____
Rochelle Scott
City Clerk

I, Rochelle Scott, City Clerk of the City of Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the 1st day of December, 2026, by the following roll call vote:

AYES: _____

NOES:_____

ABSTAIN:_____ABSENT:_____

Date: _____ _____
Rochelle Scott, City Clerk

Exhibit 1
Resolution No. CC 2026-056
Community Meetings Policy and Procedure

PURPOSE

Community Meetings give residents a chance to connect with the City, ask questions, share concerns, and learn about City programs, projects, and services.

These meetings are designed to be an easy and welcoming way for residents to talk with Councilmembers, City staff, public safety personnel, and other City representatives.

Community Meetings can include town halls, neighborhood meetings, Neighborhood Watch meetings, public safety meetings, and other community events. Community meetings are not meetings required to be noticed under Ralph M. Brown Act (Cal. Gov. Code § 54950 et seq.)

POLICY & PROCEDURES

This policy applies to Community Meetings: (i) sponsored, organized, or conducted at the request of City Council or individual Council members or (iii) organized or hosted by members of the public, community groups, or other non-City entities at which Councilmembers, City staff, or City contractors attend or participate at the public's request.

1. COMMUNITY MEETINGS

   The City may hold Community Meetings throughout the year, based on what is happening in the community and what residents want to discuss.

   Meetings may be held citywide, in a neighborhood or district, or around a specific issue or topic.

   The City may work with neighborhood groups, businesses, schools, nonprofits, law enforcement, fire personnel, and other community partners.

2. GETTING THE WORD OUT

   The City will make reasonable efforts to inform residents of upcoming Community Meetings.

   Information may be shared through the City website, social media, flyers, newsletters, neighborhood outreach, community groups, local media, and other channels to reach residents.

   Meeting information should generally include the date, time, location, and topic.

3. HOW MEETINGS WORK

   Community Meeting, depending on the meeting and in the City's discretion, may

include:

- A short presentation or City update.
- Questions and answers.
- Community comments and concerns.
- Information from City departments or public safety representatives.
- Opportunities to talk with City staff and community partners.

The format can be flexible depending on the type of meeting and what the community needs.

4. COMMUNITY PARTICIPATION

Residents are encouraged to ask questions, share concerns, and provide feedback.

Depending on the meeting format, the meeting leader may set reasonable guidelines or time limits to ensure everyone has a chance to participate and the meeting stays on track.

5. RESPECT AND SAFETY

Everyone is expected to treat others with respect and help keep the meeting safe.

Threats, violence, harassment, property damage, or behavior that seriously disrupts the meetings are not allowed.

If someone is creating a safety issue or seriously preventing the meeting from continuing, the meeting leader may take reasonable steps to address the situation and/or adjourn the meeting.

6. ACCESSIBILITY

The City will make reasonable efforts to ensure Community Meetings are accessible to everyone and to provide reasonable accommodations when needed.

7. CITY RESOURCES

The City may use appropriate staff, facilities, equipment, and funds to support Community Meetings when they advance a City purpose and comply with applicable City policies and laws.

Requests for City resources, equipment, personnel, or other assistance in connection with community meetings must be submitted at least fourteen (14) calendar days prior

to the scheduled meeting date, unless otherwise approved by the City. Requests should be reasonable and provide sufficient detail on the resources needed to allow the City adequate time to review, coordinate, and arrange for them. Requests submitted after this deadline may not be accommodated.

8. LEGAL REQUIREMENTS

Community Meetings will follow applicable laws and City policies, including, but not limited to the Ralph M. Brown Act (Cal. Gov. Code § 54950 et seq.). When a meeting is subject to formal public meeting, public records, accessibility, or other legal requirements, those requirements will be followed.

City Council Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **CITY MANAGER'S OFFICE**
CITY CLERK DIVISION

DISTRICT: **ALL**

SUBJECT: **ADOPT RESOLUTION NO. CC 2026-061, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE ADOPTING AN AMENDED CONFLICT OF INTEREST CODE CONTAINING REVISED DESIGNATED POSITIONS AND DISCLOSURE CATEGORIES, AND REPEALING ALL PRIOR RESOLUTIONS**

RECOMMENDATION

Staff recommend that the City Council:

1. Adopt Resolution No. CC 2026-061, a Resolution of the City Council of the City of Palmdale adopting an amended Conflict of Interest Code containing revised designated positions and disclosure categories and repealing all prior resolutions.

BACKGROUND

The Political Reform Act of 1974 (*California Government Code* Section 81000, et seq.), requires the City of Palmdale to adopt a conflict-of-interest code. The Fair Political Practices Commission (FPPC) has adopted a resolution (2 California Code of Resolutions Section 18730) that contains the terms of a standard conflict-of-interest code, which can be incorporated by reference in an agency's code.

In 2025, the City of Palmdale adopted its conflict-of-interest code through Resolution No. CC 2025-008, incorporating the terms of 2 California Code of Regulations Section 18730 by reference along with an appendix setting out which employees, members, and consultants are designated to which disclosure categories.

DISCUSSION

In accordance with *California Government Code* Section 87306.5, the City Attorney has reviewed the current conflict-of-interest code and determined that it is outdated and requires amendments. The proposed amendments to the list of designated positions

attached to the Resolution include additions, deletions, and renaming positions to align with the City's current job classification and duties.

The proposed Resolution addresses these necessary changes and would repeal and replace the current conflict-of-interest code, adopted by Resolution No. CC 2025-008, in its entirety.

FISCAL IMPACT

$0; There is no fiscal impact associated with this action.

STRATEGIC PLAN

Goal II: Ensure long-term fiscal health of the City and maintain funding for services.

C. Involve and expand engagement to enhance public oversight and transparency.

Prepared by:	Rochelle Scott, City Clerk
Certified as to availability of Funds:	Janelle Samson, Deputy City Manager
Approved by:	Salvador Mendez, City Manager
Approved as to form:	Taylor Anderson, Deputy City Attorney

ATTACHMENTS

Reso. No. CC 2026-061

CITY COUNCIL
CITY OF PALMDALE, CALIFORNIA
RESOLUTION NO. CC 2026-061

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE, CALIFORNIA, ADOPTING AN AMENDED CONFLICT OF INTEREST CODE CONTAINING REVISED DESIGNATED POSITIONS AND DISCLOSURE CATEGORIES, REPEALING ALL PRIOR RESOLUTIONS, AND DESIGNATING POSITIONS REQUIRED TO COMPLETE ETHICS TRAINING AND FISCAL & FINANCIAL TRAINING PURSUANT TO NEW LEGISLATION

I. INTENT OF THE CITY COUNCIL

1. The Political Reform Act, Government Code Section 81000 *et seq.,* requires the City to adopt and promulgate a Conflict-of-Interest Code; and

2. The Fair Political Practices Commission ("FPPC") has adopted a standard model Conflict of Interest Code. The standard model code is codified at 2 California Code of Regulations Section 18730 and can be incorporated by reference by the City as the City's Conflict of Interest Code; and

3. Pursuant to Government Code Section 82019, a designated employee in the City's Conflict of Interest Code may be any City of Palmdale officer, employee, committee member or consultant designated in the Code because the position entails the making or participation in the making of decisions which may foreseeably have a material effect on any financial interest; and

4. The term "designated employee" does not include public officials specified in Government Code Section 87200, such as, City Councilmembers, Planning Commissioners, City Manager, City Attorney, City Treasurer, and other public officials who manage public investments, who instead file Statements of Economic Interests (Form 700) pursuant to Government Code Section 87200 et seq. and not under the City's Conflict of Interest Code; and

5. The City Council has previously amended the City's Conflict of Interest Code in 2025, updating designated positions and disclosure categories for certain departments of the City; and

6. There have been personnel changes that require revisions to the Designated Positions list; and

7. The City Council has determined the attached Appendices A and B accurately set forth the updated positions that should be designated and the disclosure categories for each listed City department; and

8. Effective January 1, 2026, pursuant to Government Code Sections 53235 and 53235.1, the requirement to complete a two-hour biennial ethics training was expanded to include department heads, and similar administrative or managerial officers across local agencies; and

9. Effective January 1, 2026, Government Code Section 53238 through 53238.4

created an additional two-hour biennial fiscal and financial training requirement for individuals including elected officials, appointed officers, and designated employees who make decisions about or recommendations pertaining to public finances; and

10. All legal preconditions to the adoption of this resolution have occurred as required by law.

II. RESOLUTION

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Palmdale as follows:

SECTION 1. Recitals. Part I of this Resolution, Intent of the City Council hereby incorporated by reference if fully set forth herein.

SECTION 2. Incorporation of State Regulations by Reference. With the additions noted below, the terms of Title 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission is hereby incorporated by reference and together with Appendix A, which sets forth the designated positions and disclosure categories for each City department, and Appendix B, which sets forth the designated types of consultants and disclosure categories, are hereby incorporated by reference and shall constitute the Conflict of Interest Code for the City of Palmdale.

SECTION 3. Designated Positions with Reporting Requirements. Members of boards and commissions appointed by the City Council and persons holding designated positions listed in Appendix A shall file statements of economic interest pursuant to this adopted Conflict of Interest Code and shall complete the ethics training required by Government Code Section 53235. The City Council hereby directs the City Clerk and City Attorney to coordinate the preparation of a revised Conflict of Interest Code in the future in succeeding even-numbered years in accordance with the requirements of Government Code Sections 87306 and 87306.5, as amended from time to time. The revised Code should reflect any changes in department or employee designations. If no revisions to the Code are required, the City Clerk shall submit a report no later than October 1st of the same year, stating that amendments to the Code are not required.

SECTION 4. All other resolutions of the City Council adopting or amending the City's Conflict of Interest Code, are hereby repealed in their entirety and replaced by this Resolution.

SECTION 5. The City Clerk shall certify the adoption of this Resolution and shall cause a certified Resolution to be filed in the book of original resolutions.

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PASSED, APPROVED, AND ADOPTED this 1st day of December 2026.

Eric Ohlsen, Mayor

APPROVED AS TO FORM:

Aleks Giragosian
City Attorney

ATTEST:

Rochelle Scott
City Clerk

I, Rochelle Scott, City Clerk of the City of Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the 1st day of December 2026 by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____ ABSENT: _____

Date: _____

Rochelle Scott, City Clerk

APPENDIX A

CITY COUNCIL AND COMMISSION MEMBERS ARE REQUIRED TO FILE DISCLOSURES PURSUANT TO CALIFORNIA GOVERNMENT CODE 87200

CITY ATTORNEY

Designated Position	Disclosure Categories
City Attorney*	5
Assistant City Attorney*	1,2,3,4
Deputy City Attorney*	1,2,3,4

*Contract Public Officers

CITY ATTORNEY DEPARTMENT
DISCLOSURE CATEGORIES

1. Reportable interests in real property in the jurisdiction. (FPPC Form 700, Schedule B).

2. Reportable income and business positions. (FPPC Form 700, Schedules C and D).

3. Reportable investments. (FPPC Form 700, Schedules A-1 and A-2).

4. Reportable gifts and travel gifts. (FPPC Form 700, Schedules E and F).

5. No disclosure is required by this Conflict of Interest Code. Disclosure is required by Government Code Section 87200.

APPENDIX A

CITY MANAGER, ET AL.

Designated Position	**Disclosure Categories**
City Manager	5
Assistant City Manager	1,2,3,4
Deputy City Manager	1,2,3,4
Analyst I/II/Sr	1,2,3,4
Coordinator I/II/Sr	1,2,3,4
Communications	
Manager I/II/Sr/Public Information Officer	1,6,7,8
Analyst I/II/Sr	1,6,7,8
Human Resources	
Director	1,9,10,11
Manager I/II/Sr	1,9,10,11
Analyst I/II/Sr	1,9,10,11
Specialist I/II/Sr	1,9,10,11
Safety Officer	1,9,10,11
City Council	
City Council Liaison	1,12,13,14

City Clerk

City Clerk	1,12,13,14
Manager I/II/Sr	1,12,13,14
Advisory Redistricting Commission Member	1,2,3,4

Finance

Director	5
City Treasurer	5
Manager I/II/Sr	5
Deputy City Treasurer/Deputy Director	1,21,22,23,24,25,26
Analyst I/II/Sr	1,21,22,23,24,25,26
Buyer I/II/Sr	1,21,22,23,24,25,26
Buyer	1,21,22,23,24,25,26
Audit Committee Member	1,2,3,4
Measure AV Oversight Committee Member	1,2,3,4

IT

Manager I/II/Sr	1,2,3,4
Analyst I/II/Sr	1,30,31,32
Specialist I/II/Sr	1,30,31,32
Technician I/II/Sr	1,30,31,32

CITY MANAGER, ET AL.

DISCLOSURE CATEGORIES

1. Reportable interests in real property in the jurisdiction. (FPPC Form 700, Schedule B).
2. Reportable income and business positions. (FPPC Form 700, Schedules C and D).
3. Reportable investments. (FPPC Form 700, Schedules A-1 and A-2).
4. Reportable gifts and travel gifts. (FPPC Form 700, Schedules E and F).
5. No disclosure is required by this Conflict of Interest Code. Disclosure is required by Government Code Section 87200.
6. Reportable income from any persons or business entities that provide, plan to provide, or that have provided within two years from the time a statement is required under this Conflict of Interest Code, services, supplies, materials or equipment of the type utilized by the Communications Department.
7. Reportable investments in any business entities that provide, plan to provide or have provided within two years from the time a statement is required under this Conflict of Interest Code, services, supplies, materials or equipment of the type utilized by the Communications Department.
8. Reportable business positions in any business entities that provide, plan to provide, or that have provided within two years from the time a statement is required under this Conflict of Interest Code, services, supplies, materials or equipment of the type utilized by the Communications Department.
9. Reportable income from any persons or business entities that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services or supplies to the City under the direction of the Human Resources Department.
10. Reportable investments in any business entities that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services or supplies to the City under the direction of the Human Resources Department.
11. Reportable business positions in any business entities that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services or supplies to the City under the direction of the Human Resources Department.
12. Reportable income from persons or business entities that provide, plan to provide, or that have provided within two years from the time a statement is required under this Conflict of Interest Code, services, supplies, materials or equipment of the type utilized by the City Clerk's Office.
13. Reportable investments in business entities that provide, plan to provide or have provided within two years from the time a statement is required under this Conflict of Interest Code, services, supplies, materials or equipment of the type utilized by the City Clerk's Office.

14. Reportable business positions in business entities that provide, plan to provide, or that have provided within two years from the time a statement is required under this Conflict of Interest Code, services, supplies, materials or equipment of the type utilized by the City Clerk's Office.

15. Reportable income from any persons or business entities that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services or supplies to the City under the direction of the Business License Coordinator.

16. Reportable investments in business entities that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services or supplies to the City under the direction of the Business License Coordinator.

17. Reportable business positions in business entities that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services or supplies to the City under the direction of the Business License Coordinator.

18. Reportable income from any persons or business entities that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services or supplies to the City under the direction of the Community Programs Coordinator.

19. Reportable investments in business entities that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services or supplies to the City under the direction of the Community Programs Coordinator.

20. Reportable business positions in business entities that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services or supplies to the City under the direction of the Community Programs Coordinator.

21. Reportable income from any financial institution in which the City or the Successor Agency to the Community Redevelopment Agency deposits funds, plans to deposit funds, or has deposited funds within two years prior to the time any statement is required under this Conflict of Interest Code.

22. Reportable investments in any financial institution in which the City or the Successor Agency to the Community Redevelopment Agency deposits funds, plans to deposit funds, or has deposited funds within two years prior to the time a statement is required under this Conflict of Interest Code.

23. Reportable business positions in any financial institution in which the City or the Successor Agency to the Community Redevelopment Agency deposits funds, plans to deposit funds or has deposited funds within two years prior to the time a statement is required under this Conflict of Interest Code.

24. Reportable income from any persons or business entities from which the City or the Successor Agency to the Community Redevelopment Agency purchases, plans to

purchase or has purchased within two years prior to the time a statement is required under this Conflict of Interest Code, supplies, materials, or services.

25. Reportable investments in any business entities from which the City or the Successor Agency to the Community Redevelopment Agency purchases, plans to purchase or has purchased within two years prior to the time a statement is required under this Conflict of Interest Code, supplies, materials, or services.

26. Reportable business positions in any business entities from which the City or the Successor Agency to the Community Redevelopment Agency purchases, plans to purchase or has purchased within two years prior to the time a statement is required under this Conflict of Interest Code, supplies, materials, or services.

27. Reportable income from any persons or business entities that provide, plan to provide, or that have provided within two years from the time a statement is required under this Conflict of Interest Code, services, supplies, materials or equipment of the type utilized by the SAVES program.

28. Reportable investments in any business entities that provide, plan to provide or have provided within two years from the time a statement is required under this Conflict of Interest Code, services, supplies, materials or equipment of the type utilized by the SAVES Program.

29. Reportable business positions in any business entities that provide, plan to provide, or that have provided within two years from the time a statement is required under this Conflict of Interest Code, services, supplies, materials or equipment of the type utilized by the SAVES program.

30. Reportable income from persons or business entities that provide, plan to provide, or that have provided within two years from the time a statement is required under this Conflict of Interest Code, services, supplies, materials or equipment of the type utilized by the Information Technology (IT) Division.

31. Reportable investments in business entities that provide, plan to provide or have provided within two years from the time a statement is required under this Conflict of Interest Code, services, supplies, materials or equipment of the type utilized by the Information Technology IT) Division.

32. Reportable business positions in business entities that provide, plan to provide, or that have provided within two years from the time a statement is required under this Conflict of Interest Code, services, supplies, materials or equipment of the type utilized by the Information Technology (IT) Division.

33. Reportable income from any persons or business entities that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services or supplies to the City under the direction of the Energy Resources Manager.

34. Reportable investments in business entities that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services or supplies to the City under the direction of the Energy Resources Manager.

35. Reportable business positions in business entities that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services or supplies to the City under the direction of the Energy Resources Manager.

APPENDIX A

ECONOMIC & COMMUNITY DEVELOPMENT

Designated Position	**Disclosure Categories**
Director	1,2,3,4
Deputy Director	1,2,3,4
Building & Safety	
Building Official	1,5,6,7
Supervising Inspector	1,8,9,10
Inspector I/II/Sr	1,8,9,10
Supervising Technician	1,11,12,13
Analyst I/II/Sr	1,23,24,25
Supervising Plan Reviewer	1,14,15,16
Economic Development	
Manager I/II/Sr	1,2,3,4
Coordinator I/II/Sr	1,20,21,22
Analyst I/II/Sr	1,2,3,4
Planning	
Manager I/II/Sr	1,2,3,4
Senior Planner	1,17,18,19
Assistant Planner	1,17,18,19
Associate Planner	1,17,18,19

Coordinator I/II/Sr	1,17,18,19

Housing

Manager I/II/Sr	1,5,6,7
Supervising Coordinator	1,5,6,7
Coordinator I/II/Sr	1,5,6,7
Technician I/II/Sr	1,5,6,7
Analyst I/II/Sr	1,5,6,7

ECONOMIC & COMMUNITY DEVELOPMENT

DISCLOSURE CATEGORIES

1. Reportable interests in real property in the jurisdiction. (FPPC Form 700, Schedule B).
2. Reportable income and business positions. (FPPC Form 700, Schedules C and D).
3. Reportable investments. (FPPC Form 700, Schedules A-1 and A-2).
4. Reportable gifts and travel gifts. (FPPC Form 700, Schedules E and F).
5. Reportable income from persons and business entities having an interest in real property in the jurisdiction or that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services within the jurisdiction subject to the inspection, review or approval of the Building and Safety Division.
6. Reportable investments in any business entities having an interest in real property in the jurisdiction or that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services within the jurisdiction subject to the inspection, approval or review of the Building and Safety Division.
7. Reportable business positions in any business entities having an interest in real property in the jurisdiction or that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services within the jurisdiction subject to the inspection, review or approval of the Building and Safety Division.
8. Reportable income from persons and business entities having an interest in real property in the jurisdiction or that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services within the jurisdiction subject to the inspection, review or approval of the Building Inspector.
9. Reportable investments in any business entities having an interest in real property in the jurisdiction or that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services within the jurisdiction subject to the inspection, approval or review of the Building Inspector.
10. Reportable business positions in any business entities having an interest in real property in the jurisdiction or that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services within the jurisdiction subject to the inspection, review or approval of the Building Inspector.
11. Reportable income from persons and business entities having an interest in real property in the jurisdiction or that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services within the jurisdiction subject to the inspection, review or approval of the Technician.
12. Reportable investments in any business entities having an interest in real property in the jurisdiction or that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services within the jurisdiction subject to the inspection, approval or review of the Technician.

13. Reportable business positions in any business entities having an interest in real property in the jurisdiction or that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services within the jurisdiction subject to the inspection, review or approval of the Technician.

14. Reportable income from persons and business entities having an interest in real property in the jurisdiction or that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services within the jurisdiction subject to the inspection, review or approval of the Plan Reviewer.

15. Reportable investments in any business entities having an interest in real property in the jurisdiction or that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services within the jurisdiction subject to the inspection, approval or review of the Plan Reviewer.

16. Reportable business positions in any business entities having an interest in real properly in the jurisdiction or that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services within the jurisdiction subject to the inspection, review or approval of the Plan Reviewer.

17. Reportable income from persons and business entities having an interest in real property in the jurisdiction or that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services subject to the review or approval of the Planning Division.

18. Reportable investments in any business entities having an interest in real property in the jurisdiction or that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services subject to the approval or review of the Planning Division.

19. Reportable business positions in any business entities having an interest in real property in the jurisdiction or that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services subject to the approval or review of the Planning Division.

20. Reportable income from persons and business entities having an interest in real property in the jurisdiction or that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services within the jurisdiction subject to the inspection, review or approval of the Economic Development Division.

21. Reportable investments in any business entities having an interest in real property in the jurisdiction or that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services within the jurisdiction subject to the inspection, approval or review of the Economic Development Division.

22. Reportable business positions in any business entities having an interest in real property in the jurisdiction or that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services within the jurisdiction subject to the inspection, review or approval of the Economic Development Division.

23. Reportable income from persons and business entities having an interest in real property in the jurisdiction or that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services within the jurisdiction subject to the inspection, review or approval of the Building and Safety Division.

24. Reportable investments in any business entities having an interest in real property in the jurisdiction or that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services within the jurisdiction subject to the inspection, approval or review of the Building and Safety Division.

25. Reportable business positions in any business entities having an interest in real property in the jurisdiction or that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services within the jurisdiction subject to the inspection, review or approval of the Building and Safety Division.

26. No disclosure is required by this Conflict of Interest Code. Disclosure is required by Government Code Section 87200.

APPENDIX A

PUBLIC SAFETY

Designated Position	Disclosure Categories
Director	1,8,9,10
Deputy Director	1,8,9,10
Manager I/II/Sr	1,8,9,10
Coordinator I/II/Sr	1,8,9,10
Supervising Coordinator	1,8,9,10
Specialist I/II/Sr	1,8,9,10
Community Service Officer	1,8,9,10
Code Enforcement Officer I/II/Sr.	1,8,9,10
Neighborhood Compliance Officer (FT,PT)	1,8,9,10

PUBLIC SAFETY

DISCLOSURE CATEGORIES

1. Reportable interests in real property in the jurisdiction. (FPPC Form 700, Schedule B).
2. Reportable income and business positions. (FPPC Form 700, Schedules C and D).
3. Reportable investments. (FPPC Form 700, Schedules A-1 and A-2).
4. Reportable gifts and travel gifts. (FPPC Form 700, Schedules E and F).
5. Reportable income from persons and business entities involved in the construction or renovation of housing, that have an interest in real property in the jurisdiction or that provide, plan to provide, or have provided within two years prior to the time a statement is required under this conflict of interest code, supplies or services subject to the review or approval of the City of Palmdale.
6. Reportable investments in any business entities involved in the construction or renovation of housing, that have an interest in real property in the jurisdiction or that provide, plan to provide, or have provided within two years prior to the time a statement is required under this conflict of interest code, supplies or services subject to the approval or review of the City of Palmdale.
7. Reportable business positions in any business entities involved in the construction or renovation of housing, that have an interest in real property in the jurisdiction or that provide, plan to provide, or have provided within two years prior to the time a statement is required under this conflict of interest code, supplies or services subject to the approval or review of the City of Palmdale.
8. Reportable income from persons and business entities having an interest in real property in the jurisdiction or that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services within the jurisdiction subject to the inspection, review or approval of the Neighborhood Services Department.
9. Reportable investments in any business entities having an interest in real property in the jurisdiction or that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services within the jurisdiction subject to the inspection, approval or review of the Neighborhood Services Department.
10. Reportable business positions in any business entities having an interest in real property in the jurisdiction or that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services within the jurisdiction subject to the inspection, review or approval of the Neighborhood Services Department.
11. Reportable income from persons and business entities having an interest in real property in the jurisdiction or that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services or supplies to the City under the direction of the Emergency Services Administrator.
12. Reportable investments in any business entities having an interest in real property in the jurisdiction or that provide, plan to provide, or have provided within two years prior to the

time a statement is required under this Conflict of Interest Code, services or supplies to the City under the direction of the Emergency Services Administrator.

13. Reportable business positions in any business entities having an interest in real property in the jurisdiction or that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services or supplies to the City under the direction of the Emergency Services Administrator.

APPENDIX A

PUBLIC WORKS

Designated Position	**Disclosure Categories**
Director of Public Works	1,2,3,4
Deputy Director of Public Works	1,2,3,4
Manager I/II/Sr	1,5,6,7
Analyst I/II/Sr.	1,2,3,4
Project Manager	1,5,6,7
Capital Improvements	
Manager I/II/Sr	1,5,6,7
Senior Civil Engineer	1,5,6,7
Project Manager	1,5,6,7
Engineering/Environmental	
City Engineer	1,8,9,10
Senior Civil Engineer	1,8,9,10
Manager I/II/Sr.	1,5,6,7
Manager	1,5,6,7
Supervising Public Inspector	1,8,9,10
Inspector I/II/Sr	1,8,9,10
Associate Engineer	1,8,9,10
Assistant Engineer	1,8,9,10
Traffic Engineer	1,8,9,10
Technician I/II/Sr	1,8,9,10
Specialist I/II/Sr	1,8,9,10

Analyst I/II/Sr	1,8,9,10
Maintenance*	
Superintendent	1,5,6,7
Technician I/II/Sr	1,11,12,13
Inspector I/II/Sr	1,8,9,10
Manager I/II/Sr	1,5,6,7
Analyst I/II/Sr	1,5,6,7
Senior Maintenance Specialist	1,5,6,7

*use job function more than titles in the event of uncertainty

PUBLIC WORKS

DISCLOSURE CATEGORIES

1. Reportable interests in real property in the jurisdiction. (FPPC Form 700, Schedule B).

2. Reportable income and business positions. (FPPC Form 700, Schedules C and
3. Reportable investments. (FPPC Form 700, Schedules A-1 and A-2).
4. Reportable gifts and travel gifts. (FPPC Form 700, Schedules E and F).
5. Reportable income from persons or business entities that provide, plan to provide, or that have provided within two years from the time a statement is required under this Conflict of Interest Code, services, supplies, materials or equipment of the type utilized by the Public Works Department.
6. Reportable investments in business entities that provide, plan to provide or have provided within two years from the time a statement is required under this Conflict of Interest Code, services, supplies, materials or equipment of the type utilized by the Public Works Department.
7. Reportable business positions in business entities that provide, plan to provide, or that have provided within two years from the time a statement is required under this Conflict of Interest Code, services, supplies, materials or equipment of the type utilized by the Public Works Department.
8. Reportable income from persons and business entities having an interest in real property in the jurisdiction or that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services within the jurisdiction subject to the inspection, review or approval of the Public Works Department.
9. Reportable investments in any business entities having an interest in real properly in the jurisdiction or that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services within the jurisdiction subject to the inspection, approval or review of the Public Works Department.
10. Reportable business positions in any business entities having an interest in real property in the jurisdiction or that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services within the jurisdiction subject to the inspection, review or approval of the Public Works Department.
11. Reportable income from persons and business entities having an interest in real property in the jurisdiction or that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services within the jurisdiction subject to the inspection, review or approval of the Technician.
12. Reportable investments in any business entities having an interest in real property in the jurisdiction or that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services within the jurisdiction subject to the inspection, approval or review of the Technician.
13. Reportable business positions in any business entities having an interest in real property in the jurisdiction or that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code,

services within the jurisdiction subject to the inspection, review or approval of the Technician.

APPENDIX A

PARKS & RECREATION

Designated Position*	Disclosure Categories

Director	1,2,3,4
Deputy Director	1,2,3,4
Manager, I/II/Sr	1,2,3,4
Supervisor I/II/Sr	1,2,3,4
Supervising Coordinator	1,2,3,4
Coordinator I/II/Sr	1,2,3,4
Specialist I/II/Sr	1,2,3,4
Analyst I/I/Sr	1,2,3,4
Public Art Commissioner	1,2,3,4
Emergency Services Administrator	1,2,3,4

*Includes Recreation, Community Programs, Events and Culture and Parks and Facilities

PARKS & RECREATION

DISCLOSURE CATEGORIES

1. Reportable interests in real property in the jurisdiction. (FPPC Form 700, Schedule 8).

2. Reportable income from any persons or business entities that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services or supplies to the City under the direction of Parks & Recreation.
3. Reportable investments in business entities that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services or supplies to the City under the direction of Parks & Recreation.
4. Reportable business positions in business entities that provide, plan to provide, or have provided within two years prior to the time a statement is required under this Conflict of Interest Code, services or supplies to the City under the direction of Parks & Recreation.
5. Reportable income from persons or business entities that provide, plan to provide, or that have provided within two years from the time a statement is required under this Conflict of Interest Code, services, supplies, materials or equipment of the type utilized by the water park.
6. Reportable investments in business entities that provide, plan to provide or have provided within two years from the time a statement is required under this Conflict of Interest Code, services, supplies, materials or equipment of the type utilized by the water park.
7. Reportable business positions in business entities that provide, plan to provide, or that have provided within two years from the time a statement is required under this Conflict of Interest Code, services, supplies, materials or equipment of the type utilized by the water park.

APPENDIX B

CONSULTANTS

(G)

Designated Position	**Disclosure Categories**
Consultant Serving in a Staff Capacity	1
Consultant Not Serving in a Staff Capacity	2

CONSULTANTS

DISCLOSURE CATEGORIES

1. For consultants who serve in a staff capacity with the City, the consultant shall disclose based on the disclosure categories assigned elsewhere in this code of that staff position.

2. For consultants who do not serve in a staff capacity for the City, the following disclosure categories shall be used:

   Persons required to disclose in this category shall disclose pursuant to categories A, B, C and D below unless the City Manager determines in writing that a particular consultant is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in categories A, B, C and D. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The City Manager's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.

   A. Reportable interests in real property in the jurisdiction. (FPPC Form 700, Schedule B.)

   B. Reportable income and business positions. (FPPC Form 700, Schedules C and D).

   C. Reportable investments. (FPPC Form 700, Schedules A-1 and A-2.)

   D. Reportable gifts and travel gifts. (FPPC Form 700, Schedules E and F)

MINUTES
CITY COUNCIL
CITY HALL COUNCIL CHAMBER
38300 SIERRA HIGHWAY, SUITE B
PALMDALE, CALIFORNIA
OCTOBER 20, 2026
5:00 PM

1) CALL MEETING TO ORDER

Mayor Pro Tem Bishop called the meeting to order 5:05 pm.

Note: All City Council memberships are reflected in their City Council titles.

2) ROLL CALL MAYOR OHLSEN, MAYOR PRO TEM BISHOP, COUNCILMEMBERS LOA, BETTENCOURT, ALARCÓN

PRESENT: Austin Bishop, Richard J. Loa, Laura Bettencourt.
ABSENT: Eric Ohlsen, Andrea Alarcón.

3) PLEDGE OF ALLEGIANCE

Councilmember Bettencourt led the Pledge of Allegiance, followed by a moment of silence.

Mayor Pro Tem Bishop requested that the City Council move to go into Closed Session.

Councilmember Loa raised questions regarding proceeding into Closed Session at that time. He also inquired whether an exception could be granted to allow Councilmember Alarcón to participate remotely, and discussed the possibility of continuing Item 4.1. City Attorney Giragosian discussed his recommendation for switching the order of the items, clarified the Brown Act requirements for remote participation, including the applicable noticing requirements for the meeting. He further explained that one of the Closed Session items needed to be addressed due to a deadline.

Motion: Continue item 4.1 to the next meeting of the City Council.
Moved by Richard J. Loa, seconded by Laura Bettencourt.

Vote: Motion carried (3-0)
Yes: Austin Bishop, Richard J. Loa, Laura Bettencourt.
Absent: Eric Ohlsen, Andrea Alarcón.

4) NEW BUSINESS

4.1) Approve Agreement with Colantuono, Highsmith & Whatley, PC, for legal services, including the appointment of Aleks R. Giragosian as City Attorney.

5) CLOSED SESSION

5.1) Public Employee Appointment (Gov. Code 54957)Title: City Attorney

5.2) Public Employment (Gov. Code 54957)Title: City Attorney

5.3) Conference with Legal Counsel; Existing Litigation (Gov. Code 54956.9(d)) (1))The City Council finds, based on advice from legal counsel, that discussion in open session will prejudice the position of the local agency in the litigation. Case Name: Ronda Perez v. City of Malibu et al.Case No.: 26STCV26814

The following individuals provided public comments: Councilmember Alarcón discussed the continuation of item 4.1 and her inability to participate in the meeting remotely. A motion was made and seconded to extend time for Councilmember Alarcón to make public comments, Council approved unanimously.

Mayor Pro Tem Bishop asked for clarification on why this meeting was scheduled. City Attorney Giragosian clarified that there were two items that needed to be discussed, one was statutory and the other was required due to switching law firms.

Councilmember Alarcón further discussed the posting of the agenda and the deadline.

The following individuals provided public comments: Eugene Hernandez commented on suppressing political opinions and rent control, Rich Gallego discussed Item 5.3, Dianne Betts presented the Waste Management Invoice and commented on receiving discounted rates, Walter commented on the Zoom call-in information provided for the meeting, Kevin Shenkman commented on Government Code provisions related to remote participation, Marcos Alvarez discussed conducting City business at the meetings, and Ms. Maldonado commented on the allotted time for public comments.

6) ANNOUNCEMENT BY CITY ATTORNEY

Closed Session was held from 5:37 pm - 6:31 pm.

City Attorney Giragosian announced the following:

4.1) The item was continued to the next meeting.

4.2) No reportable action was taken.

4.3) The City Council voted unanimously to deny the request for Councilmember Alarcón for defense and indemnity.

7) ADJOURN

Mayor Pro Tem Bishop adjourned the meeting at 6:33 pm.

PASSED, APPROVED, and ADOPTED this 1st day of December 2026.

_____

Eric Ohlsen, Mayor

ATTEST:

_____

Rochelle Scott, City Clerk

City Council Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **CITY MANAGER DEPARTMENT**
CITY CLERK DIVISION

DISTRICT: **ALL**

SUBJECT: **NOMINATE AND APPOINT TWO (2) DIRECTORS TO REPRESENT THE CITY OF PALMDALE ON THE PALMDALE AEROSPACE ACADEMY (TPAA) BOARD OF DIRECTORS**

RECOMMENDATION

Staff recommend that the City Council:

1. Nominate and appoint two Directors to represent the City on TPAA's Board:

    - One to complete a term ending July 31, 2028; and,
    - One for a new three-year term ending July 31, 2029.

BACKGROUND

According to TPAA's Bylaws (Article 3, Section 3.3), the City must appoint three Directors to serve on the Board. Section 3.3(b) states that all Directors serve three-year terms ending on July 31 of the third year. Directors remain in office until their term ends and a new Director is appointed, unless they resign or are removed earlier under the Bylaws or California law.

Directors play an important role at the Academy and bring diverse backgrounds and expertise in areas such as curriculum, instruction, assessment, finance, business, special education, law, facilities, and governance. Directors are not paid for their service.

DISCUSSION

This item is presented to the City Council to appoint two (2) directors to represent Palmdale on The Palmdale Aerospace Academy (TPAA) Board of Directors.

One position became vacant following Director Lujan's resignation in November 2025, and Director Taxpulat's position expired in July 2026.

The City advertised and opened recruitment for two (2) director positions in late August 2026, with the recruitment period extended through October 2026. Applicants are required to reside in the City of Palmdale.

Staff received four applications.

DISTRICT 1	DISTRICT 2	DISTRICT 3	DISTRICT 4	DISTRICT 5
Mayor Pro Tem Bishop	Councilmember Loa	Councilmember Bettencourt	Mayor Ohlsen	Councilmember Alarcon
Firat Taxpulat	None	None	Patricia Morales Lupita Jimenez	Abbi Chable

FISCAL IMPACT

$0; There is no fiscal impact associated with this action.

STRATEGIC PLAN

Goal II: Ensure long-term fiscal health of the City and maintain funding for services.

C. Involve and expand engagement to enhance public oversight and transparency.

Prepared by:	Rochelle Scott, City Clerk
Certified as to availability of Funds:	Janelle Samson, Deputy City Manager
Approved by:	Salvador Mendez, City Manager
Approved as to form:	Taylor Anderson, Deputy City Attorney

ATTACHMENTS

Apps TPAA

[redacted]

From: noreply@civicplus.com
Sent: Wednesday, October 28, 2026 8:10 PM
To: City Clerk
Subject: [EXTERNAL] Online Form Submittal: The Palmdale Aerospace Academy Board Member Application

CAUTION: This email originated from outside of the organization.

The Palmdale Aerospace Academy Board Member Application

The Palmdale Aerospace Academy Board Member Application

The Board meets twice a month on the 2nd and 4th Tuesdays of each month, at 5:30 p.m. at the Palmdale Aerospace Academy located at 3300 E. Palmdale Blvd., Palmdale.

Applications are due by the deadline date of Thursday, Oct. 29, 2026, at 6 p.m.
Applicants are encouraged to attach a resume.

Full Name	Abbi Chable
Address	[redacted]
City	Palmdale
State	Ca
Zip Code	93550
Cell Phone	[redacted]
Email	[redacted]
Current Employer	Eastside Union School District
Current Position	Behavior Services Specialist
Experience	
Please list any relevant experience and/or employment	TPAA PTSO Board Member, Business Owner (Learning Tree Proactive Therapies LLC)

Please list prior experience serving as a board member for non-profit organizations	TPAA PTSO Board Member
Please mark your area(s) of expertise and/or the contribution you feel you can make to further the mission of TPAA (Pick at least one)	Special Education
Additional Information	
Why are you interested in servìng as a board member for TPAA?	I'm interested helping make decisions that will continue to improve the students experience on campus social/emotionally, academically, and behaviors supports
What other volunteer commitments do you currently have?	TPAA PTSO
Please share any other information you feel important for consideration of your application to serve as a TPAA board member	I am also a parent of current student and sibling of TPAA Alumni
Resume	[redacted]

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ABBI **CHABLE**

I am a motivated person who has a variety of soft and hard skills. I am able to adapt to any work environment and meet employer specific needs to ensure company and client success.

01/26- Present

BEHAVIOR SERVICES SPECIALIST, EASTSIDE UNION SCHOOL DISTRICT

Under direction of the Deputy Superintendent and Director of Special education conduct the following duties: district program development, management of direct support staff, participate and establish need for supports in IEP, SST, and COST meetings; develop and host trainings for teachers, administrators, and direct support personnel; collaborate with community partners and multidisciplinary teams, provide direct behavior support so students and staff

11/25- Present

CEO-**BOARD CERTIFIED BEHAVIOR ANALYST,** LEARNING TREE PROACTIVE THERAPIES LLC

Conduct functional behavior assessments, write programs to be implemented by self and RBTs, Report writing, new hire and RBT training, parent training and onboarding

07/25- 01/26

BOARD CERTIFIED BEHAVIOR ANALYST, DV THERAPY

Conduct functional behavior assessments, write programs to be implemented by RBTs, manage a group of Mid-level supervisors, BT/RBTs, report writing, new hire and RBT training, parent training and onboarding

01/24- 07/25

SENIOR PROGRAM MANAGER, AUTISM LEARNING PARTNERS

Conduct functional behavior assessments, write programs to be implemented by RBTs, work under the supervision of a BCBA, manage a group of BT/RBTs, report writing, new hire and RBT training, work 1 on 1 with clients, parent training and onboarding

09/23- 12/23

PROGRAM MANAGER, AUTISM SPECTRUM THERAPIES

Conduct functional behavior assessments, write programs to be implemented by RBTs, work under the supervision of a BCBA, manage a group of BT/RBTs, report writing, new hire and RBT training, work 1 on 1 with clients, parent training and onboarding

01/22- 09/23

APPRENTICE 1, QUALITY BEHAVIOR SOLUTIONS

Conduct functional behavior assessments, write programs to be implemented by RBTs, work under the supervision of a BCBA, manage a group of BT/RBTs, report writing, new hire content training, work 1 on 1 with clients, parent training and onboarding.

05/21- 01/22

REGISTERED BEHAVIORAL TECHNICIAN, PROMISE ABA

Work full time implementing ABA programs designed by BCBA with various clients.

ABBI **CHABLE**

SKILLS

Bilingual in Spanish and English
Organized/Flexible
Team Player/Able to take
Lead Quick Learner
Able to Work Under Pressure
Excellent Communicator
Management Experience
SEIS
Central Reach
Measure PM
Catalyst
ARIES
Microsoft Office: Word, PowerPoint, Excel, and Outlook
High Call Volume Office Experience
Type 35-40 WPM
10 Key

EDUCATION

IN PROGRESS
PsyD CLINICAL PSYCHOLOGY
THE CHICAGO SCHOOL OF PROFESSIONAL PSYCHOLOGY

2025
BCBA CERTIFICATION

MARCH 2023
MASTERS DEGREE IN PSYCHOLOGY, CONSENTRATION ABA
THE CHICAGO SCHOOL OF PROFESSIONAL PSYCHOLOGY

MAY 2021
BACHELORS DEGREE IN CRIMINAL JUSTICE, MINOR IN PSYCHOLOGY,
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

JUNE 2016
ASSOCIATES DEGREE IN SOCIOLOGY, COLLEGE OF THE CANYON
ASSOCIATES DEGREE IN CSU BEHAVIORAL SOCIAL SCIENCE,
COLLEGE OF THE CANYON

[redacted]

From: noreply@civicplus.com
Sent: Thursday, September 3, 2026 4:59 PM
To: City Clerk
Subject: [EXTERNAL] Online Form Submittal: The Palmdale Aerospace Academy Board Member Application

CAUTION: This email originated from outside of the organization.

The Palmdale Aerospace Academy Board Member Application

The Palmdale Aerospace Academy Board Member Application

The Board meets twice a month on the 2nd and 4th Tuesdays of each month, at 5:30 p.m. at the Palmdale Aerospace Academy located at 3300 E. Palmdale Blvd., Palmdale.

Applications are due by the deadline date of Thursday, September 17, 2026, at 6:00 p.m. Applicants are encouraged to attach a resume.

Full Name	Lupita Elizabeth Jimenez
Address	[redacted]
City	Palmdale
State	CA
Zip Code	93552
Cell Phone	[redacted]
Email	[redacted]
Current Employer	None
Current Position	None
Experience	
Please list any relevant experience and/or employment	Satellite Coordinator and News Reporter on Chanel 62 KRCA

Please list prior experience serving as a board member for non-profit organizations	None
Please mark your area(s) of expertise and/or the contribution you feel you can make to further the mission of TPAA (Pick at least one)	Special Education
Additional Information	
Why are you interested in servìng as a board member for TPAA?	It's important that they recognize and support students with special needs. I myself have three neurodivergent children.
What other volunteer commitments do you currently have?	None
Please share any other information you feel important for consideration of your application to serve as a TPAA board member	There are many parents who don't know the language and therefore don't know how to demand services for their children with special needs! I commit to informing, educating, and finding resources, to getting the tools, for those parents, and I commit to finding options for their neurodivergent children and to ensuring that their rights are upheld.
Resume	*Field not completed.*

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[redacted]

From: noreply@civicplus.com
Sent: Wednesday, October 14, 2026 7:54 AM
To: City Clerk
Subject: [EXTERNAL] Online Form Submittal: The Palmdale Aerospace Academy Board Member Application

CAUTION: This email originated from outside of the organization.

The Palmdale Aerospace Academy Board Member Application

The Palmdale Aerospace Academy Board Member Application

The Board meets twice a month on the 2nd and 4th Tuesdays of each month, at 5:30 p.m. at the Palmdale Aerospace Academy located at 3300 E. Palmdale Blvd., Palmdale.

Applications are due by the deadline date of Thursday, Oct. 15, 2026, at 6 p.m.
Applicants are encouraged to attach a resume.

Full Name	Patricia Morales
Address	[redacted]
City	PALMDALE
State	CA
Zip Code	93552
Cell Phone	[redacted]
Email	[redacted]
Current Employer	City of Palmdale
Current Position	Supervisor Coordinator - Community Programs
Experience	
Please list any relevant experience and/or employment	I bring more than 30 years of experience in public service, nonprofit leadership, youth development, fundraising, financial management, and community engagement.

	I have worked for the City of Palmdale since 2010, serving as SAVES Coordinator from 2010 to 2021 and currently as Supervising Coordinator of Community Programs. In these roles, I have managed programs and resources, supervised staff and volunteers, developed community partnerships, and created opportunities for residents and youth to become more engaged in their community. My current responsibilities include overseeing youth leadership and civic engagement programs such as the iSERVE Youth Leadership Academy, iLEAD Youth Conference, and the City's volunteer initiatives. Before joining the City, I served as Executive Director of New Horizons School, which supported children experiencing homelessness. I also served as Executive Director of Pajaro Valley Loaves and Fishes and as Development and Communication Director for the American Red Cross. These roles gave me extensive experience in organizational leadership, budgeting, fundraising, grant management, and collaborating with community partners. I believe this combination of experience would allow me to contribute meaningfully to TPAA's governance, financial stewardship, community partnerships, and long-term success.
Please list prior experience serving as a board member for non-profit organizations	I previously served as a board member for AIDS, Medicine and Miracles, a national nonprofit organization dedicated to supporting individuals and families affected by HIV/AIDS. In addition to my board service, I have held executive leadership positions with several nonprofit organizations, including New Horizons School and Pajaro Valley Loaves and Fishes. These experiences gave me a strong understanding of nonprofit operations, financial accountability, fundraising, organizational planning, and the importance of working collaboratively with a board of directors to support an organization's mission.
Please mark your area(s) of expertise and/or the contribution you feel you can make to further the mission of TPAA (Pick at least one)	Business Management, Finance, Governance
Additional Information	

Why are you interested in servìng as a board member for TPAA?	My interest in serving on the TPAA Board is both personal and professional. As the proud parent of two children currently attending TPAA, I deeply appreciate the educational opportunities the Academy provides. I believe TPAA is one of Palmdale's greatest educational assets and deserves to be supported, strengthened, and provided with the resources necessary to help our students succeed. Throughout my career, I have worked to create opportunities for young people and families. I believe education can change the direction of a child's life, and I want to help ensure that TPAA continues to provide an environment where students can learn, grow, and reach their full potential. I also believe that a successful school depends on strong partnerships between its leadership, teachers, staff, and parents. By listening to one another, communicating openly, and working together, we can better understand and support our students' needs. I would welcome the opportunity to contribute my experience, perspective as a parent, and commitment to the Palmdale community to TPAA's continued success.
What other volunteer commitments do you currently have?	I have no other volunteer commitments at this time. In the past, I served as a volunteer board member for a national nonprofit organization. That experience gave me a strong understanding of the time, dedication, and responsibility that come with board service. Over the years, I intentionally chose not to take on additional board positions because I knew my children needed my time and attention, and I did not want to make a commitment I could not fully honor. I have always believed that serving on a board is a responsibility that should be taken seriously. I am now at a point in my life where I have the time and flexibility to make that commitment. I understand the importance of being an active, engaged, and dependable board member, and I am both willing and able to meet the responsibilities and time requirements of serving on the TPAA Board of Directors.
Please share any other information you feel important for consideration of your	I believe one of the most valuable things I can bring to the TPAA Board is a combination of professional experience, community knowledge, and a parent's perspective. Having worked with children, youth, and families throughout my

application to serve as a TPAA board member	career, I understand that students come from different backgrounds and face different challenges. I believe every child deserves to feel supported, valued, and encouraged to succeed, regardless of their circumstances. My years in nonprofit leadership and municipal government have taught me the importance of responsible decision-making, transparency, collaboration, and stewardship of the resources entrusted to an organization. As a Palmdale resident, City employee, and TPAA parent, I am personally invested in the Academy's future. I would approach board service with an open mind, a willingness to ask questions and learn, and a commitment to making decisions that serve the best interests of all students. I would consider it a privilege to give back to a school that is already making a difference in my own children's lives and to help ensure that future generations of Palmdale students have the same opportunities.
Resume	[redacted]

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Patricia Morales
[redacted]
Palmdale, CA 93552
[redacted]

October 14, 2026

Honorable Mayor and Members of the City Council
City of Palmdale
38300 Sierra Highway
Palmdale, CA 93550

Re: Letter of Interest – The Palmdale Aerospace Academy Board of Directors

Dear Mayor and Members of the City Council,

I am writing to express my interest in serving on the Board of Directors of The Palmdale Aerospace Academy (TPAA). This opportunity is especially meaningful to me, not only because of my many years of service to the Palmdale community, but also because I am the proud parent of two children currently attending TPAA.

As a parent, I have a deep appreciation for what TPAA offers to our children. I believe the Academy is one of Palmdale's greatest educational assets and deserves to be nurtured, strengthened, and provided with the resources necessary to help our students succeed. Our young people deserve an education that challenges them, encourages their curiosity, and prepares them for a bright future.

For more than 30 years, my career has focused on serving families, supporting youth, and strengthening communities. Since joining the City of Palmdale in 2010, I have served as SAVES Coordinator and now as Supervising Coordinator of Community Programs. My previous experience as Executive Director of New Horizons School, serving children experiencing homelessness, reinforced my belief that education can change a child's life and that every student deserves the opportunity to succeed. I also bring experience in nonprofit leadership, fundraising, budgeting, and building community partnerships.

I strongly believe that supporting our students begins with building meaningful partnerships between school leadership, teachers, staff, and parents. Each brings an important perspective, and only by listening, communicating openly, and working together can we truly understand and meet the needs of our students. Strong relationships built on trust and mutual respect are essential to creating a school community where every child can thrive.

If appointed, I would bring both my professional experience and my perspective as a TPAA parent to the Board. I would approach this responsibility with an open mind, a willingness to listen and learn, and a genuine commitment to the Academy's continued success.

Palmdale is my home, and I care deeply about the future of our community. I believe investing in our children is one of the most important things we can do, and I would be honored to contribute to that effort through service on the TPAA Board.

Thank you for your time and consideration.

Sincerely,

Patricia Morales

PATRICIA MORALES

Palmdale, California | [redacted]

BOARD OF DIRECTORS CANDIDATE | THE PALMDALE AEROSPACE ACADEMY

PROFESSIONAL PROFILE

Public-sector and nonprofit executive with more than 30 years of experience in organizational leadership, youth and family services, budget oversight, fundraising, community partnerships, and program development. Former executive director of an educational nonprofit serving students experiencing homelessness. Current City of Palmdale leader overseeing community programs that foster youth leadership, civic engagement, and volunteer service. Brings a practical, student-centered perspective to board governance, fiscal stewardship, community engagement, and educational opportunity.

BOARD-RELEVANT EXPERTISE

Governance & Organizational Leadership • Budget & Financial Oversight • Fundraising & Grant Development • Youth Development & Student Support • Strategic Partnerships • Staff & Volunteer Management • Community Outreach • Bilingual & Bicultural Engagement

PROFESSIONAL EXPERIENCE

City of Palmdale — Supervising Coordinator, Community Programs | 2021–Present

- Lead community programs encompassing youth leadership development, civic education, volunteer engagement, and community service initiatives.
- Oversee programs including the iSERVE Youth Leadership Academy, iLEAD Youth Conference, Partners Academy, City Ambassadors, and community-wide service opportunities.
- Coordinate staff, volunteers, City departments, and community organizations to deliver programs and public events; support planning, operations, and responsible use of resources.
- Advance youth leadership through mentorship, service-learning, professional development opportunities, and partnerships that connect young people with civic life.
- Provide operational oversight of SAVES, coordinating community assistance, resource partnerships, and program accountability.

City of Palmdale — SAVES Coordinator | 2010–2021

- Coordinated South Antelope Valley Emergency Services (SAVES), supporting food assistance and essential services for individuals and families.
- Managed day-to-day program operations, community partnerships, volunteer participation, and coordination of resources.
- Worked with regional service organizations and stakeholders to address community needs and strengthen access to assistance.

Pajaro Valley Loaves and Fishes — Executive Director | Watsonville, CA | 2008–2010

- Developed and managed the agency budget; raised approximately $200,000 annually over two years.
- Supervised two employees and more than 65 volunteers; researched, wrote, and managed foundation and corporate grants.
- Collaborated with food pantry networks and community organizations on needs assessments and coordinated strategies; directed media outreach and quarterly newsletters.

New Horizons School — Executive Director | Santa Cruz, CA | 2003–2007

- Led a school-serving nonprofit focused on children experiencing homelessness, including student recruitment, family support, and efforts to promote academic success.
- Created and managed the organizational budget; raised approximately $300,000 annually over four years and developed corporate and foundation relationships.
- Supervised five employees and more than 45 volunteers; served as organizational spokesperson and led grant development, donor communications, and outreach.

EARLIER EXPERIENCE

American Red Cross — Development and Communication Director (2001–2003): Led fundraising, donor outreach, and countywide communications; helped raise more than $900,000 locally in response to September 11. Developed a major-gifts initiative and coordinated public events, media relations, newsletters, and in-kind donations.

Children's Mental Health — Mental Health Client Specialist (1997–2001): Provided bilingual and bicultural child and family services, assessments, referrals, and interagency coordination.

Fénix Services — Youth and Family Senior Counselor (1994–1997): Provided bilingual family support and supervised four counselors.

Pájaro Valley Prevention & Student Assistance, Inc. — Gang Prevention Specialist (1992–1994): Organized after-school and summer programs and supervised six high-school student interns.

EDUCATION & PROFESSIONAL DEVELOPMENT

University of California, Santa Cruz — Studies in Political Science; minor in Philosophy (1989–1994).

Graduate, Multicultural Leadership and Training Institute, Community Foundation for Monterey County (2003). Certified Trainer, American Red Cross International Services and International Humanitarian Law; Cara y Corazón parenting curriculum.

BOARD SERVICE & RECOGNITION

Board Member, AIDS, Medicine and Miracles. • Santa Cruz County Education Hero Award (2006).

From: noreply@civicplus.com
Sent: Thursday, October 29, 2026 11:52 AM
To: City Clerk
Subject: [EXTERNAL] Online Form Submittal: The Palmdale Aerospace Academy Board Member Application

CAUTION: This email originated from outside of the organization.

The Palmdale Aerospace Academy Board Member Application

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Applications are due by the deadline date of Thursday, Oct. 29, 2026, at 6 p.m.
Applicants are encouraged to attach a resume.

Full Name	Firat Taxpulat
Address	[redacted]
City	Palmdale
State	California
Zip Code	93551
Cell Phone	[redacted]
Email	[redacted]
Current Employer	UCLA
Current Position	Graduate Student
Experience	
Please list any relevant experience and/or employment	My experience combines aerospace software engineering, artificial intelligence, robotics research, and STEM education. I currently work part time at Lawrence Livermore National Laboratory, developing electricity demand models for power-

	grid research. Previously, I served as a Senior Software Engineer at Lockheed Martin Skunk Works and an AI Research Engineer at the Lockheed Martin Artificial Intelligence Center. Before joining Lockheed Martin, I developed instrumentation software at Edwards Air Force Base through JT4. I hold an M.S. in Computer Science from Georgia Tech and a B.S. in Applied Mathematics from UCLA, where I am currently pursuing graduate studies in Aerospace Engineering. My research at Georgia Tech focuses on algorithms for robotics and has contributed to a peer-reviewed publication. My educational and community experience includes serving as Lead Computer Vision Mentor for TPAA's FIRST Robotics Competition Team 5012, Gryffingear; supporting the Aerospace Robotics Competition as a leadership committee member, volunteer coordinator, and mentor; and judging SAE Aero Design competitions. I also served as a course facilitator for Stanford's Deep Learning for Computer Vision course, leading office hours and grading assignments. These experiences inform how I can support TPAA's connections among classroom learning, higher education, and technical careers.
Please list prior experience serving as a board member for non-profit organizations	I have served on The Palmdale Aerospace Academy's Board of Directors since July 2025 as a City of Palmdale Council appointee and was recently elected Board Treasurer. This service has given me experience with nonprofit school governance and working with fellow board members to support the Academy's educational mission. As Treasurer, I am committed to careful financial oversight, transparency, and responsible stewardship of school resources.
Please mark your area(s) of expertise and/or the contribution you feel you can make to further the mission of TPAA (Pick at least one)	Curriculum, Instruction and Assessment, Governance
Additional Information	
Why are you interested in servìng as a board member for TPAA?	I grew up in Palmdale and attended Highland High School, so serving TPAA is an opportunity to contribute to the community that shaped me. Although the Antelope Valley is home to major aerospace employers, students need access to mentors and practical experiences to understand how they can become part of that work. I want to help provide opportunities that I would have benefited from growing up.

	My experience mentoring TPAA's Gryffingear robotics team strengthened this commitment. Working directly with students connected my engineering background with their learning and career interests. My subsequent board service has given me another way to support those opportunities across the school. I want to continue supporting strong academics, practical learning experiences, and partnerships with industry and higher education. I would bring the perspective of a local public-school graduate, engineer, researcher, and mentor to decisions that help students prepare for college, technical training, and careers.
What other volunteer commitments do you currently have?	My main current volunteer commitment is serving on TPAA's Board of Directors, where I was recently elected Treasurer. My past service included coordinating volunteers for the Aerospace Robotics Competition, evaluating how clearly SAE Aero Design teams explained and justified their engineering decisions, and helping Gryffingear students troubleshoot problems and refine their work. These experiences strengthened my ability to organize volunteers, provide constructive feedback, and guide students through challenges.
Please share any other information you feel important for consideration of your application to serve as a TPAA board member	As a resident who grew up in Palmdale, I value the role public education and mentorship can play in helping students recognize their opportunities. I am particularly interested in reaching students who have limited access to STEM mentors and helping them see a place for themselves in technical fields. In 2024, I received the Antelope Valley Bridge Award in recognition of my work supporting local STEM education and student career preparation. My commitment to this community extends across my professional work, volunteering, and board service. I would continue bringing that commitment to TPAA by listening to students, families, and staff, preparing carefully for board decisions, and keeping student needs central to my service.
Resume	[redacted]

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Firat Taxpulat

Palmdale, CA 93551

Education

University of California – Los Angeles, Los Angeles, CA — Sep. 2017 – Present
M.S./PhD in Aerospace Engineering; Sep. 2025 - Present — GPA: 3.91
B.S. in Applied Mathematics; Sep. 2017 – Sep. 2021 — GPA: 3.56, Major GPA: 3.85

Georgia Institute of Technology, Atlanta, GA — Aug. 2023 – Aug. 2026
M.S. in Computer Science; Concentration: Machine Learning — GPA: 4.0

Stanford University, Stanford, CA — Jan. 2022 – Dec. 2024
Robotics and Autonomous Systems Non-Degree Option — GPA: 4.007

Research

Research Assistant, Borglab
Advised by Dr. Frank Dellaert at Georgia Tech — Jan. 2025 – Present
- Developing pose estimation algorithms, including FAST-Sync and spectral synchronization.

Research Assistant & Image Processing Lead, Aquabots: Maritime Robotics VIP
Advised by Dr. Michael E. West at Georgia Tech — Jan. 2024 – May 2025
- Incorporated Gaussian filters and unsharp masking to deblur underwater training footage for YOLOv8 model tracking salmon to analyze ecological recovery after Exxon Valdez oil spill.

Team Lead & Co-Founder, NASA RASC-AL Research Competition Team – Project Swarm
Advised by Dr. Jay W. Summet at Georgia Tech — Dec. 2023 – Jan. 2025
- Led development of self-sustaining multi-robot swarm space vehicle focusing on AI-driven asteroid resource extraction, autonomous refueling, and self-repair.

Research Assistant, Design Intelligence Laboratory
Advised by Dr. Ashok K. Goel at Georgia Tech — May 2024 – Dec. 2024
- Built autoscorer assessing quality of answers produced by Jill Watson, an AI teaching assistant.

Research Assistant, Billi Research Lab
Advised by Dr. Fabrizio Billi at UCLA — Mar. 2019 – Jun. 2019
- Created a GUI to control a thermocouple and real-time record and graph its temperatures.

Work Experience

Graduate Student Intern & GEM Fellow, Lawrence Livermore National Laboratory
Strategic Threat Analysis and Response Directorate, Livermore, CA — Jun. 2026 – Present
- Developing a spatiotemporal load modeling framework integrating AutoBEM, ResStock, and ComStock data to quantify hourly energy use and regional peak demand for U.S. counties.

AI Research Engineer, Lockheed Martin Artificial Intelligence Center
Cognitive Mission Manager Division, Palmdale, CA — Jun. 2025 – Apr. 2026
- Built an LLM reasoning benchmark pipeline, including dataset decontamination, sampling experimentation, and modular YAML configurations; researched latest RLVR/RLHF methods.

Course Facilitator, Stanford Engineering Center for Global & Online Education
XCS 231N: Deep Learning for Computer Vision, Stanford, CA — Sep. 2025 – Jan. 2026
- Led office hours, managed Slack and email communications, and graded assignments.

Software Engineer & Senior Software Engineer, Lockheed Martin Aeronautics
Advanced Development Programs / Skunk Works, Palmdale, CA — Mar. 2022 – Jun. 2025
- Engineered safety critical software for an aircraft's flight functions and maneuvering.
- Designed and implemented the aircraft's engine health monitoring system, including oil pressure monitoring, overheat temperature checks, and abnormal engine start detection.

SDE Intern, Programmer I, & Computer Scientist I, JT4
Electrical Instrumentation Team, Edwards Air Force Base, CA — Jun. 2019 – Feb. 2022
- Integrated lighter GPS and data storage system worn by U.S. Air Force paratroopers.
- Implemented telemetry IRIG 106 Chapter 11 Standards into U.S. Air Force Py106 code.

Publications

• **F. Taxpulat**, C. Schmidter, S. Holmes, Y. Luo, D. Rosen, F. Dellaert, "A Spectral Method of Moments for Synchronization over General Matrix Lie Groups" (In-Progress)
• **F. Taxpulat**, A. Teyber, D. Chassin, "Scalable Data-Integration for County-Level Hourly Building Load Profiles", in *IEEE Power & Energy Society General Meeting*, Nov. 2026 (Submitted)
• S. Holmes, Y. Luo, **F. Taxpulat**, D. Rosen, F. Dellaert, "FAST Sync: Fast Group Synchronization for Any Matrix Lie Group" in *IEEE Robotics and Automation Letters*, vol. 11, no. 9, Sep. 2026

Posters

• Andrew Gray, **Firat Taxpulat**, Zhidi Yang, Michael A. Cullinan, Jonathan B. Hopkins, "Scalable Thermoelectric MEMS Actuators for Robotic Programmable Materials with Tunable Stiffness" in *American Society for Precision Engineering Annual Meeting*, Sep. 2026 (Submitted)
• Sofia Castro, Andrew Gray, Suhaas Patil, **Firat Taxpulat**, Zhidi Yang, Michael A. Cullinan, Jonathan B. Hopkins, "Modeling Thermal Interface Effects in SOI MEMS Actuators" in *American Society for Precision Engineering Annual Meeting*, Sep. 2026 (Submitted)
• **F. Taxpulat**, "AutoBEM Data for Load Forecasts" in *National GEM Consortium 50th Annual Board Meeting and Conference*, https://doi.org/10.2172/3684123, Sep. 2026
• **F. Taxpulat**, "Enhancing Fish Detection with Bilateral Filtering, Unsharp Masking, and CLAHE" in *Georgia Tech Career, Research, and Innovation Development Conference*, Feb. 2025
• **F. Taxpulat**, "Aerial Wildfire Detection" in *Stanford University CS231N Poster Session*, Jun. 2024

Presentations

• **F. Taxpulat**, Z. Y. Chong, & H. Yoon, "Maritime Activity Detection from Time Series Data" in *Lockheed Martin Exchange AI Summit,* Oct. 2024
• **F. Taxpulat** & P. Brophy "Integrating First-Year Mentors into a Veteran FRC Team" in *2024 FIRST Mentor Conference @ Google Mountain View,* Aug. 2024

Awards & Honors

GEM Fellowship
The National GEM Consortium, Selected by Lawrence Livermore National Laboratory, May 2026
- Awards graduate studies tuition, annual stipend, and research opportunities with LLNL.

Science, Mathematics, and Research for Transformation (SMART) Scholarship
U.S. Department of War, Mar. 2025
- Provides graduate studies tuition, annual stipend, and research opportunities with U.S. DoD.

Lockheed Martin Advanced Technical Leadership Program (ATLP) Candidate
Class of 2026 Candidate, Oct. 2024
- Completed technical leadership curriculum involving stretch assignments and mentoring.

Lockheed Martin Voices of LM Recipient
Chosen by LM AeroCares, Jul. 2024
- Featured in insideLM article for STEM mentoring and spearheading LM volunteering efforts.

Antelope Valley Bridge Award
Awarded by A.V. Union High School District Superintendent & Board of Trustees, Apr. 2024
- Recognized for my ARC leadership and supporting district student career prep programs.

Lockheed Martin AI/ML Scholar
2024 Cohort, Mar. 2024
- Completed AI Fundamentals Program and presented capstone at LM Exchange AI Summit.

Community Engagement

Board of Directors & Board Treasurer, The Palmdale Aerospace Academy
City of Palmdale Council Appointee, Palmdale, CA — Jul. 2025 – Present

Venice-Barry Unit Representative, University Apartments South Residents Association
UCLA Graduate Housing, Los Angeles, CA — Jun. 2026 – Present

Lead Computer Vision Mentor, The Palmdale Aerospace Academy
FIRST Robotics Competition Team 5012: Gryffingear, Palmdale, CA — Nov. 2023 – May 2026

Leadership Committee Member, Volunteer Coordinator, & Mentor, STEM-ED Org.
Aerospace Robotics Competition (ARC), Palmdale, CA — Jan. 2023 – Mar. 2025

Skills

Programming Languages: C, C++, Python, & Matlab **Human Languages:** English, Uyghur, Spanish, & Latin

City Council Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **CITY MANAGER DEPARTMENT**
CITY CLERK DIVISION

DISTRICT: **ALL**

SUBJECT: **NOMINATE AND APPOINT ONE (1) MEMBER TO SERVE ON THE ANTELOPE VALLEY MOSQUITO AND VECTOR CONTROL DISTRICT BOARD**

RECOMMENDATION

Staff recommend that the City Council:

1. Nominate and appoint one member to serve on the Antelope Valley Mosquito and Vector Control District Board.

BACKGROUND

The Antelope Valley Mosquito and Vector Control District was formed on August 21, 1958, after the Los Angeles County Board of Supervisors acted on a petition submitted by the residents of the Antelope Valley.

The District is a five-member Board of Trustees whose members represent the citizens of Palmdale, Lancaster, and Los Angeles County and work under the authority of the California Health and Safety Code Sections 2000-2093.

The meetings are held on the 4th Thursday of each month at 4:00 p.m. at 42624 6th Street East, Lancaster, CA.

DISCUSSION

This item is being presented to the City Council to appoint one (1) member to serve on the Antelope Valley Mosquito and Vector Control Board.

Health and Safety Code section 2021(b) states, “In the case of a district that is located entirely within a single county and contains both incorporated territory and unincorporated territory, the board of supervisors may appoint one person to the board

of trustees, and the city council of each city that is located in whole or in part within the district may appoint one person to the board of trustees." The District consists of the cities of Palmdale and Lancaster, and parts of Los Angeles County. Therefore, the City is entitled to appoint one trustee to the five person board.

Health and Safety Code section 2024(a) states, "Except as provided in Section 2023, the term of office for a member of the board of trustees shall be for a term of two or four years, at the discretion of the appointing authority. Terms of office commence at noon on the first Monday in January." Section 2023 applies to initial appointments and does not apply in this case. Therefore, the City must decide which candidate to appoint and whether to appoint the candidate for a two-year or four-year term.

The City opened recruitment, including the advertisement, for one (1) member position from Thursday, September 10, 2026, through Thursday, October 1, 2026.

Four applications were received that meet the following qualifications: applicants must be registered to vote and reside within the City of Palmdale boundaries.

DISTRICT 1	DISTRICT 2	DISTRICT 3	DISTRICT 4	DISTRICT 5
Mayor Pro Tem Bishop	Councilmember Loa	Councilmember Bettencourt	Mayor Ohlsen	Councilmember Alarcon
None	Augusto Collantes Dunya Ertan Cukurova Veronica Glasglow	None	Eulalia Gonzalez-Urquiza	None

FISCAL IMPACT

$0; There is no fiscal impact associated with this action.

STRATEGIC PLAN

Goal II: Ensure long-term fiscal health of the City and maintain funding for services.

C. Involve and expand engagement to enhance public oversight and transparency.

Prepared by:	Rochelle Scott, City Clerk
Certified as to availability of Funds:	Janelle Samson, Deputy City Manager
Approved by:	Salvador Mendez, City Manager
Approved as to form:	Taylor Anderson, Deputy City Attorney

ATTACHMENTS

Apps AVMVD

PALMDALE

a place to call home

Office of the City Clerk
38300 Sierra Highway, Suite C
Palmdale, CA 93550
(661) 267-5151

Antelope Valley Mosquito & Vector Control
Appointment Application

Please Print or Type

Name: AUGUSTO COLLANTES

Address: [redacted]

City: Palmdale, CA Zip Code: 93551 Home Phone: [redacted]

District you reside in: 2 Bus. Phone: [redacted]

Why are you interested in this position? I believe in a safe environment to be enjoyed indoor & outdoors - Lessening & eradicating mosquitos prevent desease transmission. Participate to protect health & wellbieng of people is important.

Have you had previous public service experience on a board, commission, or public body? If so, indicate the public agency, title, position, and duties.

NO.

The AV Mosquito & Vector Control Board meets on the 4th Thursday of each month at 4:00 p.m. are you available to attend these monthly meetings?

☑ YES ☐ NO

Considering your previous experience indicate what you feel are the most important experiences and abilities that qualify you for this position.

I've been working in the oral/dental sector & caring for people, lessening &/or eliminating pain & suffering is my priority.

If you wish, you may attach a copy of your resume to this application.

Augusto D. Collantes Jr.

"Joe"

[redacted] | [redacted] | [redacted]

PROFESSIONAL SUMMARY

A self-motivated professional with a genuinely clear experience in the business and finance office facets through employment and special studies; developed a unique personality in terms of work maturity and personal relations; knowledgeable in revenue and disbursement classification and entry of relevant data into the company's accounting and database software and has gained extensive exposure in preparation of various management reports.

HIGHLIGHTS OF QUALIFICATION

- In depth knowledge of Dental Billing, Authorizations, EOB posting, patient's eligibility and insurance coordination
- Coordinated with departments on various financial and accounting concerns.
- Received, verified, deposited and posted all remittances from different departments
- Collected and ensured report/form completion reports of departments on revenue and expenses.
- Examined submitted reports for onward integration of essential factors for the preparation of annual budget, monthly finance and accounting reports.
- Identified transactions through an original source document which provides necessary details
- Examined submitted check requests, invoices, receipt and/or purchase order from various suppliers and departments for approval of payments.
- Ensured all check requests have proper and complete supporting documents for approval
- Analyzed, monitored and managed account payable and scheduled timely payments
- Encoded data into accounting software for onward recording and reporting purposes.
- Acted as Payroll Master
- Reconciled accounting books
- Prepare presentations and assisted the Finance Council for quarterly meetings
- Supervised Capital Campaign Administrative Staff in providing crucial reports
- Managed and created ways to save on expenses through tactful negotiation
- Managed Front Office and Sales Force with regular employees and contract workers.
- Supervised Money Counters and clerical employee for administrative responsibilities
- Hired, trained, deployed and supervised sales personnel for strategic selling.
- Surveyed, planned and forecasted for strategic selling.
- Coordinated, facilitated, decorated and manned exhibits, shows and fundraisers.
- Good operating and repair knowledge of office machines

EXPERIENCES

ASSISTANT FINANCE MANAGER

In-charge of financial reports, reconciliation, accounts receivable, payables, petty cash fund, payroll, and office supplies. In-charge of data entry, correspondence letters and bulk mailing to families and their data base. Knowledge in Quickbooks, Parish Data System and MS Office especially Excel. Assisted in fundraisers.

DENTAL FRONT OFFICE MANAGER AND INSURANCE BILLER

Provided full daily schedule for dentists. Broad experience as a Dental Insurance Biller for Dentical, PPO, HMO plan and discount programs. Verified patient's coverage and prepared paperwork before treatment. Encoded insurance checks, deposits and data entry. Maintains and updates dental records. Managed accounts and collection letter for patients. Submitted claims for unpaid accounts to collection agency and appealed for denied treatments resulting in 90% of past due accounts collected.

SENIOR ACCOUNT MANAGER

Sold, marketed, presented, managed, built rapport and alliance and solicited clients. Listened, guided, trained, counseled and lead workers and clients. Hired, prepared and deployed sales personnel for strategic selling. Surveyed, planned, forecasted, organized, controlled and led selling. Prepared and created sales materials and manuals. Researched competitor's profile, products and rates for comparison. Helped families save and economize on their monthly expenses using Financial Life Strategies. Met quota by 133%.

EMPLOYEMENT HISTORY

Feb 2012 to present, Dental Biller	American Bright Dental
July 2021 to 2024 Dental Biller	Lancaster Advanced Dental
Sept 2015 to Dec 2015, Administrative Assistant	Century 21 – Naty Chu
Feb 2010 to Mar 2015, Assistant Finance Manager	Sacred Heart Church
Jun 2009 to Feb 2010, *Senior Associate*	World Financial Group – Financial Service
Jun 2008 to May 2009, *Maintenance*	Sacred Heart Church
Jul 2006 to May 2008, *Dental Biller*	Dr. Hernandez Dental Office
Nov 2002 to July 2006, *Front Office Manager*	AV Dental Systems
Oct 2000 to Feb 2002, *Assist. Sales Manager*	Amtex International, Inc. – Textile Company
Jul 1985 to Aug 2000, *Senior Account Manager*	Globe Telecommunications

EDUCATION AND TRAINING

Certified in Parish Business Administration 2015 (endorsed by ADLA) in LMU.
Passed Contemporary Business and Financial Accounting Class 2012 AV College.
Bachelor Degree and Passed Licensure Exam in Electronics and Communication Engineering.

- PDS, QuickBooks & MS Office
- Neodex Dental Billing Systems
- Starbyte Dental Billing Systems
- Dentrix Dental Billing Systems
- CA Life, Accident & Health Insurance Licensed/Trainer
- GT Advance PABX System Telephone Technology Operation
- Amtex Fabrics and Prints
- GT Telex/Fax Technology
- GT Sales & Marketing Strategies
- GT Teamwork and Time Management
- GT Lao Tzu: The Art of War & Sales Strategy
- GT Telecom Design Microwave Radios & Satellites
- Case Presentation & Acceptance
- Operates PC, fax, scanner, printer, copier, security monitoring system

VOLUNTEER AND LIESURE ACTIVITIES

Eucharistic Ministry, Lector, Lecturer, Usher, Knight of Columbus and guitar playing.

References are available upon request.

[redacted]

From: noreply@civicplus.com
Sent: Monday, September 21, 2026 3:01 PM
To: City Clerk
Subject: [EXTERNAL] Online Form Submittal: Antelope Valley Mosquito Abatement & Vector Control Appointment Application

CAUTION: This email originated from outside of the organization.

Antelope Valley Mosquito Abatement & Vector Control Appointment Application

Name	Dunya Ertan Cukurova
Address	[redacted]
City	Palmdale
State	CA
Zip Code	93551
Home Phone	[redacted]
Business Phone	*Field not completed.*
District you reside in	palmdale
Why are you interested in this position?	I have a biology degree and would be intrested in learning more about it
Have you had previous public service experience on a board, commission, or public body? If so, indicate the public agency, title, position, and duties.	no
The AV Mosquito & Vector Control Board meets on the 4th Thursday of each month at 4:00 p.m. are you available to attend	Yes

these monthly meetings?	
Considering your previous experience indicate what you feel are the most important experiences and abilities that qualify you for this position.	Ecology degree from CSUCi and environment degree
If you wish, you may attach a copy of your resume to this application.	[redacted]

Applications may be mailed (postmarked the date of the deadline), e-mailed to cityclerk@cityofpalmdaleca.gov or hand delivered to the office of the City Clerk at 38300 Sierra Hwy., Ste. C, Palmdale, CA 93550 For additional information, please contact the City Clerk at 661-267-5151.

Email not displaying correctly? View it in your browser.

Dunya Cukurova

[redacted]

[redacted]

Work Experience:

Bank of America February 2007 to February 2015

Quality Control Analyst

- Analyze applicants' financial status, credit, and property evaluations to determine feasibility of granting loans. Individual quarterly assessment reviews for each associate under direct supervision, compiling and reporting weekly statics on work completed
- Develop collaboration between teams and upper management for the best results.
- Develops recommendations to correct unsatisfactory conditions improve operations and reduce costs
- Reporting directly on updates and date of completion on special projects
- Manage and create training videos for all products.
- Process and maintain department's and event bills, payment logs and budgets
- Prepares expense reports, prepare and assists in preparation of presentations

G.S. Distributions Inc. April 2005 to February 2007

Associate Training Specialist

- Supervising Team Specialist with the handling and resolving Customer issues
- Reporting directly on updates and date of completion on special projects
- Manage and create training videos for all products.
- Record all client correspondence and trainings in C.R. with quality detail
- Create printed material and training tools for classes.
- Weekly reports on setting appointments, Coordination of travel arrangements and accommodations, and processing expense reports.

Cigarettes Cheaper July 1997 to April 2005

District manager

- Supervising and maintain over 20 stores with 106 employees
- Compiling and reporting weekly statics
- Maintain everyday store operations and inventory
- Marketing product on an individual store basis to ensure revenue increase
- Human resource

United states Navy March 1995 to February 1997

Enlisted

Education

BS in Biology from CSU Channel Islands 2024

AA in biology and communication from College of the Canyons

From: noreply@civicplus.com
To: City Clerk
Subject: [EXTERNAL] Online Form Submittal: Antelope Valley Mosquito Abatement & Vector Control Appointment Application
Date: Sunday, September 27, 2026 12:15:55 PM

CAUTION: This email originated from outside of the organization.

Antelope Valley Mosquito Abatement & Vector Control Appointment Application

Name	Veronica Glasgow
Address	[redacted]
City	Palmdale
State	CA
Zip Code	93551
Home Phone	[redacted]
Business Phone	*Field not completed.*
District you reside in	2
Why are you interested in this position?	I'm applying because I want hands-on experience serving on a public board and because I genuinely care about public health issues that affect my community's quality of life. In my professional work, I coordinate services for families navigating complex public systems, which has strengthened my problem-solving, communication, and ability to work within regulatory and procedural frameworks. Those are exactly the skills a Board like this relies on. Reviewing reports and budgets carefully, communicate clearly with staff and the public, and follow through on commitments between meetings. I live in Palmdale and want to bring that same attention to detail and commitment to public service to the Antelope Valley Mosquito Abatement & Vector Control Board, supporting its mission to protect residents' health and improve quality of life across the district.
Have you had previous public service experience on a board, commission, or public body? If so, indicate the public agency, title, position, and duties.	I have not yet served on a formal board or commission, but I bring a strong foundation in public-facing and advocacy work. I have experience drafting formal correspondence and meeting requests for advocacy organizations, and I've served on committees focused on policy and community issues, work that has taught me to build consensus, listen to differing viewpoints, and move an agenda forward productively. Professionally, I work extensively with government service frameworks, case coordination, and regulatory compliance processes, which has sharpened my ability to read and apply policy accurately, track

	compliance requirements, and represent an agency's decisions clearly to the people affected by them. I'd bring that same rigor and follow-through to this Board, helping ensure decisions are well-informed, properly documented, and communicated effectively to the District's residents.
The AV Mosquito & Vector Control Board meets on the 4th Thursday of each month at 4:00 p.m. are you available to attend these monthly meetings?	Yes
Considering your previous experience indicate what you feel are the most important experiences and abilities that qualify you for this position.	My most important qualifications are my ability to work within regulatory and procedural systems, my communication skills, and my track record of following through on public-facing commitments. Professionally, I coordinate services for families navigating complex government processes, which requires me to interpret policy accurately, track compliance requirements, and clearly communicate agency decisions to affected people. I also have direct experience drafting formal correspondence for advocacy work and serving on committees where I've listened to differing viewpoints and helped move decisions forward productively. Beyond the technical skills, I bring genuine reliability. I show up prepared, meet deadlines, and take follow-up seriously, which I think matters as much as any specific expertise for a Board that depends on consistent participation and sound decision-making.
If you wish, you may attach a copy of your resume to this application.	*Field not completed.*

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Email not displaying correctly? View it in your browser.

From: noreply@civicplus.com
To: City Clerk
Subject: [EXTERNAL] Online Form Submittal: Antelope Valley Mosquito Abatement & Vector Control Appointment Application
Date: Thursday, October 1, 2026 5:35:21 PM

CAUTION: This email originated from outside of the organization.

Antelope Valley Mosquito Abatement & Vector Control Appointment Application

Name	Eulalia Gonzalez-Urquiza
Address	[redacted]
City	Palmdale
State	CA
Zip Code	93552
Home Phone	[redacted]
Business Phone	*Field not completed.*
District you reside in	4
Why are you interested in this position?	I am interested in serving on the Antelope Valley Mosquito & Vector Control District because I care about protecting the health and quality of life of residents in our community. Mosquito and vector control services play an important role in preventing the spread of disease and ensuring a safe environment for families. As a Financial Accountant, I bring strong skills in budgeting, financial oversight, compliance, and accountability. I would like to use my professional experience to help support responsible stewardship of public resources while contributing to the District's mission and long-term goals. I am committed to community service and believe that participating on the Board would allow me to give back to the Antelope Valley, represent residents' interests, and help ensure the District continues to provide effective and efficient services to the public.
Have you had previous public service experience on a board, commission, or public body? If so, indicate the public agency, title,	No, I have not previously served on a board, commission, or public body. However, through my professional experience as a Financial Accountant, I have participated in cross-functional teams, provided financial oversight, supported compliance and governance activities, and collaborated with stakeholders to help achieve organizational objectives. I am eager to apply these skills in a public service capacity and contribute positively to the

position, and duties.	Antelope Valley community.
The AV Mosquito & Vector Control Board meets on the 4th Thursday of each month at 4:00 p.m. are you available to attend these monthly meetings?	Yes
Considering your previous experience indicate what you feel are the most important experiences and abilities that qualify you for this position.	My experience as a Financial Analyst for the City of Palmdale and my current role as a Financial Accountant have provided me with strong expertise in budgeting, financial oversight, compliance, and strategic decision-making. I have extensive experience analyzing financial data, managing public and corporate resources responsibly, and collaborating with diverse stakeholders to support organizational goals. These skills, combined with my commitment to public service and the Antelope Valley community, would allow me to make informed, fiscally responsible contributions to the District and its mission of protecting public health.
If you wish, you may attach a copy of your resume to this application.	*Field not completed.*

Applications may be mailed (postmarked the date of the deadline), e-mailed to cityclerk@cityofpalmdaleca.gov or hand delivered to the office of the City Clerk at 38300 Sierra Hwy., Ste. C, Palmdale, CA 93550 For additional information, please contact the City Clerk at 661-267-5151.

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City Council Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **ECONOMIC AND COMMUNITY DEVELOPMENT DEPARTMENT**
ECONOMIC DEVELOPMENT DIVISION

DISTRICT: **ALL**

SUBJECT: **APPOINT THE DIRECTOR OF ECONOMIC AND COMMUNITY DEVELOPMENT AS THE CITY STAFF PERSON TO THE PALMDALE TOURISM IMPROVEMENT DISTRICT BOARD (VISIT PALMDALE)**

RECOMMENDATION

Staff recommend that the City Council:

1. Appoint the Director of Economic and Community Development as the City staff person to Visit Palmdale.

BACKGROUND

Visit Palmdale is the governing board of the Palmdale Tourism Improvement District (TID). The TID was developed by local hoteliers and the City of Palmdale to promote Palmdale tourism and improve the tourism business environment through the development and operation of the TID. Pursuant to Article V, Section 4 of the Visit Palmdale Bylaws, the Board consists of seven Directors; four representatives from the hotels that pay into the TID assessment; one City Council member, one City staff person, and one public member, which may be a representative of a non-lodging hospitality or tourism sector in the City. The City Council member, City staff person, and public member are appointed by the City Council. Directors serve a three-year term and receive no compensation or reimbursement.

DISCUSSION

The City staff representation position on the Visit Palmdale Board of Directors has remained vacant since the resignation of the former Director of Economic and Community Development, Luis Garibay, in 2024. Megan Taggart was appointed Executive Director of Visit Palmdale by its Board of Directors in February 2023, while serving as the City's Deputy Director of Economic and Community Development,

providing continuity in the administration of the TID and advancing its tourism development initiatives.

At its October 29, 2026, meeting, the Visit Palmdale Board appointed Cristina Reveles, Deputy Director of Economic and Community Development, as its new Executive Director. This leadership transition presents an opportunity to restore city staff representation on the Board through the appointment of Ms. Taggart to the position previously held by her predecessor.

Given her tenure as Executive Director, extensive institutional knowledge of the TID, and established working relationships with Palmdale's lodging partners, Ms. Taggart is uniquely positioned to serve in this capacity. Her appointment would maintain the collaborative relationship between the City and its hotel partners and ensure alignment between Visit Palmdale's tourism development initiatives and the City's broader economic development objectives.

FISCAL IMPACT

$0; There is no fiscal impact associated with this action.

STRATEGIC PLAN

Goal II: Ensure long-term fiscal health of the City and maintain funding for services.

C. Involve and expand engagement to enhance public oversight and transparency.

Prepared by:	Cristina Reveles, Deputy Director of Economic and Community Development
Certified as to availability of Funds:	Janelle Samson, Deputy City Manager
Approved by:	Salvador Mendez, City Manager
Approved as to form:	Taylor Anderson, Deputy City Attorney

City Council Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **OFFICE OF THE CITY MANAGER**
CITY CLERK DIVISION

DISTRICT: **ALL**

SUBJECT: **REVIEW AND PROVIDE DIRECTION ON CHANGES TO EXISTING COMMITTEE APPOINTMENTS**

RECOMMENDATION

Staff recommend that the City Council:

1. Review and provide direction on changes to existing committee appointments.

BACKGROUND

City Council members currently represent the City on various local and regional committees, boards, and commissions to ensure the City is properly represented.

Appointments of Councilmembers and designated alternates require nomination and approval by a majority vote of the City Council. Councilmembers serve on these committees at the discretion of the Council. If a Councilmember is no longer able to serve, a formal request for removal must be submitted. In such cases, if an alternate has been appointed, the alternate may assume the role on an interim basis until the Council makes a new appointment.

DISCUSSION

Annually, the Council reviews current committee assignments to evaluate their interest in serving as the City's representative on various local and regional boards. Based on this review, the Council decides whether to maintain existing assignments or make adjustments.

ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT (AVAQMD)

Health and Safety Code Section 41310 states, "The AVAQMD shall be governed by a district board consisting of seven members as follows: (a) Two members of the City Council of the City of Lancaster appointed by the city council. (b) Two members of the City Council of the City of Palmdale appointed by the City Council. (c) Two persons

appointed by the member of the Board of Supervisors of the County of Los Angeles who represent a majority of the population of the Antelope Valley District, one of whom may be that supervisor. (d) A public member who shall be appointed by the members appointed under subdivisions (a) to (c), inclusive."

Meetings are held on the third Tuesday of each month at 10:00 am at the Lancaster District office, 43301 Division Street, Suite 206, Lancaster, CA.

Delegate: Mayor Pro Tem Bishop
Delegate: Mayor Ohlsen
Alternate: Councilmember Bettencourt

ANTELOPE VALLEY FAIRGROUNDS AUTHORITY

The Antelope Valley Fair Authority is a Joint Powers Agreement between the City of Lancaster and the 50th District Agricultural Association. The Authority shall be administered by a Board of Directors consisting of eight members as follows: 1) One member shall be designated by the State Senator for the District in which the Antelope Valley Fairgrounds are located, 2) One member shall be designated by the State Assemblymember for the District in which the Antelope Valley Fairgrounds are located, 3) Two members shall be designated by the Mayor of the City of Lancaster, with concurrence of the City Council, and 4) One member shall be a member of the Board of Directors of the Association, shall be designated by such Board and serve as a liaison between the Board for the Authority and the Board for the Association 5) One member shall be a member of the Board of Directors of the Friends of the Antelope Valley Fair, Inc. and shall be designated by the Mayor of the City of Lancaster, 6) One member shall be designated by the Mayor of the City of Palmdale, with concurrence of the City Council, and 7) One member shall be designated by the Los Angeles County Supervisor of the District in which the Antelope Valley Fairgrounds are located.

Meetings are held on the 4th Thursday of each month at 1:30 p.m. at the Antelope Valley Fairgrounds, 2551 W. Avenue H, Suite 102, Lancaster, CA.

Delegate: Councilmember Loa

ANTELOPE VALLEY TRANSIT AUTHORITY (AVTA)

The AVTA is governed by a Joint Powers Agreement between the cities of Lancaster and Palmdale, and Los Angeles County. AVTA was established in 1992 after Antelope Valley residents expressed a strong desire for public transportation in the high desert. AVTA's total service area covers 1,200 square miles and is bounded by the Kern County line to the north, the San Bernardino County line to the east, the Angeles National Forest to the south, and Interstate 5 to the west. The fixed-route service area covers approximately 100 square miles.

Meetings are held on the fourth Tuesday of each month at 10:00 am at the AVTA office at 42210 6th Street West, Lancaster, CA.

Delegate:	Mayor Ohlsen
Delegate:	Councilmember Loa
Alternate:	Councilmember Bettencourt
Alternate:	Citizen Kathryn Mac Laren-Gomez

CALIFORNIA CONTRACT CITIES ASSOCIATION (CCCA)

The general purpose of the CCCA is to serve as a rallying point for cities contracting for municipal services to ensure constituents receive the best service at the minimum cost. Through municipal seminars, education, and the exchange of ideas and information, the association combines resources to influence policy decisions affecting member cities.

Meetings are held as needed at various locations determined by the CCCA.

Delegate:	Councilmember Alarcón
Alternate:	Mayor Pro Tem Bishop

CITY OF PALMDALE AUDIT COMMITTEE

The goal of the Audit Committee is to maintain the public's confidence in the City's financial functions, enhance the accessibility of the City's financial matters to our citizens, and promote the City's financial transparency. Under the Committee's by-laws, it shall be comprised of five members: two councilmembers, the City Manager, the Finance Manager, and one public member. Committee members shall not receive compensation nor be eligible for reimbursement.

Meetings are held in the spring and fall of each year at a time to be determined in the Palmdale Council Chamber at 38300 Sierra Highway, Suite B, Palmdale, CA.

Delegate:	Mayor Pro Tem Bishop
Delegate:	Councilmember Bettencourt
Alternate:	Councilmember Loa
Public Member:	Vacant

CITY OF PALMDALE INVESTMENT OVERSIGHT COMMITTEE

The Investment Oversight Committee was created under the City's Investment Policy and is comprised of the Mayor, one rotating Councilmember, the City Manager, the City Treasurer, and the City Attorney. Committee members serve without compensation and shall meet at least quarterly to determine general strategies and monitor results.

Meetings may be held concurrently with City Council meetings or as separate meetings.

Member: Mayor Ohlsen (Must be Mayor per Investment Policy)
Member: Councilmember Loa (Council rotates per Investment Policy)

ENHANCED INFRASTRUCTURE FINANCING DISTRICT (EIFD) PUBLIC FINANCING AUTHORITY (PFA)

The City of Palmdale, in partnership with the County of Los Angeles, established an Enhanced Infrastructure Financing District (EIFD) in the boundaries of Palmdale and unincorporated Los Angeles County. The District's purpose is to create a funding mechanism that can facilitate the construction of public infrastructure improvements in this area. The EIFD PFA membership is comprised of two Councilmembers, one public member selected by the Council, one member of the County, and a member of the public selected by the County. Members shall serve at the pleasure of their respective appointing legislative bodies.

Meetings are held as needed in the Palmdale Council Chamber at 38300 Sierra Highway, Suite B, Palmdale, CA.

Member: Mayor Pro Tem Bishop
Member: Councilmember Loa
Public Member: Gene Yang

HIGH DESERT CORRIDOR JOINT POWERS AUTHORITY (HDC JPA)

The purpose of the HDC JPA is to enhance the quality of life for our communities by developing and maintaining public infrastructure and providing a variety of municipal services that complement our natural resources and environment. Under the Joint Exercise of Powers Agreement, one member shall be the Fifth District Supervisor of Los Angeles County, and the alternate member shall be appointed by the Fifth District Supervisor.

Meetings are held as needed, and the location rotates between Los Angeles and San Bernardino counties. Occasionally, meetings are held in Palmdale and Victorville. The City's appointments are to be ratified by the Authority.

Director: Mayor Ohlsen
Alternate: Councilmember Loa

CAL CITIES DESERT MOUNTAIN DIVISION (DMD)

Cal Cities' policy-making process allows the issues facing California cities to be debated and the organization's policy directions to be established. Member cities generally appoint a Councilmember as a delegate and an alternate.

Meetings are held quarterly on the last Friday of the month at 10:00 am in various cities.

Delegate: Councilmember Alarcón
Alternate: Councilmember Bettencourt
Second Alternate: Councilmember Loa

LOS ANGELES COUNTY CITY SELECTION COMMITTEE

Members of the LA County City Selection Committee include the Mayor of each city within Los Angeles County. Each city appoints an elected official as a delegate to the City Selection Committee; it usually is the Mayor. The term of office for each Member of the LA County City Selection Committee coincides with City Mayor terms. Their duties are to appoint City representatives to such Boards, Commissions and Agencies as may be required by law, i.e., LAFCO, South Coast Air Quality Management District, Los Angeles County Metropolitan Transportation Authority; and to nominate for appointment Members to the California Coastal Commission.

Nominations for the City Selection Committee appointees to the MTA are made by the Sector Subcommittees for the Sectors whose representatives' terms are expiring. The cities assigned to one of the four regions in Los Angeles County (North County/San Fernando Valley, San Gabriel Valley, Southeast Long Beach and Southwest Corridor) shall meet as a Sector Subcommittee. Each candidate with a majority weighted vote will then be nominated from that Sector for consideration for appointment to the MTA.

Meetings are held three or four times a year.

Delegate: Councilmember Loa

LOS ANGELES COUNTY SANITATION DISTRICTS (NOS. 14 AND 20)

The Sanitation Districts are a public agency created under state law to manage wastewater and solid waste on a regional scale. They consist of 24 independent special districts serving about 5.6 million people in Los Angeles County. The service area covers approximately 850 square miles and encompasses 78 cities and unincorporated territory within the County. Health and Safety Code Section 4730 states, "The presiding officer of the governing body of each city, the whole or part of which is included in the sanitation district, is a member of the board, and an alternate director may act in the place of the presiding officer." **The Mayor is the presiding officer of the Palmdale City Council and, therefore, automatically serves as a delegate.**

Meetings are held at 1:30 pm on the fourth Wednesday of each month at the Sanitation Districts office at 1955 Workman Mill Road in Whittier or a venue in the Antelope Valley.

District No. 14
Delegate: Mayor Ohlsen (**Must be Mayor per H&S Code §4730**)
Alternate Director: Mayor Pro Tem Bishop

District No. 20
Delegate: Mayor Ohlsen (**Must be Mayor per H&S Code §4730**)
Second Director: Mayor Pro Tem BishopCouncilmember Bettencourt
Alternate Director: Councilmember Loa

NORTH LOS ANGELES COUNTY TRANSPORTATION COALITION (NCTC)

The NCTC was assembled in 1995 to coordinate information and provide a forum for discussion on regional issues of mutual interest and concern among the cities of Lancaster, Palmdale, Santa Clarita, and the unincorporated areas of North Los Angeles County. NCTC Joint Powers Authority states, “The cities of Lancaster, Palmdale, and Santa Clarita shall have three representatives each: A City Councilmember, a business or community organization representative appointed by the City Council, and a representative at large appointed by the City Council.”

Meetings are held as needed in rotating Palmdale, Lancaster, and Santa Clarita locations.

Delegate: Mayor Ohlsen
Alternate: City Manager Mendez
Business Rep: Mayor Pro Tem Bishop
At-Large Rep: Councilmember Loa

NORTH LOS ANGELES COUNTY TRANSPORTATION COALITION (NCTC)

The NCTC was assembled in 1995 to coordinate information and provide a forum for discussion on regional issues of mutual interest and concern among the cities of Lancaster, Palmdale, Santa Clarita, and the unincorporated areas of North Los Angeles County. NCTC Joint Powers Authority states, “The cities of Lancaster, Palmdale, and Santa Clarita shall have three representatives each: A City Councilmember, a business or community organization representative appointed by the City Council, and a representative at large appointed by the City Council.”

Meetings are held as needed in rotating Palmdale, Lancaster, and Santa Clarita locations.

Delegate: Mayor Ohlsen
Alternate: City Manager Mendez
Business Rep: Mayor Pro Tem Bishop
At-Large Rep: Councilmember Loa

PALMDALE TOURISM IMPROVEMENT DISTRICT (PTID)

The City and local hoteliers developed the PTID to promote Palmdale’s tourism and tourism business environment through the development and operation of the PTID. The Board consists of seven Directors; four representatives from the hotels that pay into the TID assessment; one City Councilmember, one City staff, and one public member, who

may be a representative of a non-lodging hospitality or tourism sector in the City. The City Councilmember, staff person, and public members are appointed by the Council. Directors serve a three-year term and receive no compensation or reimbursement.

Meetings are held bi-annually and rotate locations between hotels.

Director: Mayor Pro Tem Bishop
City Staff Member: Vacant

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (SCAG) GENERAL ASSEMBLY

The SCAG General Assembly approves the bylaws, ratifies election of officers, and SCAG's budget. The General Assembly Delegate Representative has the opportunity to propose any policy matter for determination by the General Assembly in the form of a proposed Resolution or revisions to the SCAG Bylaws. All proposed resolutions and/or bylaw revisions will be reviewed by SCAG's Bylaws and Resolutions Committee and the Regional Council before being considered at the General Assembly business meeting.

Delegate: Mayor Ohlsen
Alternate: Councilmember Loa

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (SCAG) REGIONAL COUNCIL DISTRICT 43

The Regional Council has general authority to conduct the affairs of SCAG and implements the policy direction provided at the annual General Assembly of the membership. In addition, the Regional Council acts upon policy recommendations from SCAG policy committees and external agencies; appoints committees to study specific problems and programs; amends, decreases, or increases the proposed budget to be reported to the General Assembly; and directs the actions of the agency throughout the year.

The delegate of SCAG Council District 43 is a two-year term to expire in January 2027.

Delegate: Mayor Pro Tem Bishop

PALMDALE SISTER CITY ASSOCIATION

President Eisenhower initiated the United States/Mexico Sister City Program in 1956. The program works to develop one-on-one community relations with cities in other countries so that people can cross national boundaries, get to know each other personally and form mutual respect and understanding of other cultures. City officials and the Palmdale Sister City Association members exchange visits to each city to foster the Sister City Program relationship. The Council may appoint as many representatives as desired.

Palmdale Sister City Association meetings are held on the second and fourth Wednesdays of each month at 6:00 pm at Legacy Commons, 930 E Avenue Q-9, Palmdale, CA.

Delegate:	Councilmember Alarcón
Delegate:	Councilmember Loa
Alternate:	Councilmember Bettencourt
Alternate:	Mayor Pro Tem Bishop

CALIFORNIA STATE PRISON – LOS ANGELES COUNTY, CITIZENS ADVISORY COMMITTEE

The primary objective of the Citizen's Advisory Committee is to promote communication between the institution and the community. This includes building goodwill and support, allaying community fears, and increasing public awareness and support by receiving and sharing information about the prison and the Department's policies, regulations, and programs.

Meetings are held quarterly in the Warden's Conference Room at the prison.

Delegate:	Councilmember Bettencourt
Alternate:	Councilmember Loa

FISCAL IMPACT

$0; There is no fiscal impact associated with this item.

STRATEGIC PLAN

Goal I: Maintain adequate public safety and protection for life, property, and the environment.

D. Strengthen regional, state, and national partnerships to enhance our legislative presence.

Goal II: Ensure long-term fiscal health of the City and maintain funding for services.

C. Involve and expand engagement to enhance public oversight and transparency.

Prepared by:	Rochelle Scott, City Clerk
Certified as to availability of Funds:	Janelle Samson, Deputy City Manager
Approved by:	Salvador Mendez, City Manager
Approved as to form:	Taylor Anderson, Deputy City Attorney

City Council Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **DEPARTMENT OF HUMAN RESOURCES**

DISTRICT: **ALL**

SUBJECT: **APPROVE AGREEMENT WITH COLANTUONO, HIGHSMITH & WHATLEY, PC, FOR LEGAL SERVICES, INCLUDING THE APPOINTMENT OF ALEKS R. GIRAGOSIAN AS CITY ATTORNEY**

RECOMMENDATION

Staff recommend that the City Council:

1. Approve Agreement No. A-10093, with Colantuono, Highsmith & Whatley, PC, for Legal Services, including the appointment of Aleks R. Giragosian as City Attorney; and,

2. Authorize the Mayor or designee to execute the Agreement with Colantuono, Highsmith & Whatley, PC.

BACKGROUND

During the October 6, 2026, City Council meeting, Council voted 3–2 to proceed with Colantuono, Highsmith & Whatley, PC, subject to the following contract amendments:

- Remove the 30-day notice period.
- Change the contract term from four years to one year.
- Establish a contract cap of $1,638,000, with any amount exceeding the cap requiring Council approval.

Recruitment and Selection Process

In June 2026, Human Resources partnered with executive recruitment firm Bob Murray & Associates to recruit a City Attorney. The goal was to select a municipal attorney or public law firm to serve as the City's chief legal officer and trusted advisor to the City Council and executive leadership.

The City received nine proposals or applications: four from individual attorneys and five from law firms. During the interview process, two individual attorneys and one firm withdrew, leaving six applicants.

The recruitment and selection process included the following Council meetings:

- **August 27, 2026 – Special Meeting:** Council reviewed proposals and conducted first-round interviews with the six remaining applicants.
- **September 1, 2026 – Regular Meeting:** Council conducted second-round interviews.
- **September 9, 2026 – Special Meeting:** Council conducted final interviews and began deliberations.
- **September 17, 2026 – Special Meeting:** Council continued deliberations.
- **September 21, 2026 – Special Meeting:** Council completed deliberations and voted 3–2 to select Colantuono, Highsmith & Whatley, PC, including the appointment of Aleks R. Giragosian as City Attorney. Council directed staff to negotiate an agreement with the firm.
- **October 6, 2026 – Regular Meeting:** Council voted 3–2 to proceed with the agreement, subject to the contract amendments outlined above.

DISCUSSION

Government Code Section 54953(d)(3)(A) requires the legislative body, before taking final action, to orally report during an open meeting a summary of its recommendation regarding the salaries, salary schedules, or compensation, including fringe benefits, of a department head or similar administrative officer. As the City Attorney is a department head, this disclosure requirement applies to the proposed legal services agreement.

Accordingly, the agreement with Colantuono, Highsmith & Whatley, PC, designating Aleks R. Giragosian as City Attorney, includes the following compensation terms:

- **General Counsel Services:** $325 per hour.
- **Litigation Services:** $400 per hour.
- **Reimbursable Services:** $500 per hour.
- **Maximum Contract Amount:** $1,638,000, with any amount exceeding this cap subject to Council approval.

The proposed agreement establishes the scope, rates, term, and service expectations for City Attorney and related municipal legal services. The firm will provide legal counsel to the City Council, City Manager, departments, boards, commissions, and other City representatives as needed.

Approval supports continuity of legal services and has enabled the selected firm to begin coordinating with the City and outgoing counsel regarding active matters, records, and files. The transition of legal services is already underway, including the transfer of City files and documents.

FISCAL IMPACT

Costs will be paid from appropriations budgeted for City Attorney and legal services. Services will be billed in accordance with the rates and terms established in the proposed agreement.

STRATEGIC PLAN

Goal IV: Maintain a desirable community where everyone wants to live, work, and play.

C. Invest in staff and other human resources strategies to attract and retain a highly qualified, diverse, creative workforce.

Prepared by:	Tina Lopez, Interim Director of Human Resources
Certified as to availability of Funds:	Janelle Samson, Deputy City Manager
Approved by:	Salvador Mendez, City Manager
Approved as to form:	Linda Daube, Special Counsel

ATTACHMENTS

Agrmt No. A-10093 with Colantuono, Highsmith & Whatley, PC

AGREEMENT NO. A-10093
LEGAL SERVICES WITH
COLANTUONO, HIGHSMITH & WHATLEY, PC

THIS AGREEMENT is made and entered into by and between the City of Palmdale, a charter city (thereinafter the "City"), and the law firm of Colantuono, Highsmith & Whatley, PC, a California professional corporation ("Firm'') for Legal Services.

WITNESSETH:

The parties hereto agree as follows:

A. City desires to engage the Firm and, as primary lead attorney, Aleks R. Giragosian, and the Firm to act as legal counsel for the City in various capacities and to perform all legal services requested; and,

B. The Firm has agreed to provide the requested legal services in the time, manner, and for the compensation as hereinafter set forth.

NOW THEREFORE, the City and Firm agree as follows:

SECTION 1. LEGAL SERVICES.

A. The Firm shall discharge the duties of the office of City Attorney and shall use its best efforts to provide legal services in a competent and professional manner. The Firm shall provide all legal services to the City of the kind and nature typically provided by an in-house City Attorney's office unless specifically stated otherwise in this Agreement or otherwise directed in writing by the City. Except where conflict of interest rules require otherwise, the Firm shall supervise the activities of all other counsel retained by or for the City and shall review the work of such counsel on behalf of the City.

B. The City Council shall review and approve any and all special outside counsel needed to provide legal services to the City pursuant to Section 13 below. Any and all contracts with outside counsel shall be approved by the City Council.

SECTION 2. COMPENSATION.

The legal services to be provided by the Firm shall consist of those set forth in Exhibit "A" attached hereto and shall be billed at the rates set forth in Exhibit "B" and as provided in the Firm's proposal to the City for City Attorney services in Exhibit "D".

Should there be any conflict among them, the order of precedence for construction of this Agreement shall be: first, this Agreement, second Exhibits "A" and "B", third Exhibit "D".

SECTION 3. DESIGNATION OF GENERAL COUNSEL.

Aleks R. Giragosian is designated as City Attorney. The parties understand and agree that the Firm may, from time to time, utilize other attorneys within the Firm to assist Mr. Giragosian in the performance of this Agreement, but that Mr. Giragosian will attend City Council meetings, planning commission meetings, and other existing /newly formed boards and commissions, upon request, and will supervise all services rendered under this Agreement.

SECTION 4. BILLING PROCEDURES AND MONTHLY STATEMENTS.

A. The Firm shall submit monthly invoices to the City for all services provided and costs incurred pursuant to the terms of this Agreement. Said statements shall clearly set forth by date, the type of work performed, the time spent on a task, and the attorney performing the task. The monthly invoice shall be submitted within 30 days after the end of each calendar month and shall include a cover page with a summary of charges broken down by department. The parties acknowledge that payment of all monthly statements is expected to be made within 45 days of the billing date. The City will not be liable for interest or finance charges, although persistent late payment shall be a basis for the Firm to review its relationship with the City.

B. The Firm will bill the City for actual, out-of-pocket expenses as set forth in Exhibit "B" and will be separately designated on the Firm's monthly statements as "disbursements," and will be billed in addition to fees for professional services.

C. Except as stated in Exhibit "B", the Firm will not charge for word-processing services or secretarial overtime. The Firm will not charge for computerized legal research within the scope of its contract with Westlaw or a similar provider, but will pass through to the City at cost, without markup, its cost for use of specialized databases outside that contract.

D. Time will be charged by the Firm in increments of 1/10 of an hour (i.e., six-minute units). The rate structure in general, or the rates of attorneys of particular levels of experience, may be increased or altered from time to time.

No such change shall affect the terms of Exhibit "B" to this Agreement absent amendment of this Agreement pursuant to Section 10 below.

E. On occasion, the Firm may receive small sums of money belonging to the City, such as a credit for an overpayment by a vendor, a refund from a court, or the like. The California State Bar requires the Firm to alert the City to sums the Firm receives on the City's behalf within 14 days of receipt and to forward those funds to the City within 45 days of receipt unless the Firm has the City's direction otherwise. Processing small payments may be burdensome for the City's accounting staff and the Firms. Therefore, the City agrees that, should the Firm receive any amount to the City's credit of $500 or less and the Firm does not have other instructions from the City with respect to that money, the Firm may place these funds in the City's client trust account and apply them to future invoices to the City for the Firm's services. The City can alter this agreement at any time as to some or all funds the Firm holds by letting the Firm know, in writing, how the Firm should handle the City's money. The Firm will inform the City of the Firm's receipt of funds promptly upon each receipt and will remind the City of its right to alter these standing instructions as to any payment.

F. The annual cost for attorney fees and costs will be $1,638,000. In the event that actual costs exceed the budget, the Firm shall provide advanced reasonable notice and justification for the increased costs to the City for review and approval by the City Council. During the term of this Agreement, the City Council reserves the right to adjust the Firm's budget for estimated fees and costs as part of its annual budgetary process. Absent City Council approval, Firm shall reduce its level of services as necessary and consistent with the Rules of Professional Conduct, to achieve the Council's budget objectives.

SECTION 5. RESOLUTION OF FEE DISPUTES.

Any fee dispute shall be resolved by binding arbitration pursuant to the arbitration rules for legal fee disputes of the County Bar Association in any county in which the Firm maintains an office. The City agrees that all disputes between the Firm and the City regarding the services rendered or fees charged, not resolved via County Bar fee arbitration, will be submitted to binding arbitration in Los Angeles County to be conducted by ADR Services, Inc. in accordance with its commercial arbitration rules. The City has reviewed the provisions of this section, has consulted independent legal counsel regarding its rights and obligations, and the CITY AND FIRM AGREE TO GIVE

UP THEIR RESPECTIVE RIGHTS TO A JURY TRIAL AND TO AN APPEAL, EXCEPT AS PROVIDED BY LAW.

SECTION 6. TERM OF THE AGREEMENT.

This Agreement shall be effective as of the date of the last signature ("Effective Date") and shall be and remain in full force and effect until terminated in accordance with the provisions of Section 8 hereof.

SECTION 7. COUNCIL REVIEW OF PERFORMANCE OF LEGAL SERVICES

The City Council reserves the right to periodically review the legal services provided by the Firm. Such review shall be based upon the feedback from City Manager, Department Heads, and the City Council's evaluation of the Firm's performance of legal services, including, without limitation, quality and timeliness of legal work, availability of the attorneys, and the willingness to perform requested services in a timely and effective manner.

SECTION 8. TERMINATION OF THE AGREEMENT.

The term of this Agreement shall commence on the date of the last signature ("Effective Date") and shall continue for an initial one (1) year term, unless otherwise terminated by either party hereto. City may terminate the Firm's representation at any time, with or without cause. The Firm has the same right, subject to the Firm's ethical obligations to allow the City sufficient notice prior to termination so that City may arrange alternative representation. In either circumstance, City agrees to secure new counsel as quickly as possible and to cooperate fully in the substitution of the new counsel as counsel of record in any action in which the Firm may represent the City. The Firm agrees to cooperate fully in any such transition, including the transfer of files pursuant to the State Bar Act in connection with such termination and the transition to replacement counsel. Notwithstanding the termination of the Firm's representation, City will remain obligated to pay to the Firm all fees and costs incurred prior to the effective termination date of the agreement and for services provided thereafter as necessary to fulfill the Firm's obligations under the Rules of Professional Conduct and to courts in which it is counsel of record.

SECTION 9. FILES AND RECORDS.

A. All legal files of the Firm pertaining to the City shall be and remain the sole property of the City. The Firm will control the physical location of such files during the term of this Agreement. The Firm may, in its discretion, maintain

all or part of the City's client file in electronic format. The Firm may store part or all of the City's electronic documents using secure cloud storage services. If so, the Firm will use all reasonable methods to maintain the confidentiality of City files, as well as the City's non-digital files. The City's data will be password-protected and encrypted using currently available technology. To protect other clients' confidences, the City will not have direct access to these electronic records, but the Firm is obliged to provide them to the City promptly upon request.

B. The Firm shall maintain full and accurate records with respect to all matters covered under this Agreement in accordance with the City's retention schedule, litigation holds, audit requirements, and written City authorization before destruction. If the City asks the Firm to deliver its files to the City, delivery of an electronic version, together with any materials that cannot be saved electronically, satisfies the Firm's obligation to release all client papers and property to the City. Two years after termination of the attorney-client relationship, and after reasonable notice, the Firm will be free to destroy the City's client file, including all electronic records. The Firm may also discharge its obligation to maintain the City's file prior to the expiration of two years by mailing a copy to the City. "Reasonable notice" means the Firm's mailing notice to the City of its intent to destroy the City's client files.

C. City shall have the right to access and examine records of the Firm pertaining to the City, without charge, during normal business hours upon written request, provided, however, that Firm may protect the confidences of its other clients and otherwise comply with applicable law. City shall further have the right to audit such records, to make transcripts therefrom and to inspect all data, documents, proceedings, and activities upon written request. The Firm does not permit direct access to its files by clients, but will provide the City access to the Firm's records pertaining to the City as provided herein and upon written request. This same procedure will apply to information stored in the cloud.

D. The City acknowledges that the Firm may use artificial intelligence tools in this representation. If artificial intelligence is used, the Firm will ensure that the City's confidential information is maintained in confidence and that any writing or analysis produced by generative artificial intelligence is edited or confirmed by an attorney before use.

SECTION 10. MODIFICATIONS TO THE AGREEMENT.

This Agreement may be amended from time to time by written agreement of the parties. Unless otherwise provided in this Agreement, modifications relating to the nature, extent, or duration of the Firm's professional services to be rendered hereunder shall require the prior written approval of the City Council. Any such written approval shall be an amendment to this Agreement and shall specify any changes in the Scope of Services and the agreed-upon billing rates to be charged by the Firm and paid by the City.

SECTION 11. INDEPENDENT CONTRACTOR.

No employment relationship is created by this Agreement. The Firm and its members shall, for all purposes, be independent contractors to the City. The Firm and its members shall not be entitled to participate in any pension plan (including, without limitation, the Public Employees Retirement System), insurance, bonus, or other similar benefits provided to City employees.

SECTION 12. NONDISCRIMINATION.

In the performance of this Agreement, the Firm shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, sexual orientation, national origin, medical condition, or any other unlawful basis as provided under applicable California and federal law.

SECTION 13. ASSIGNMENT AND DELEGATION.

This Agreement contemplates the retention of the personal professional services of the Firm. Neither this Agreement nor any portion thereof shall be assigned or delegated without the prior written consent of the City Council or its designee. Delegation to attorneys outside the Firm shall be limited to those situations in which the Firm is disqualified by virtue of a conflict of interest, or where the Firm does not possess the expertise to competently perform services in a particular practice area. Delegation to attorneys outside the Firm shall not be made without the prior written approval of the City Council, unless urgent need to protect the City's legal interest requires otherwise, in which case the Firm shall provide immediate written notice, limit work to preserving the City's legal interest, and shall seek the City Council's approval as soon as practical. The Firm shall supervise delegated work, except where precluded from doing so by a conflict of interest, and where the parties otherwise agree.

SECTION 14. INSURANCE REQUIREMENTS.

The Firm, at its expense, shall maintain in effect at all times during the performance of work under this Agreement not less than the following coverage and limits of insurance, which shall be maintained with insurers listed "A" or better in the Best's Insurance Guide and authorized to do business in the State of California. Proof of Insurance, as identified in Section 14, must be reviewed and accepted by the City's Risk Management Division.

A. The Firm shall maintain in full force and effect a **Professional Liability** insurance policy which provides coverage in an amount not less than $2,000,000 per occurrence and $4,000,000 aggregate. That policy covers the City for any damages or losses it suffers as a result of any error or omission or neglect by the Firm which arises out of the professional services required by this Agreement.

B. The Firm shall maintain **Commercial General Liability** insurance in a policy that provides coverage in the amount not less than $2,000,000 limit on a per occurrence basis and $4,000,000 general aggregate limit, and the City shall be named as an additional insured on the commercial general liability policy.

C. The Firm shall maintain **Workers' Compensation** insurance in accordance with Section 3700 of the California Labor Code.

D. The Firm shall maintain **Automobile Liability** insurance in a policy that provides coverage in the amount not less than $1,000,000 combined single limit, including non-owned and hired automobile coverage, and the City shall be named as an additional insured on the automobile policy.

E. The Firm shall maintain a **Cyber Liability** insurance in a policy that provides coverage in the amount not less than $1,000,000 limit on a per occurrence basis.

- When cyber and/or crime liability insurance coverage is provided on a "claims made basis," the Firm will continue to renew the insurance for a period of five (5) years after this Contract expires or is terminated. Such insurance will have the same coverage and limits as the policy that was in effect during the term of this Contract, and will cover the Firm, or its officers, employees or agents during the time this Contract was in effect.

F. The Firm shall, upon request, provide certificates of insurance to the City and shall notify the City in the event the limits of its insurance should fall below

the coverages stated in Section 14 or if the insurance policies noted here are allowed to lapse and substitute insurance is not obtained. The certificates shall state: "The City of Palmdale, Successor Agency to the Community Redevelopment Agency of the City of Palmdale, Palmdale Civic Authority, Housing Authority, Industrial Development Authority, Airport Authority, their officers, agents, employees, and volunteers are named as additional insured."

G. Should the Firm be unable to maintain the coverage levels at commercially reasonable cost, the Firm shall promptly notify the City of that fact, and the parties shall meet and confer on an amendment to this Section 14 to achieve its goal to provide insurance coverage for the City's protection at commercially reasonable cost to the Firm.

SECTION 15. INDEMNIFICATION.

The Firm shall indemnify, hold harmless and defend City, its officers, agents, employees and volunteers from and against any and all claims and losses, costs or expenses for any damage due to death or injury to any person and injury to any property resulting from any intentional, reckless, or negligent acts, errors or omissions of the Firm in the performance of this Agreement.

SECTION 16. CONFLICTS OF INTEREST.

A. Except as disclosed below, the Firm covenants that neither it nor any officer or principal of its firm has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of the City or which would in any way hinder the Firm's performance of services under this Agreement. The Firm further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent, or subcontractor without the express written consent of the City Council. The Firm agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of the City in the performance of this Agreement. The Firm shall represent the interests of the City in any discussion or negotiation in the performance of this Agreement.

B. The Firm and its members shall comply with all applicable federal, state and local laws and regulations, including the conflict of interest provisions of Government Code section 1090 and the Political Reform Act (Government Code section 81000 et seq.).

C. The designated City Attorney represents that he currently represents a non-profit corporation that manages the Palmdale Tourism Improvement District ("Visit Palmdale"). The firm shall appoint Julia Homaechevarria to serve as Visit Palmdale's General Counsel and has provided documentation for City Council approval of such joint representation as set forth in Exhibit "E".

SECTION 17. PERMITS, BUSINESS LICENSE AND APPROPRIATE LICENSES.

The Firm and its members shall obtain, at the Firm's sole cost and expense, all permits, business license, and any applicable licenses necessary in the performance of this Agreement.

SECTION 18. FEDERAL PROVISIONS.

Federal financial assistance may be used to fund all or a portion of this Agreement. The Firm shall comply with all federal requirements including, but not limited to, the following:

A. 2 C.F.R. Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, which is expressly incorporated herein by reference.

B. Federal Contract Provisions attached hereto as Exhibit "C" and incorporated herein by reference.

Subcontracts, if any, shall contain a provision making them subject to all of the provisions stipulated in the contract, including but not limited to, 2 C.F.R. Part 200 and the Federal Contract Provisions.

With respect to any conflict between such federal requirements and the terms of this Agreement and/or the provisions of state law, and except as otherwise required under federal law or regulation, the more stringent requirement shall control.

SECTION 19. SEVERABILITY.

If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision shall be amended to, and solely to, the extent necessary to cure such invalidity or unenforceability, and in its amended form shall be enforceable. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

SECTION 20. ENTIRE AGREEMENT.

This Agreement, together with Exhibits "A", "B", "C", "D" and "E" hereto, shall constitute the full and complete agreement and understanding of the parties and shall be deemed to supersede all other written or oral statements of any party hereto relating to the subject matter hereof.

SIGNATURES

"CITY"
City of Palmdale

AUTHORIZED SIGNATORY:

BY: _____

NAME: ERIC OHLSEN
TITLE: MAYOR

DATE:_____

ATTEST:

BY: _____

NAME: ROCHELLE SCOTT
TITLE: CITY CLERK

APPROVED AS TO FORM:

BY: _____

NAME: LINDA DAUBE, ESQ.
TITLE: SPECIAL COUNSEL

"FIRM"
Colantuono, Highsmith & Whatley, PC

BY: _____

NAME: ALEKS GIRAGOSIAN
TITLE: SHAREHOLDER

DATE:_____

BY: _____

NAME: PAMELA GRAHAM
TITLE: SHAREHOLDER

EXHIBIT A

SCOPE OF SERVICES

City Attorney Legal Services. City Attorney legal services shall include:

General Services

- Oversee and manage the legal affairs of the City and make professionally reasonable efforts to ensure that the policies, programs, and activities of the City and its employees and agents are carried out in compliance with all applicable laws and that the legal interests of the City are otherwise protected to the fullest extent possible.
- Provide legal advice and opinions as requested by the City Council or designated staff.
- Interpret laws, legislation, rulings, and regulations for the City.
- Advise the City Council and staff on issues related to public agency law.
- Represent and advise the City Council and designated staff in all matters of law pertaining to their offices.
- Represent the City in administrative and legal proceedings, providing litigation services as needed.
- Represent and work with the City Council or designated staff on negotiations and preparing related agreements.
- Monitor current, new, and pending state and federal legislation, and case law as applicable to the City, and timely inform and provide direction to the City Council and designated staff regarding compliance issues and/or impacts to the City.
- Provide prompt responses, have availability for remote consultation and in-person meetings, and render written opinions on given issues related to City business in a timely manner.

City Council Services

- Attend all regular and special City Council meetings when called except as otherwise directed by the City Council or its designee.
- Advise the City Council and staff on relevant laws and regulations including, but not limited to: the Ralph M. Brown Act, California Public Records Act; AB 1234 compliance requirements; parliamentary procedures; and public official

conflict of interest requirements under the Political Reform Act and Government Code Section 1090 et seq.; including, providing or arranging education and in-service seminars as mutually agreed to maintain and increase the knowledge of the City Council and staff, to the fullest extent possible on these topics.

- Enforce all Charter provisions, ordinances and regulations through administrative and judicial actions as required by law or as requested by the City Council.

Staff Services

- Review City Council agendas and reports as requested.
- Aid in responding to public records requests.
- Prepare or review all Charter amendments, ordinances, resolutions, agreements, contracts, deeds, declarations of restrictive covenants, leases, licenses, policies, rules and regulations, terms and conditions, and all other legal documents as requested by the City Council, City Manager or designated staff.
- Draft memoranda, with proposed language, to address issues raised during negotiations of labor, real estate and other agreements.
- Advise on individual labor and employment matters (to include personnel and benefit issues) or work with special counsel as needed.
- Provide legal support while working with other individuals, local governmental agencies, nonprofit organizations, or private entities that the City interacts with as part of providing grants and programs consistently with the rule that the City alone is the Firm's client absent written agreement of the parties otherwise.

Additional Services

- Trainings for City Council and staff, as requested.
- Office hours once a week.
- Drafting/analysis of legislation/regulations, as requested.
- Attend all Planning Commission meetings, as scheduled.

EXHIBIT B

APPLICABLE BILLING RATES

A. **General Counsel Services.** General counsel services are offered at the Firm's standard rates up to a maximum rate of $325 per hour.

B. **Litigation Services.** Litigation services are offered at the Firm's standard rates up to a maximum rate of $400 per hour.

C. **Reimbursable Services.** Advisory, transactional, and litigation services that are reimbursable by a third-party are offered at the Firm's standard rates up to a maximum rate of $500 per hour.

D. **Costs and Expenses.** The firm will bill the City for actual, out-of-pocket expenses as noted below to be billed at cost, without markup, except for in-house copies and the rare outgoing fax:

- Filing fees — At vendor cost
- In-office photocopying — $0.10 per page
- In-office outgoing fax — $1.00 per page
- Authorized travel (e.g., Litigation/Special Projects) — Up to a maximum of $325 per hour*
- Mileage — IRS prevailing mileage rates

***Travel.** No charge for travel to and from the City. The $325 figure is subject to adjustment for inflation pursuant to paragraph E. below.

E. **Adjustments.** Commencing upon the anniversary of the Effective Date, and annually thereafter, the above rates may be increased by the change in the Consumer Price Index for all urban consumers in the Los Angeles region, not to exceed 3.5 percent (3.5%) per year, with the increase rounded to the nearest $5.00.

2026 Compensation Rates			
Advisory / Transactional		Litigation	
6th Year and Senior	$325	9th Year & Senior	$400
5th Year Associates	$320	8th Year	$390
4th Year Associates	$310	7th Year & Senior	$375
3rd Year & Senior	$300	6th Year Associates	$355
2nd Year Associates	$290	5th Year Associates	$320
1st Year Associates	$275	4th Year Associates	$310
Law Clerks	$245	3rd Year Associates	$300
Paralegals	$220	2nd Year Associates	$290
Legal Assistants	$200	1st Year Associates	$275
		Law Clerks	$245
		Paralegals	$220
		Legal Assistants	$200

EXHIBIT C

FEDERAL CONTRACT PROVISIONS

During the performance of this Agreement, Colantuono, Highsmith & Whatley, PC, ("Consultant") shall comply with all applicable federal laws and regulations including but not limited to the federal contract provisions in this Exhibit C. In this Exhibit C, the term "Agency" shall mean the local agency entering into this contract with Consultant.

1. CONTRACTING WITH SMALL AND MINORITY FIRMS, WOMEN'S BUSINESS ENTERPRISES, AND LABOR SURPLUS AREA FIRMS (2 C.F.R. § 200.321)

(A) Consultant shall be subject to 2 C.F.R. § 200.321 and will take affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible and will not be discriminated against on the grounds of race, color, religious creed, sex, or national origin in consideration for an award.

(B) Affirmative steps shall include:

(i) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;

(ii) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;

(iii) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises;

(iv) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises; and

(v) Using the services/assistance of the Small Business Administration (SBA), and the Minority Business Development Agency (MBDA) of the Department of Commerce.

(C) Consultant shall submit evidence of compliance with the foregoing affirmative steps when requested by the Agency.

(D) Notwithstanding the foregoing, the affirmative steps requirements detailed above do not apply in the case of a noncompetitive procurement made under the emergency exception/exigency exception to competitive procurements.

2. COST PRINCIPLES (2 C.F.R. PART 200, SUBPART E)

(A) If any indirect costs will be charged to the Agency under this contract, such costs must conform to the cost principles set forth under the Uniform Rules at 2 C.F.R. Part 200, subpart E ("Cost Principles"). In general, costs must (i) be necessary and reasonable; (ii) allocable to the grant award; (iii) conform to any limitations or exclusions set forth in the Cost Principles; (iv) be adequately documented; and (v) be determined in accordance with generally accepted accounting principles ("GAAP"), except, for state and local governments and Indian tribes only, as otherwise provided for in 2 C.F.R. Part 200, subpart E. 2 C.F.R. § 200.403. Costs that are determined unallowable pursuant to a federal audit are subject to repayment by Consultant.

3. ACCESS TO RECORDS & RECORD RETENTION (2 C.F.R. 200.334—200.338)

(A) Consultant shall comply with 2 C.F.R. § 200.337 and provide the Federal Agency, Inspectors General, the Comptroller General of the United States, Agency, and the State of California or any of their authorized representatives access, during normal business hours, to documents, papers, books and records which are directly pertinent to this contract for the purposes of making and responding to audits, examinations, excerpts, and transcriptions. The right also includes timely and reasonable access to Consultant's personnel for the purpose of interview and discussion related to the books and records.

(B) Consultant agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

(C) Consultant agrees to provide the Federal Agency or its authorized representatives access to construction or other work sites pertaining to the work being completed under the contract.

4. REQUIRED CONTRACT PROVISIONS IN ACCORDANCE WITH APPENDIX II TO PART 200 – CONTRACT PROVISIONS FOR NON- FEDERAL ENTITY CONTRACTS UNDER FEDERAL AWARDS (2 C.F.R. § 200.327)

(A) Appendix II to Part 200 (A); Appendix II to Part 200 (B): Remedies for Breach; Termination for Cause/Convenience. If the contract is in excess of $10,000 and the contract does not include provisions for both termination for cause and termination for convenience by the Agency, including the manner by which it will be effected and the basis for settlement, then the following termination clauses shall apply. If the contract is for more than the simplified acquisition threshold (see 2 C.F.R. § 200.1) at the time the contract is executed and does not provide for administrative, contractual, or legal remedies in instances where Consultant violates or breaches the terms of the contract, then the following termination clauses shall apply and have precedence over the contract. Otherwise, the following termination clauses shall not be applicable to the contract.

(i) Termination for Convenience. The Agency may, by written notice to Consultant, terminate this contract for convenience, in whole or in part, at any time by giving written notice to Consultant of such termination, and specifying the effective date thereof ("Notice of Termination for Convenience"). If the termination is for the convenience of the Agency, the Agency shall compensate Consultant for work or materials fully and adequately provided through the effective date of termination. No amount shall be paid for unperformed work or materials not provided, including anticipated profit. Consultant shall provide documentation deemed adequate by the Agency to show the work actually completed or materials provided by Consultant prior to the effective date of termination. This contract shall terminate on the effective date of the Notice of Termination.

(ii) Termination for Cause. If Consultant fails to perform pursuant to the terms of this contract, the Agency shall provide written notice to Consultant specifying the default ("Notice of Default"). If Consultant does not cure such default within ten (10) calendar days of receipt of Notice of Default, the Agency may terminate this contract for cause. If Consultant fails to cure a default as set forth above, the Agency may, by written notice to Consultant, terminate this contract for cause, in whole or in part, and specifying the

effective date thereof ("Notice of Termination for Cause"). If the termination is for cause, Consultant shall be compensated for that portion of the work or materials provided which has been fully and adequately completed and accepted by the Agency as of the date the Agency provides the Notice of Termination. In such case, the Agency shall have the right to take whatever steps it deems necessary to complete the project and correct Consultant's deficiencies and charge the cost thereof to Consultant, who shall be liable for the full cost of the Agency's corrective action, including reasonable overhead, profit and attorneys' fees.

(iii) Reimbursement; Damages. The Agency shall be entitled to reimbursement for any compensation paid in excess of work rendered or materials provided and shall be entitled to withhold compensation for defective work or other damages caused by Consultant's performance of the work.

(iv) Additional Termination Provisions. Upon receipt of a Notice of Termination, either for cause or for convenience, Consultant shall promptly discontinue the work unless the Notice directs to the contrary. Consultant shall deliver to the Agency and transfer title (if necessary) to all provided materials and completed work, and work in progress including drafts, documents, plans, forms, maps, products, graphics, computer programs and reports. The rights and remedies of the parties provided in this Section are in addition to any other rights and remedies provided by law or under this contract. Consultant acknowledges the Agency's right to terminate this contract with or without cause as provided in this Section, and hereby waives any and all claims for damages that might arise from the Agency's termination of this contract. The Agency shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed work or materials not provided and shall not be entitled to damages or compensation for termination of work or supply of materials. If Agency terminates this contract for cause, and it is later determined that the termination for cause was wrongful, the termination shall automatically be converted to and treated as a termination for convenience. In such event, Consultant shall be entitled to receive only the amounts payable under this Section, and Consultant specifically waives any claim for any other

amounts or damages, including, but not limited to, any claim for consequential damages or lost profits. The rights and remedies of the Agency provided in this Section shall not be exclusive and are in addition to any other rights and remedies provided by law, equity or under this contract including, but not limited to, the right to specific performance.

(B) Appendix II to Part 200 (C) – Employment Non-discrimination: Consultant shall comply with applicable Federal and California employment nondiscrimination laws, including the California Fair Employment and Housing Act. Consultant shall not engage in unlawful discrimination, harassment, or retaliation and shall comply with applicable reasonable accommodation requirements. Any additional Federal equal employment opportunity clause shall apply only to the extend required by the controlling Federal award and applicable law.

(C) Appendix II to Part 200 (D) – Davis-Bacon Act; Copeland Act: Not applicable to this contract.

(D) Appendix II to Part 200 (E) – Contract Work Hours and Safety Standards Act:

(i) If this contract is in excess of $100,000 and involves the employment of mechanics or laborers, Consultant shall comply with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. Part 5). Under 40 U.S.C. 3702, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

(ii) No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(iii) In the event of any violation of the clause set forth in paragraph (ii) of this section the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (ii) of this section, in the sum of $10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (ii) of this section.

(iv) The Agency shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by Consultant or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (iii) of this section.

(v) Consultant or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (ii) through (v) of this Section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The Contractor shall be responsible

for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (ii) through (v) of this Section.

(E) Appendix II to Part 200 (F) – Rights to Inventions Made Under a Contract or Agreement:

(i) If the Federal award meets the definition of "funding agreement" under 37 C.F.R. § 401.2(a) and the non-Federal entity wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the non-Federal entity must comply with the requirements of 37 C.F.R. Part 401 (Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements), and any implementing regulations issued by the Agency.

(ii) The regulation at 37 C.F.R. § 401.2(a) currently defines "funding agreement" as any contract, grant, or cooperative agreement entered into between any Federal agency, other than the Tennessee Valley Authority, and any contractor for the performance of experimental, developmental, or research work funded in whole or in part by the Federal government. This term also includes any assignment, substitution of parties, or subcontract of any type entered into for the performance of experimental, developmental, or research work under a funding agreement as defined in the first sentence of this paragraph.

(iii) This requirement does not apply to the Public Assistance, Hazard Mitigation Grant Program, Fire Management Assistance Grant Program, Crisis Counseling Assistance and Training Grant Program, Disaster Case Management Grant Program, and Federal Assistance to Individuals and Households – Other Needs Assistance Grant Program, as FEMA awards under these programs do not meet the definition of "funding agreement."

(F) Appendix II to Part 200 (G) – Clean Air Act and Federal Water Pollution Control Act: If this contract is in excess of $150,000, Consultant shall comply with all applicable standards, orders, or requirements issued

pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387).

(i) Pursuant to the Clean Air Act, (1) Consultant agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq., (2) Consultant agrees to report each violation to the Agency and understands and agrees that the Agency will, in turn, report each violation as required to assure notification to the Federal awarding agency and the appropriate Environmental Protection Agency Regional Office, and (3) Consultant agrees to include these requirements in each subcontract exceeding $150,000.

(ii) Pursuant to the Federal Water Pollution Control Act, (1) Consultant agrees to comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq., (2) Consultant agrees to report each violation to the Agency and understands and agrees that the Agency will, in turn, report each violation as required to assure notification to the Federal awarding agency and the appropriate Environmental Protection Agency Regional Office, and (3) Consultant agrees to include these requirements in each subcontract exceeding $150,000.

(G) Appendix II to Part 200 (H) – Debarment and Suspension: A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 C.F.R. part 1986 Comp., p. 189) and 12689 (3 C.F.R. part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

(i) This contract is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such Consultant is required to verify that none of Consultant, its principals (defined at 2 C.F.R. § 180.995), or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).

(ii) Consultant must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.

(iii) This certification is a material representation of fact relied upon by Agency. If it is later determined that Consultant did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to the Agency, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.

(iv) Consultant warrants that it is not debarred, suspended, or otherwise excluded from or ineligible for participation in any federal programs. Consultant also agrees to verify that all subcontractors performing work under this contract are not debarred, disqualified, or otherwise prohibited from participation in accordance with the requirements above. Consultant further agrees to notify the Agency in writing immediately if Consultant or its subcontractors are not in compliance during the term of this contract.

(H) Appendix II to Part 200 (I) – Byrd Anti-Lobbying Act: If this contract is in excess of $100,000, Consultant shall have submitted and filed the required certification pursuant to the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352). If at any time during the contract term funding exceeds $100,000.00, Consultant shall file with the Agency the Federal Standard Form LLL titled "Disclosure of Lobbying Activities." Consultants that apply or bid for an award exceeding $100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient.

(I) Appendix II to Part 200 (J) – Procurement of Recovered Materials:

(i) Consultant shall comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement.

(ii) In the performance of this contract, Consultant shall make maximum use of products containing recovered materials that are EPA- designated items unless the product cannot be acquired: Competitively within a timeframe providing for compliance with the contract performance schedule; Meeting contract performance requirements; or at a reasonable price.

(iii) Information about this requirement, along with the list of EPA-designated items, is available at EPA's Comprehensive Procurement Guidelines web site, https://www.epa.gov/smm/comprehensive- procurement-guideline-cpg-program.

5. MISCELLANEOUS PROVISIONS

(A) Consultant shall not use the DHS seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA preapproval.

(B) This is an acknowledgement that FEMA financial assistance will be used to fund the contract only. Consultant will comply with all applicable federal law, regulations, executive orders, FEMA policies, procedures, and directives.

(C) Consultant acknowledges that 31 U.S.C. Chapter 38 (Administrative Remedies for False Claims and Statements) applies to Consultant's actions pertaining to this contract.

(D) The Federal Government is not a party to this contract and is not subject to any obligations or liabilities to the Agency, Consultant, any subcontractors or any other party pertaining to any matter resulting from the contract.

(E) General and Administrative Expenses And Profit For Time And Materials Contracts/Amendments.

(i) General and administrative expenses shall be negotiated and must conform to the Cost Principles.

(ii) Profit shall be negotiated as a separate element of the cost. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by Consultant, Consultant's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

(iii) Any agreement, amendment or change order for work performed on a time and materials basis shall include a ceiling price that Consultant exceeds at its own risk.

EXHIBIT D



Response to Requested Information for Submittal to the City of Palmdale

August 21, 2026

SUBMITTED BY:

Aleks Giragosian, Esq.
Colantuono, Highsmith & Whatley, PC
790 E. Colorado Blvd, Suite 850
Pasadena CA 91101
Telephone: (213) 542-5700
E-mail: AGiragosian@chwlaw.us

1. Designated City Attorney

Name:	Aleks Giragosian
Title:	Shareholder
CA State Bar No.:	306107
Experience:	Aleks has 11 years of experience working with California cities and special districts.
No Conflicts:	Aleks is available to attend all City Council meetings on the first and third Tuesday of each month, Planning Commission meetings on the second Thursday of each month, and other meetings as requested. Aleks' current client meeting schedule does not conflict with Palmdale's City Council and Planning Commission meeting schedule. Aleks will also be the primary point of contact for the City Council, City Manager, and department heads.

Aleks Giragosian

790 E. Colorado Blvd., Suite 850, Pasadena, CA | 213-542-5734 | agiragosian@chwlaw.us

PROFESSIONAL EXPERIENCE

Colantuono, Highsmith & Whatley, PC | Pasadena, CA Nov. 2016-Present
Shareholder

- City Attorney for the City of Sierra Madre
- General Counsel to the following special districts:
  - Fallbrook Regional Health District
  - Grossmont Healthcare District
  - Montecito Sanitary District
- General Counsel to the following business improvement districts:
  - Burbank Hospitality Association
  - Downtown Burbank Partnership, Inc.
  - Mammoth Lakes Tourism
  - Visit Palmdale
- Deputy General Counsel to the:
  - San Diego County Local Agency Formation Commission
  - San Luis Obispo County Local Agency Formation Commission

Casso & Sparks, LLP | Industry, CA May 2016-Nov. 2016
Associate

Office of the City Attorney of Glendale | Glendale, CA Oct. 2015-May 2015
Professional Opportunity Program Fellow

EDUCATION

UCLA School of Law | Los Angeles, CA May 2015
Juris Doctor

Luskin School of Public Affairs | Los Angeles, CA May 2015
Master of Public Policy

University of California, Irvine | Irvine, CA June 2010
Bachelor of Arts in International Studies and Political Science
Minors in Conflict Resolution and Management;

BAR ADMISSION

Member # 306107, State Bar of California 2015

2. Firm Overview and Team

Colantuono, Highsmith & Whatley, PC is a municipal law firm with offices in Grass Valley, Irvine, Pasadena, Petaluma, Sacramento, and San Diego. We represent public agencies throughout California as general counsel and special counsel. We serve as the appointed city attorney to 16 cities and general counsel to dozens of special districts and local agency formation commissions.

The firm was recognized as one of California's Top Ranked Law Firms by Martindale Hubbell in 2014. Our firm includes California's leading experts on local government revenues, including Propositions 13, 62, 218 and 26, and our attorneys have argued more than a dozen government revenue cases in the California Supreme Court since 2004. The firm is ranked #1 by Chambers USA Spotlight Guide, 2026, for municipal law by leveraging "its deep expertise in the region to assist local governments on a range of issues."

The Proposed Palmdale Team



Aleks Giragosian
Shareholder
City Attorney
Pasadena



Taylor Anderson
Senior Counsel
Deputy City Attorney
Camarillo



Pamela Graham
Shareholder
Chief Litigation Counsel
Stevenson Ranch



Diego Lucich
Associate
Deputy City Attorney
Pasadena



Lili Wyckoff
Senior Counsel
Deputy Litigation Counsel
West Hills

* If Aleks is unavailable, Pamela Graham will provide coverage for all litigation matters and Taylor Anderson will provide coverage for all advisory matters.

3. Relevant Experience and References

Colantuono, Highsmith & Whatley serves as City/Town Attorney to the following:

City/Town	City/Town Attorney	Approx. Monthly Hours
American Canyon	Matthew Summers	160
Auburn	Gary Bell	113
Barstow	Andrew Jared	519
Colfax	Conor Harkins	43
Etna	Andrew Jared	13
Encinitas	Ajit Thind	170
Grass Valley	David Ruderman	84
La Palma	Ajit Thind	73
Lakeport	Mackenzie Anderson	51
Martinez	Matthew Summers	179
Montague	Andrew Jared	16
Novato	Gary Bell	300
Sierra Madre	Aleks Giragosian	128
Weed	Andrew Jared	50
Yountville	Gary Bell	121
Yreka	Julia Homaechevarria	57

*We also serve as General Counsel to a number of special districts, local agency formation commissions, and business improvement districts. Please let us know if you would like a list of those agencies, as well.

List of Professional References

City References

Kristine Lowe
Phone: 626-232-1808
Email: klowe@sierramadreca.gov
Title: Mayor
City of Sierra Madre

Michael Bruckner
Phone: 626-355-7135
Email: mbruckner@sierramadreca.gov
Title: Current City Manager
City of Sierra Madre

Jose Reynoso
Phone: 626-969-7397
Email: JReynoso@sgvmwd.com
Title: Former City Manager
City of Sierra Madre

Special District References

James Sly
Phone: 619-729-1413
Email: JSly@grossmonthealthcare.org
Title: Chief Executive Officer
Grossmont Healthcare District

John Weigold
Phone: 203-912-5652
Email: JWeigold@MontSan.org
Title: General Manager
Montecito Sanitary District

Rachel Mason
Phone: 909-838-8071
Email: RMason@FallbrookHelath.org
Title: Chief Executive Officer
Fallbrook Regional Health District

4. Conflicts of Interest

Aleks serves as General Counsel to Visit Palmdale, the non-profit organization that manages the Palmdale Tourism Improvement District. If appointed to serve as Palmdale City Attorney, the Firm would appoint another attorney to serve as Visit Palmdale's general counsel, conditioned on Palmdale's approval of joint representation.

5. Fee Proposal

Hourly Rate Structure

- **Advisory and Transactional:** Advisory and transactional services are offered at a maximum rate of $325 per hour.
- **Litigation Services.** Litigation services are offered at a maximum rate of $400 per hour.
- **Reimbursable Services.** Advisory, transactional, and litigation services that are reimbursable by a third-party are offered at a maximum rate of $500 per hour.
- **Travel.** No charge.
- **Adjustments.** Rates may be increased annually by the previous 12 months' change in the Consumer Price Index for the Los Angeles region, not to exceed 3.5 percent, with the increase rounded to the nearest $10.00.

2026 Compensation Rates

Advisory / Transactional		Litigation	
6th Year and Senior	$325	9th Year & Senior	$400
5th Year Associates	$320	8th Year	$390
4th Year Associates	$310	7th Year & Senior	$375
3rd Year & Senior	$300	6th Year Associates	$355
2nd Year Associates	$275	5th Year Associates	$320
1st Year Associates	$275	4th Year Associates	$310
Paralegals	$220	3rd Year Associates	$300
Legal Assistants	$200	2nd Year Associates	$275
		1st Year Associates	$275
		Paralegals	$220
		Legal Assistants	$200

Estimated Total Annual Cost for Full-Service City Attorney Work:
$1,638,000
based on the following assumptions:

Four (4) senior attorneys committing 20 hours per week at $325;
One (1) junior attorney committing 20 hours per week at $275

Senior Attorney	Rate	Hours	Extension	No of Attys	Weekly Total	Annual Cost
	$325	20	$ 6,500.00	4	$ 26,000.00	$ 1,352,000.00
Junior Attorney						
	$275	20	$5,500	1	$5,500	$ 286,000.00
					Annual Cost	$ 1,638,000.00

6. Approach

If appointed to serve as City Attorney, the firm would prioritize problem-solving and cost savings. Colantuono, Highsmith, and Whatley (CHW) will be your chief problem-solver. Our role is to help the City Council understand what is prohibited and what is possible. You identify the policy goals, we identify the legal options.

We are often asked to address politically sensitive matters. Our approach is to provide neutral legal advice based on statute or case law. We provide concise legal conclusions and, if needed, the reasoning leading to those conclusions. We avoid providing advice on matters of policy, but will provide advice regarding common practices among our other clients, if asked to do so.

CHW will keep costs low through transparent billing practices, staff templates and trainings, cost sharing, and litigation deterrence. The billing method we propose is simple and straightforward — one rate for advisory work and one rate for litigation. Our invoices will be categorized by department for advisory work and by case for litigation. This method allows the City Manager to determine which department or case is generating the most work and how to mitigate that cost.

Our office develops templates for contracts, ordinances, resolutions, and other documents, and trains staff on how to use those templates. Once trained, staff can fill in the blanks and submit to the City Attorney for review. A contract written from scratch can take 1-3 hours to draft, but a form template only takes 5 minutes to review.

Our firm generates case law update memos, legislative update memos, templates, and other documents that are relevant for multiple clients. The cost to research, write, and review such documents is spread across those clients that request them.

Litigation is often the reason for a higher than expected legal bill. While our firm does not shy away from litigating an issue, we believe litigation should be the option of last resort. We try to prioritize administrative remedies, consultation, and mediation over litigation to save time and money. If litigation appears likely, we provide the City Council with an estimated cost of the litigation and the expected chance of success to allow the Council to make an informed choice between settlement or litigation.

Exhibit E

COLANTUONO
HIGHSMITH
WHATLEY, PC

ALEKS R. GIRAGOSIAN | 213-542-5734 | AGIRAGOSIAN@CHWLAW.US

October 1, 2026

VIA ELECTRONIC MAIL ONLY

Eric Ohlsen
Mayor
38300 Sierra Highway #A
Palmdale, California 93550
EOhlsen@CityofPalmdaleCA.gov

Austin Bishop
Chairman
38250 Sierra Highway
Palmdale, California 93550
ABishop@CityofPalmdaleCA.gov

Re: **Consent to Firm's Concurrent Representation of City of Palmdale and Visit Palmdale**

Mayor Ohlsen and Chair Bishop:

I write to request the consent of the City of Palmdale ("City") and Visit Palmdale to our firm's serving as City Attorney for the City while simultaneously serving as General Counsel for Visit Palmdale.

I currently serve as General Counsel to Visit Palmdale, a non-profit organization that contracts with the City to manage the City's tourism business improvement district. From time to time, I assist Visit Palmdale with drafting agreements, which may include a cost-share or permitting component involving the City. For example, last April I revised the Sponsorship Agreement between the City of Palmdale, Visit Palmdale, and the California Beer Festival, LLC, which required both the City and Visit Palmdale to contribute funds to sponsor the Boots & Brews Palmdale event. On other occasions, I drafted agreements that require Visit Palmdale to obtain regulatory permits from the City, including special events permits, encroachment permits, etc.

California Rule of Professional Conduct 1.7 ("Rule 1.7") governs current client conflict of interest principles and states:

Rule 1.7 Conflict of Interest: Current Clients

> (b) A lawyer shall not, without informed written consent* from each affected client and compliance with paragraph (d), represent a client if there is a significant risk the lawyer's representation of the client will be materially limited by the lawyer's responsibilities to or relationships with another client, a former client or a third person,* or by the lawyer's own interests.
>
> (d) Representation is permitted under this rule only if the lawyer complies with paragraphs (a), (b), and (c), and:
>
> (1) the lawyer reasonably believes* that the lawyer will be able to provide competent and diligent representation to each affected client;
>
> (2) the representation is not prohibited by law; and
>
> (3) the representation does not involve the assertion of a claim by one client against another client represented by the lawyer in the same litigation or other proceeding before a tribunal.
>
> (Terms marked with an asterisk are defined elsewhere in the Rules.)

We believe we can effectively serve as City Attorney for the City and General Counsel for Visit Palmdale because the City's and Visit Palmdale's interests are not adverse and, in the event actual adversity arises in the future as to a particular matter, Visit Palmdale has agreed to retain separate counsel as to that matter and the City may need to do the same. We are aware of no law which would prohibit our representing the City and Visit Palmdale simultaneously.

To further safeguard each client's interests, the firm will appoint Julia Homaechevarria to serve as General Counsel to Visit Palmdale. We will implement an ethical screen to ensure I and anyone on our team advising the City of Palmdale will not be involved or have access to information regarding our work for Visit Palmdale. Similarly, Julia and anyone on our team advising Visit Palmdale will not be involved or have access to information regarding our work for the City. We will not share confidential information between our two teams and, of course, we will protect the City's and Visit Palmdale's confidences as to others.

Whether to grant this consent is a business judgment, and we recommend you consult independent legal counsel. The advantage to the City and Visit Palmdale to granting this consent are that each will receive legal counsel from a specialist in this field.

The disadvantage is that we may be perceived as having divided loyalties, to the extent the City's and Visit Palmdale's interests are not aligned. We believe we can competently represent both the City and Visit Palmdale and protect their secrets given the ethical wall we propose.

By signing this letter, you agree that we may represent the City as City Attorney on all matters as assigned, even if opposed to Visit Palmdale, and represent Visit Palmdale on all matters as assigned, unless opposed to the City.

You should consider this request carefully, and, of course, feel free to consult with counsel independent of our firm before granting this consent.

Please review the foregoing and, if it meets with your approval, execute and return it by email. If you have any questions, please call me at the direct-dial number above. Thank you for the opportunity to represent the City and Visit Palmdale.

Respectfully,



Aleks Giragosian
Shareholder

COLANTUONO
HIGHSMITH
WHATLEY, PC

ALEKS R. GIRAGOSIAN | 213-542-5734 | AGIRAGOSIAN@CHWLAW.US

I hereby consent to the firm's simultaneous representation of the City of Palmdale and Visit Palmdale.

Signature: _____

Name: _____

Title: Mayor

Date: _____

I hereby consent to the firm's simultaneous representation of the City of Palmdale and Visit Palmdale.

Signature: _____

Name: _____

Title: Chairman

Date: _____

City Council Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **CITY ATTORNEY'S OFFICE**

DISTRICT: **ALL**

SUBJECT: **UPCCAA PARTICIPATION AND PURCHASING ORDINANCE AMENDMENTS, SB 1169 IMPLEMENTATION, AND MUNICIPAL CODE AMENDMENT PROCEDURES**

RECOMMENDATION

Staff recommend that the City Council:

1. Direct the City Attorney's Office to return with a resolution electing to participate in the Uniform Public Construction Cost Accounting Act (UPCCAA) and an ordinance amending the City's purchasing provisions under Palmdale Municipal Code (PMC) Chapter 3.08;

2. Direct the City Attorney's Office to return with an ordinance amending applicable provisions of PMC Title 16 to implement Senate Bill (SB) 1169 and provide direction on whether to extend the tentative map expiration period beyond the 48-month statutory minimum; and,

3. Provide direction on the proposed process for future Municipal Code amendments, under which the City Attorney's Office would bring legally mandated amendments directly to the appropriate body for consideration and seek Council direction before preparing discretionary amendments.

BACKGROUND

This report presents the City Attorney's Office's recommended amendments to the City's purchasing provisions and subdivision regulations to align them with state law and clarify existing procedures. The proposed changes concern participation in UPCCAA, implementation of SB 1169, and consistency in purchasing authority. The City Attorney's Office also seeks Council direction on how future legally mandated and discretionary Municipal Code amendments should be presented.

DISCUSSION

1. UPCCAA Participation and Purchasing Ordinance Amendments

The Uniform Public Construction Cost Accounting Act (Public Contract Code § 22000 et seq.) establishes alternative bidding procedures for public works projects. Under UPCCAA, projects costing $75,000 or less may be performed by City employees, negotiated contract, or purchase order. Projects costing up to $220,000 may be awarded through informal bidding, while projects exceeding $220,000 generally require formal competitive bidding.

In 2024, the City Council adopted a resolution electing to participate in UPCCAA and an ordinance establishing informal bidding procedures. However, the City did not notify the State Controller's Office by filing the resolution and ordinance, which is required to complete the process. Participation in UPCCAA would provide the City with greater flexibility in awarding public works contracts and establish consistent bidding procedures.

The City Attorney's Office also recommends amendments to PMC Chapter 3.08 to reconcile the City's purchasing authority. Currently, PMC § 3.08.170 governs public works contracts, while § 3.08.240 establishes general City Manager purchasing authority of $125,000. These provisions should be clarified so that public works projects subject to UPCCAA are governed by § 3.08.170, while other contracts remain subject to § 3.08.240. In addition, PMC § 3.08.170 still reflects the pre-2025 UPCCAA bidding thresholds and is out of date. Additional amendments may be necessary to ensure Chapter 3.08 is consistent with UPCCAA and applicable law.

The City Attorney's Office recommends that the Council direct staff to return with the required resolution and an ordinance implementing UPCCAA and clarifying the City's purchasing provisions.

2. SB 1169 and Tentative Map Expiration Deadlines

SB 1169 amends the Subdivision Map Act (Government Code § 66452.6), effective January 1, 2027, by extending the initial life of an approved or conditionally approved tentative map from 24 to 48 months. The bill also increases the additional time a local agency may authorize by ordinance from 24 to 36 months. These changes apply to all cities, including charter cities, and to any tentative map that has not expired as of December 31, 2026.

Currently, PMC § 16.40.120 provides that tentative maps expire after 36 months, which is shorter than the new 48-month statutory minimum. This section must be amended to conform to state law. The ordinance will also delete outdated language in

§ 16.40.120(A) that applied only from January 1, 2023 through December 31, 2024.

Under amended Government Code § 66452.6(a)(1), the City may retain a 48-month minimum or authorize up to 36 additional months by ordinance, for a total of 84 months. The City Attorney's Office requests Council direction on whether to provide additional time

beyond the statutory minimum before returning with an ordinance amending Title 16.

3. Procedures for Future Municipal Code Amendments
The City Attorney's Office periodically identifies Municipal Code provisions that require amendment due to changes in state law, as well as provisions recommended to improve clarity, consistency, or efficiency.

To streamline this process while preserving Council oversight, the City Attorney's Office proposes distinguishing between two types of amendments:

- **Legally Mandated Amendments**: When state or federal law requires a Municipal Code amendment, the City Attorney's Office would prepare and submit the proposed ordinance directly to the appropriate body for consideration, without first obtaining City Council direction to initiate the amendment. The amendments required by SB 1169 are an example of a legally mandated amendment, although the City retains discretion to extend tentative map expiration periods beyond the statutory minimum.

- **Discretionary Amendments**: When an amendment involves a policy choice, the City Attorney's Office would first present its recommendation and rationale to the City Council without a draft ordinance. If directed, the City Attorney's Office would then prepare the ordinance for consideration. The proposed purchasing amendments are an example.

The process would eliminate the need for preliminary direction on legally required amendments while allowing the Council to determine whether to pursue discretionary changes. The City Council would retain its legislative authority, and all legal review and adoption procedures would remain in place.

The City Attorney's Office requests Council direction on whether to implement this process for future Municipal Code amendments.

FISCAL IMPACT

$0; There is no immediate fiscal impact associated with the requested direction. Any fiscal impacts of the proposed amendments will be evaluated when the ordinances and resolution return for consideration.

ENVIRONMENTAL REVIEW

The proposed action is exempt from the California Environmental Quality Act ("CEQA") under the common sense exemption, CEQA Guidelines Section 15061(b)(3), because it can be seen with certainty that there is no possibility that the action may have a significant effect on the environment.

STRATEGIC PLAN

Goal II. Ensure long-term fiscal health of the City and maintain funding for services.

C. Involve and expand engagement to enhance public oversight and transparency.

Prepared by:	Taylor Anderson, Deputy City Attorney
Certified as to availability of Funds:	Janelle Samson, Deputy City Manager
Approved by:	Salvador Mendez, City Manager
Approved as to form:	Taylor Anderson, Deputy City Attorney

ATTACHMENTS

None

City Council Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **OPERATIONS DEPARTMENT**
FINANCE DIVISION

DISTRICT: **ALL**

SUBJECT: **ADOPT ORDINANCE NO. 1671, AN ORDINANCE AMENDING PALMDALE MUNICIPAL CODE SECTION 3.08.240 ESTABLISHING REPORTING REQUIREMENTS FOR THE EXERCISE OF DELEGATED AUTHORITY TO CITY MANAGER**

RECOMMENDATION

Staff recommend that the City Council:

1. Review and consider the proposed amendment to Palmdale Municipal Code Section 3.08.240; and,

2. Adopt Ordinance No. 1671, an Ordinance of the City Council of the City of Palmdale, California, amending Palmdale Municipal Code Section 3.08.240, establishing reporting requirements for the exercise of delegated authority.

BACKGROUND

At its August 4, 2026, meeting, the City Council considered options for oversight of delegated authority granted to the City Manager and directed staff to prepare an item establishing Council oversight and reporting requirements to enhance transparency and accountability.

DISCUSSION:

The proposed ordinance adds a new reporting in subsection PMC 3.08.240(E) requiring the City Manager to provide quarterly reports summarizing actions taken under delegated authority, including contracts, purchase orders, entertainment agreements, settlements, releases, and other relevant transactions. The amendment also specifies the minimum content of such reports and requires retention and availability of supporting documentation.

In addition to establishing a regular reporting schedule, the ordinance provides a clear framework for how delegated authority is monitored and communicated to the City Council. This structure ensures that administrative actions taken under existing approval thresholds remain visible to the Council without disrupting operational efficiency. The reporting requirement also supports internal audit functions, reinforces compliance with procurement procedures, and provides a consistent mechanism for documenting and reviewing transactions executed under delegated authority.

FISCAL IMPACT

$0; There is no fiscal impact associated with adoption of this ordinance.

STRATEGIC PLAN

Goal II: Ensure long-term fiscal health of the City and maintain funding for services.

C. Involve and expand engagement to enhance public oversight and transparency.

Prepared by:	Janelle Samson, Deputy City Manager
Certified as to availability of Funds:	Janelle Samson, Deputy City Manager
Approved by:	Salvador Mendez, City Manager
Approved as to form:	Taylor Anderson, Deputy City Attorney

ATTACHMENTS

Ord. No. 1671

CITY OF PALMDALE, A CHARTER CITY
COUNTY OF LOS ANGELES, CALIFORNIA
ORDINANCE NO. 1671

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PALMDALE, AMENDING PALMDALE MUNICIPAL CODE SECTION 3.08.240 TO ESTABLISH REPORTING REQUIREMENTS FOR THE EXERCISE OF DELEGATED AUTHORITY TO THE CITY MANAGER

A. RECITALS

WHEREAS, the City of Palmdale maintains procurement procedures and approval authorities intended to ensure transparency, accountability, and efficient administration of City contracts, purchase orders, amendments, and change orders; and

WHEREAS, Palmdale Municipal Code Section 3.08.240 establishes the approval authority of the City Manager and City Council for purchase orders, contracts, contract amendments, and change orders; and

WHEREAS, the City Council desires to clarify and strengthen reporting requirements related to the exercise of delegated authority by the City Manager and designated department representatives; and

WHEREAS, establishing a structured reporting process will enhance fiscal oversight, ensure compliance with procurement procedures, and provide the City Council with timely information regarding significant administrative actions; and

WHEREAS, the City Council further finds that requiring periodic reporting of contracts, purchase orders, entertainment agreements, settlements, releases, and other transactions executed under delegated authority promotes transparency and supports effective governance while preserving the City Manager's responsibility for the day-to-day administration of City government; and

WHEREAS, the City Council intends that reporting obligations shall not be construed as requiring prior Council approval for matters lawfully within the City Manager’s delegated authority; and

B. ORDINANCE

THE CITY COUNCIL OF THE CITY OF PALMDALE DOES ORDAIN AS FOLLOWS:

SECTION 1. Incorporation of Recitals. The above recitals are true and correct and are incorporated herein by this reference as material findings in support of this Ordinance.

SECTION 2. Section 3.08.240 of the Palmdale Municipal Code is hereby amended to add subsection (E) as follows:

3.08.240 Approval of purchase orders, contracts, contract amendments and change orders.

(A) The approval authority for all purchase orders, contracts, contract amendments, and change orders shall be set forth as follows:

(1) The City Manager shall have the authority to review, approve, and execute, on behalf of the City, all purchase orders or contracts for the purchase or acceptance of goods, materials, supplies, and services in an amount not exceeding $125,000 per purchase order or contract, so long as the proper procurement procedures set forth in this Chapter have been followed.

2) All purchase orders or contracts in excess of $125,000 or change orders that cause the total contract or purchase order to exceed $125,000 shall be submitted to the City Council for approval.

(3) The City Manager shall have the authority and discretion, up to the amount authorized under Subsection (A)(1) of this Section, to delegate the authority to review, approve, and execute contracts, purchase orders, contract amendments, and change orders of goods, materials, supplies, and services to specific department representatives based on the needs of the organization.

The department representative exercising such authority given above shall ensure that the total of all contracts, purchase orders, contract amendments, and change orders does not exceed their delegated authority on a single contract or purchase order per fiscal year period, so long as the proper procurement procedures set forth in this Chapter have been followed.

(B) For contracts under $125,000, the City Manager shall have the authority to approve in writing any change order directing an addition, deletion, or revision to such purchase orders or contracts; however, in no event shall the sum total of the purchase order or contract, including all such change orders, exceed $125,000 per purchase order or contract. Any change order in which a contract or purchase order will exceed $125,000 will require City Council approval.

(C) After the effective date of any contract approved by the City Council for the purchase of services, equipment or supplies, the retention of professional services, or work on a public project, the City Manager shall have authority to approve in writing any amendment or change order directing an addition, deletion or revision in such contract, including, without limitation, plans, specifications, and the nature or quantity of services, equipment, supplies or work, so long as the cumulative dollar value of all such change orders relating to any one contract shall not exceed 15 percent of the original contract price unless City Council has authorized a different change order amount for a specific contract.

(D) Any change order exceeding the limitations set forth in Subsection (**C**) of this Section shall be submitted to the City Council for approval in the form of a contract amendment or supplemental agreement. Such amendment or supplemental agreement shall set forth the amended contract price, which will constitute the new contract price for purposes of the authority for City Manager-approved change orders or amendments in accordance with Subsection (**A**) of this Section.

(E) The City Manager shall provide reports and recommendations to the City Council regarding the exercise of delegated authority, as required by law or as directed by Council action, in accordance with the following:

1. Format of Reports. The City Manager may report to the City Council through written staff reports, memoranda, agenda items, financial or administrative reports, presentations at regular or special City Council meetings, or any other reporting format approved or accepted by the City Council.

2. Quarterly Reporting Requirement. At a minimum, the City Manager shall provide a quarterly report, in a format determined by the City Manager and consistent with Council direction, summarizing actions taken under delegated authority since the prior report and identifying any matters requiring Council consideration or action.

3. Scope of Reporting. Reports shall include, as appropriate, contracts, purchase orders, entertainment agreements, settlements, releases, and other transactions executed under delegated authority.

4. Required Content of Reports. Reports concerning the exercise of delegated authority shall identify, as applicable, the type of transaction, amount, purpose, funding source, and the specific delegated authority under which the action was taken

5. Supporting Documentation Required. The City Manager shall maintain supporting documentation for all reported transactions and shall make such documentation available to the City Council, City Attorney, City Auditor, or other authorized City officials as required by law or City policy.

6. Effect of Reporting. Reporting to the City Council shall not be construed as requiring prior Council approval of matters that fall within the City Manager's lawfully delegated authority under this Chapter.

SECTION 3. California Environmental Quality Act. The City Council finds the approval of this Ordinance is exempt from the California Environmental Quality Act ("CEQA") because adoption of the ordinance is not a project pursuant to Guidelines §15378(b)(2) as it is a governmental organizational action with no potential for a physical environmental impact. Alternatively, the ordinance is exempt under Guidelines §15061(b)(3) because there is no possibility it will result in a significant effect on the environment.

SECTION 4. Severability. If any section, subsection, subdivision, paragraph, sentence, clause or phrase in this Ordinance or any part thereof is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof irrespective of the fact that any one or more subsections, subdivisions, paragraphs, sentences, clauses or phrases be declared unconstitutional, or invalid, or ineffective, provided the basic purposes of this Ordinance and the benefits to the City and the public are not substantially impaired.

SECTION 5. All legal pre-requisites and pre-conditions to the introduction, enactment and adoption of this Ordinance have occurred as required by law and policy.

SECTION 6. The City Clerk shall certify to the adoption of this ordinance and shall cause this ordinance to be published or posted as required by law.

PASSED, APPROVED and **ADOPTED** this 1st day of December 2026.

Approved as to form:

_____
Aleks Giragosian
City Attorney

_____
Eric Ohlsen
Mayor

ATTEST:

_____
Rochelle Scott
City Clerk

I, Rochelle Scott, City Clerk of the City of Palmdale, California, do hereby certify that the foregoing Ordinance was duly introduced, passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the _____ day of _____, 20___ effective on the ____ day of _____, 20___ by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____ ABSENT: _____

Date: _____ _____
Rochelle Scott, City Clerk

City Council Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **CITY MANAGER DEPARTMENT**
CITY CLERK'S OFFICE

DISTRICT: **ALL**

SUBJECT: **ADOPT ORDINANCE NO. 1674, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PALMDALE AMENDING PALMDALE MUNICIPAL CODE SECTION 2.08.040 CHANGING THE REGULAR MEETING DAY OF THE CITY COUNCIL**

RECOMMENDATION

Staff recommend that the City Council:

1. Adopt proposed Ordinance No. 1674 amending Palmdale Municipal Code (PMC) Section 2.08.040 changing the regular meeting day of the City Council.

BACKGROUND

Council meetings provide a forum for the Council to conduct City business, engage with businesses, developers, contractors, financial institutions and other stakeholders, and address key policy and administrative matters, including contracts and approvals.

Meetings also bring elected and appointed officials together to make important decisions on matters affecting the community, including health, agriculture, the environment, education, transportation, development and public safety.

DISCUSSION

A change to the regular meeting day is being proposed to accommodate the availability of all Councilmembers and maximize attendance at City Council meetings.

The proposed amendment to PMC 2.08.040 would read as follows:

2.08.040 Regular meeting day, time and place.

Regular meetings of the City Council will be held on the first and third ~~Tuesday~~ Monday of each month. Meetings of the City Council shall be held at 38300 Sierra Highway, Suite

B, Palmdale, California. The regular meeting will begin at 5:00 pm, followed by the closed session meeting. If all matters on the agenda for any regular meeting have not been considered by the City Council by the hour of 10:30 pm, or such earlier or later time as may be fixed by a majority vote of the City Council, then the regular meeting may be adjourned to the next succeeding ~~Tuesday~~ Monday, at the same time and the exact location, unless a different day, time or location is specified in the order of adjournment. When so adjourned, each adjourned meeting shall be a regular meeting for all purposes. ~~At least twice a year, the City Council shall meet to receive and/or present recognitions to and/or from the community.~~ Notice of all meetings of the City Council, whether regular, adjourned, special, or emergency, will be given in the manner required by state statute (Brown Act or successor law). When a regular ~~Tuesday~~ Monday meeting of the City Council falls on ~~an election day or~~ a national or state holiday and City offices are scheduled to be closed, then such meetings shall not be held and will be deemed adjourned for all purposes with no further action required by the City Council or the City Clerk except such written notices of adjournment as may be required by law. The ordinances codified in this section shall take effect 30 days after adoption."

FISCAL IMPACT

$0; There is no fiscal impact associated with this action.

STRATEGIC PLAN

Goal II: Ensure long-term fiscal health of the City and maintain funding for services.

C. Involve and expand engagement to enhance public oversight and transparency.

Prepared by:	Rochelle Scott, City Clerk
Certified as to availability of Funds:	Janelle Samson, Deputy City Manager
Approved by:	Salvador Mendez, City Manager
Approved as to form:	Taylor Anderson, Deputy City Attorney

ATTACHMENTS

Ord. No.1674

ORDINANCE NO. 1674

AN ORDINANCE OF THE CITY COUNCIL OF THE CHARTERED CITY OF PALMDALE, CALIFORNIA, AMENDING SECTION 2.08.040 OF THE PALMDALE MUNICIPAL CODE TO CHANGE THE REGULAR MEETING DAY OF THE CITY COUNCIL

I. Intent of the City Council

a) Government Code Section 54954(a) requires the City Council to provide, by ordinance, the time and place for holding its regular meetings.

b) The City Council desires to change its regular meeting day from the first and third Tuesday to the first and third Monday of each month to accommodate the availability of all Councilmembers and maximize attendance at City Council meetings.

c) All legal conditions precedent to the adoption of this Ordinance have occurred as required by law.

II. Ordinance

Now, Therefore:

The City Council of the City of Palmdale does ordain as follows:

1. In all respects as set forth in Part I, Intent of the City Council, which section is hereby incorporated by reference herein.

2. Section "2.08.040 – Regular meeting day, time and place" of is hereby amended to read as follows:

"2.08.040 Regular meeting day, time, and place.

Regular meetings of the City Council will be held on the first and third ~~Tuesday~~ Monday of each month. Meetings of the City Council shall be held at 38300 Sierra Highway, Suite B, Palmdale, California. The regular meeting will begin at 5:00 pm, followed by the closed session meeting. If all matters on the agenda for any regular meeting have not been considered by the City Council by the hour of 10:30 pm, or such earlier or later time as may be fixed by a majority vote of the City Council, then the regular meeting may be adjourned to the next succeeding ~~Tuesday~~ Monday, at the same time and the exact location, unless a different day, time or location is specified in the order of adjournment. When so adjourned, each adjourned meeting shall be a regular meeting for all purposes. ~~At least twice a year, the City Council shall meet to receive and/or present recognitions to and/or from the community.~~ Notice of all meetings of the City Council, whether

regular, adjourned, special, or emergency, will be given in the manner required by state statute (Brown Act or successor law). When a regular ~~Tuesday~~ Monday meeting of the City Council falls on ~~an election day or~~ a national or state holiday and City offices are scheduled to be closed, then such meetings shall not be held and will be deemed adjourned for all purposes with no further action required by the City Council or the City Clerk except such written notices of adjournment as may be required by law. The ordinances codified in this section shall take effect 30 days after adoption."

3. The City Council finds that this Ordinance is not a "project" within the meaning of the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) ("CEQA") because it is an organizational and administrative activity of government that will not result in direct or indirect physical changes in the environment (CEQA Guidelines § 15378(b)(2), (b)(5)). Separately and independently, the Ordinance is exempt under CEQA Guidelines § 15061(b)(3) because it can be seen with certainty that there is no possibility the action may have a significant effect on the environment.

4. Any Ordinance previously enacted by the City Council shall, to the extent of any conflict, be deemed repealed and provided that each section or element of any Ordinance that is non-conflicting shall remain in full force and effect.

5. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is held for any reason to be invalid or unconstitutional by the decision of any court of competent jurisdiction. such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase or portion thereof, irrespective of the fact that any one or more sections. subsections. sentences. clauses. phrases or portions be declared invalid or unconstitutional.

6. The Mayor shall sign and the City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same to be published and posted pursuant to the provisions of law in that regard and this Ordinance shall take effect 30 days after adoption.

PASSED, APPROVED and **ADOPTED** this 1st day of December, 2026.

_____
Eric Ohlsen, Mayor

APPROVED AS TO FORM:

_____
Aleks Giragosian
City Attorney

ATTEST:

_____
Rochelle Scott
City Clerk

I, Rochelle Scott, City Clerk of the City of Palmdale, California, do hereby certify that the foregoing Ordinance was duly introduced, passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the 1st day of December 2026, effective on the 31st day of December 2026, by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____ ABSENT: _____

Date: _____ _____
Rochelle Scott, City Clerk

City Council Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **CITY ATTORNEY'S OFFICE**

DISTRICT: **ALL**

SUBJECT: **ADOPT RESOLUTION NO. CC 2026-067, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE AUTHORIZING A $100,000 REWARD**

RECOMMENDATION

Staff recommends that the City Council:

1. Adopt Resolution No. CC 2026-067 authorizing a $100,000 reward for information leading to the conviction of the person responsible for the murder of Los Angeles County Sheriff's Deputy Ryan Clinkunbroomer; and,

2. Appropriate funds in the amount of $100,000 from General Fund unappropriated general fund balance.

BACKGROUND

On September 16, 2023, at approximately 5:57 p.m., Los Angeles County Sheriff's Department Deputy Ryan Clinkunbroomer, was fatally shot in his patrol vehicle, while on duty in the City of Palmdale. The Board of Supervisors of the County of Los Angeles established a reward of $100,000 for information leading to the determination of the identity, apprehension, and conviction of the person or persons responsible for the murder. Syed Alam and Alexandra Hernandez contacted the Los Angeles County Sheriff's Department, Homicide Bureau, and provided information regarding their encounters with the suspect before and after the murder.

Mr. Alam documented the license plate of the suspect vehicle during a confrontation approximately seven minutes before the shooting, and, together with Ms. Hernandez, provided descriptions and a positive identification of the suspect, which enabled investigators to obtain search and arrest warrants, recover the .22-caliber revolver used in the murder, and arrest the suspect two days after the killing. Their information was critical to the identification and arrest of the suspect.

On September 17, 2023, former City Manager Ronda Perez pledged to make a $100,000 contribution toward the reward amount on behalf of the City. The City Council never authorized the pledge of City funds and must consider whether to do so now pursuant to Government Code sections 53069.5 and 53069.7.

DISCUSSION

The lead investigator for the Los Angeles County Sheriff's Department, Homicide Bureau, has submitted a written recommendation that Mr. Alam and Ms. Hernandez are deserving recipients of the reward, and has stated that their information was timely and provided despite the risk of retaliation inherent in cases involving the killing of a peace officer.

The establishment and payment of rewards for information leading to the resolution of serious crimes serve an important public purpose by encouraging individuals to come forward with information that may otherwise remain unknown. In this case, recognizing Mr. Alam and Ms. Hernandez for their assistance reinforces the City's commitment to public safety, strengthens the partnership between the community and law enforcement, and demonstrates the value of community involvement in protecting residents and those who serve the public.

Based on the recommendation of the lead investigator and the substantial contribution made by both individuals to the investigation, staff recommends that the City Council authorize payment of the $100,000 reward, divided equally between Mr. Alam and Ms. Hernandez, with each recipient receiving $50,000. Approval of the recommendation acknowledges their significant assistance and supports the broader public interest in encouraging community cooperation with law enforcement.

FISCAL IMPACT

$100,000; Funds are proposed to be appropriated from the General Fund unappropriated fund balance.

STRATEGIC PLAN

Goal I: Maintain effective public safety and protection for life, property and the environment.

A. Provide comprehensive and innovative safety services to prevent crime and promote a safe community. Authorizing the reward recognizes the critical role of community cooperation in assisting law enforcement with the investigation and resolution of serious crimes. Additionally, the reward reinforces the importance of public participation in supporting law enforcement efforts and maintaining public safety.

Goal IV: Maintain a desirable community where everyone wants to live, work and play, which emphasizes providing inclusive access to supportive services that build a resilient and healthy community.

B. Provide inclusive access to a variety of supportive services that build a resilient and healthy community. Recognizing individuals who demonstrate civic responsibility and provide critical assistance to law enforcement helps strengthen community trust, cooperation, and shared responsibility for maintaining a safe and desirable community.

Prepared by:	Aleks R. Giragosian, City Attorney
Certified as to availability of Funds:	Janelle Samson, Deputy City Manager
Approved by:	Salvador Mendez, City Manager
Approved as to form:	Taylor Anderson, Deputy City Attorney

ATTACHMENTS

Reso. No. CC 2026-067

CITY COUNCIL
CITY OF PALMDALE, CALIFORNIA
RESOLUTION NO. CC 2026-067

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE AUTHORIZING A $100,000 REWARD FOR INFORMATION LEADING TO THE CONVICTION OF THE PERSON RESPONSIBLE FOR THE MURDER OF LOS ANGELES COUNTY SHERIFF'S DEPUTY RYAN CLINKUNBROOMER

WHEREAS, Government Code section 53069.5 authorizes a local agency to offer and pay a reward for information leading to the identification and arrest of a person whose misconduct causes death or injury to a person or property; and

WHEREAS, Government Code section 53069.7 authorizes a local agency to offer and pay a reward for information leading to the arrest and conviction of any person for killing a peace officer of a local agency acting in the line of duty; and

WHEREAS, the City Council has authority under Government Code sections 53069.5 and 53069.7 to pay a reward for information that solved a homicide committed within the City's jurisdiction; and

WHEREAS, on September 16, 2023, at approximately 5:57 p.m., Los Angeles County Sheriff's Department Deputy Ryan Clinkunbroomer, was fatally shot in his patrol vehicle, while on duty in the City of Palmdale; and

WHEREAS, the Board of Supervisors of the County of Los Angeles established a reward of $100,000 for information leading to the determination of the identity, apprehension, and conviction of the person or persons responsible for the murder, with information to be provided no later than December 17, 2023, and written claims to be received no later than February 15, 2024; and

WHEREAS, the terms of the reward provide that the total payment of all rewards shall not exceed $100,000, that no claim shall be paid prior to conviction absent a finding of impossibility of conviction, and that the reward may be apportioned among persons as the circumstances fairly dictate; and

WHEREAS, following the public release of information and request for public assistance, Syed Alam and Alexandra Hernandez contacted the Los Angeles County Sheriff's Department, Homicide Bureau, and provided information regarding their encounters with the suspect before and after the murder; and

WHEREAS, the lead investigator for the Los Angeles County Sheriff's Department, Homicide Bureau, has submitted a written recommendation that Mr. Alam and Ms. Hernandez are deserving recipients of the reward, and has stated that their information was timely, critical to the identification and arrest of the suspect, and provided despite the risk of retaliation inherent in cases involving the killing of a peace officer; and

WHEREAS, the City Council desires to authorize payment of the reward in the total amount of $100,000, apportioned equally between Mr. Alam and Ms. Hernandez, as set forth in this Resolution.

NOW THEREFORE, BE IT RESOLVED, THE CITY COUNCIL OF THE CITY OF PALMDALE DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

SECTION 1. Authorization of Reward. The City Council hereby authorizes payment of a reward in the total amount of One Hundred Thousand Dollars ($100,000), apportioned as follows:

- Fifty Thousand Dollars ($50,000) to Syed Alam; and
- Fifty Thousand Dollars ($50,000) to Alexandra Hernandez.

SECTION 2. Funding. The reward shall be paid from [fund/account number and name].

SECTION 3. Confidentiality. In light of the risk of retaliation described in the recitals, the City Clerk and City Manager shall handle the recipients' personal identifying information, including addresses and financial account details, as confidential to the extent permitted by the California Public Records Act and other applicable law.

SECTION 4. Effective Date. This Resolution shall take effect immediately upon its adoption.

SECTION 5. Adoption. The City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED and **ADOPTED** this 1st day of December 2026.

_____
Eric Ohlsen, Mayor

APPROVED AS TO FORM:

_____
Aleks R. Giragosian
City Attorney

ATTEST:

_____
Rochelle Scott, City Clerk

I, Rochelle Scott, City Clerk of the City of Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the 1st day of December 2026 by the following roll call vote:

AYES: _____

NOES:_____

ABSTAIN:_____ABSENT:_____

Date: _____ _____
Rochelle Scott, City Clerk

City Council Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **PUBLIC WORKS DEPARTMENT**
ENGINEERING DIVISION

DISTRICT: **5**

SUBJECT: **ADOPT RESOLUTION NO. CC 2026-064, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE APPROVING THE ANNEXATION AND ANNUAL LEVY REPORT FOR THE ANNEXATION OF CERTAIN TERRITORY TO THE CITY OF PALMDALE STREETLIGHT MAINTENANCE ASSESSMENT DISTRICT NO. 1, AS ANNEXATION 2026-204, AND ORDERING THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN SAID ASSESSMENT DISTRICT FOR FISCAL YEAR 2026-27**

RECOMMENDATION

Staff recommend that the City Council:

1. Hold the public hearing to accept public testimony;

2. Adopt Resolution No. CC 2026-064, a Resolution of the City Council of the City of Palmdale annexing certain territory to City of Palmdale Streetlight Maintenance Assessment District No. 1, as Annexation 2026-204 (the “Annexation”);

3. Authorize the Mayor to execute Resolution No. CC 2026-064 approving the annexation and annual levy report of certain territory to the City of Palmdale Streetlight Maintenance District No. 1, Annexation No. 2026-204; and,

4. Order the levy and collection of assessments within Streetlight Assessment District No. 1, as Annexation 2026-204, starting Fiscal Year 2026-27.

BACKGROUND

The developer of a multi-family housing project located on the northwest corner of Avenue Q and 25th Street East, Palmdale Family Apartments LP, has requested the annexation of their parcels into the City’s Streetlight Maintenance District for the future maintenance of the streetlighting infrastructure required to support their development. This annexation was also a condition of approval for the development identified during the entitlement process.

According to the "Landscaping and Lighting Act of 1972", Part 2 of Division 15 of the California Streets and Highways Code, the City may establish a streetlight maintenance assessment district or annex territory into an existing district to provide for the installation, continued maintenance, and servicing of the streetlight improvements. Placement of the streetlight improvements into a district will provide for the continued maintenance of these improvements after the developer installs them and the City accepts them.

On December 1, 2026, the City Council acted to initiate proceedings and declare its intention to annex certain territory to the District, called for the preparation of an Annexation and Annual Levy report, and set December 1, 2026, as the date for the public hearing. An assessment ballot has been mailed to the property owner of record of the parcels to be assessed, in accordance with Article XIII D of the California Constitution. At the public hearing, if the ballot is returned affirmative, the City Council can approve the Annexation. If the ballot indicates opposition for the Annexation, the City Council cannot adopt the resolution.

DISCUSSION

Adoption of this Annexation Resolution will provide for the continued maintenance and servicing of streetlighting improvements within the annexation after the developer installs them and the City accepts them.

FISCAL IMPACT

$9,801.07; The Report indicates the proposed assessments for the City of Palmdale Streetlight Maintenance Assessment District No. 1, Annexation No. 2026-204. The total combined maximum assessment revenue from the Annexation for Fiscal Year 2026-27 is $9,801.07, and the City's general benefit contribution is $558.93. The appropriate funding source for the general benefit contribution will be determined during the FY 2026-27 budget review and approval process.

STRATEGIC PLAN

Goal II: Ensure the long-term fiscal health of the City and maintain funding for services.

A. Manage resources, costs, and liabilities to ensure the City's long-term fiscal health.

Prepared by:	Leonardo Torres, P.E., Director of Public Works
Certified as to availability of Funds:	Janelle Samson, Deputy City Manager
Approved by:	Salvador Mendez, City Manager
Approved as to form:	Taylor Anderson, Deputy City Attorney

ATTACHMENTS

Reso. No. CC 2026-064
Rpt Annexation and Annual Levy
Exh A Certificate of Tabulation Official
Assessment District Diagram

CITY COUNCIL
CITY OF PALMDALE, CALIFORNIA
RESOLUTION NO. CC 2026-064

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE CONFIRMING THE BALLOT RESULTS TO DETERMINE THAT NO MAJORITY PROTEST EXISTS IN THE PROCEEDINGS, AND ORDERING THE ANNEXATION OF CERTAIN TERRITORY TO THE CITY OF PALMDALE STREETLIGHT MAINTENANCE ASSESSMENT DISTRICT NO. 1, AS ANNEXATION 2026-204

WHEREAS, on December 1, 2026, by Resolution CC 2026-062, the City Council initiated proceedings to annex territory to the City of Palmdale Streetlight Maintenance Assessment District No. 1 (the “District”), as Annexation 2026-204 to pay for costs for the maintenance and services of all improvements and facilities pursuant to the terms and provisions of the Landscaping and Lighting Act of 1972 (Sections 22500 and following of the Streets and Highways Code of California) (the "1972 Act"), Article XIII D of the Constitution of the State of California (“Article XIIID”) and the Proposition 218 Omnibus Implementation Act (Government Code Section 53750 et seq.) (the “Omnibus Act” and, together with the 1972 Act and Article XIIID, the “Assessment Law”); and

WHEREAS, the City Council did order and subsequently receive an Annexation and Annual Levy Report (hereafter referred to as the “Report”) prepared by NBS in accordance with the Assessment Law;

WHEREAS, the Report has been made a part of the record of these proceedings and is on file in the office of the City Clerk of the City (the "City Clerk");

WHEREAS, on December 1, 2026, by Resolution No. CC 2026-063, the City Council (a) set the time and place for the purpose of hearing protests to the proposed annexation of territory to the District and (b) ordered that the record owner of each parcel proposed to be assessed have the right to submit an assessment ballot in favor of or in opposition to the assessment proposed to be levied on such parcel;

WHEREAS, the owners of certain property have requested that the Territory be annexed to the District in order to provide for the levy of annual assessments to finance the maintenance of the Improvements;

WHEREAS, all of the owners of the Territory have filed with the City Clerk duly executed forms entitled “A Petition to the City Council of the City of Palmdale, County of Los Angeles, State of California, Petitioning the Council to Initiate Proceedings for the Annexation of Territory to the City of Palmdale Streetlight Maintenance Assessment District No. 1, as Annexation 2026-204 (the “Annexation”), assessor’s parcel numbers 3022-012-036 and 3022-012-037, located on the northwest corner of Avenue Q East and 25th Street East, Pursuant to the Landscaping and Lighting Act of 1972, Being Part 2 of

Division 15 of the California Streets and Highways Code and as provided by Article XIIID of the California Constitution" (the "Petition, Consent and Waiver");

WHEREAS, by such Petition, Consent and Waiver, all of the owners of the Territory have expressly waived any and all of the procedural requirements as prescribed in the Act to the annexation of the Territory to the District and have expressly consented to the annexation of the Territory to the District;

WHEREAS, by such Petition, Consent and Waiver, all of the owners of the Territory have also expressly waived any and all of the procedural requirements as prescribed in the Act and/or Article XIII D applicable to the authorization to levy the proposed annual assessment against the Territory set forth in the Report and incorporated herein by this reference and have declared support for, consent to, and approval of the authorization to levy such proposed annual assessment set forth in the Report incorporated herein by this reference;

WHEREAS, notices of such hearing, accompanied by assessment ballot materials, were mailed to each record owner in the time, form and manner required by the Assessment Law, a full hearing has been given, and at this time all assessment ballots submitted and not withdrawn pursuant to the Assessment Law have been tabulated by the tabulation official appointed by the City (the "Tabulation Official"), all in the manner provided by the Assessment Law;

WHEREAS, the Tabulation Official has prepared and submitted to this legislative body a Certificate of Tabulation Official and Statement of Assessment Ballots Submitted (the "Certificate of the Tabulation Official"), a copy of which is attached as Exhibit "A" hereto and incorporated herein by this reference, which reflects the results of the tabulation of the assessment ballots submitted and not withdrawn; and

WHEREAS, this City Council is now satisfied with the assessments and all matters contained in the Report as submitted.

NOW THEREFORE, BE IT RESOLVED, THE CITY COUNCIL OF THE CITY OF PALMDALE DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS

SECTION 1. The above recitals are all true and correct and by this reference made an operative part hereof.

SECTION 2. The City Council hereby finds and determines that the procedures for the consideration of the Annexation have been undertaken in accordance with the Assessment Law.

SECTION 3. The Report, as now submitted, is hereby approved and such Report shall stand as the report as required by the Assessment Law for all future proceedings for this Annexation.

SECTION 4. Assessment ballots were mailed, as required by the Assessment Law, to the record owners of all properties proposed to be assessed within the Annexation. The assessment ballots that were completed and received by the City Clerk, prior to the close of the Public Hearing, have been tabulated in accordance with the procedures established under the Assessment Law and the results of such tabulation have been submitted to this City Council.

SECTION 5. This City Council hereby finds that the assessment ballots submitted, and not withdrawn, in opposition to the levy of assessments do not exceed the assessment ballots submitted, and not withdrawn, in favor of such levy as weighted by assessment amount in accordance with the Assessment Law. Therefore, no majority protest to the Annexation has been found to exist.

SECTION 6. The City Council hereby orders the Annexation and assessments to be levied as set forth in the Report.

SECTION 7. Based upon the Report and the testimony and other evidence presented at the Public Hearing, the City Council hereby makes the following determinations regarding the assessments to be levied for Fiscal Year 2026/27.

a. The proportionate special benefit derived by each assessable parcel from the maintenance and servicing of the improvements has been determined in relationship to the entirety of the cost of such maintenance and service expenses.

b. The assessments do not exceed the reasonable cost of the proportional special benefits conferred on each parcel.

c. Only special benefits have been assessed, and the general benefits have been separated from the special benefits.

d. All publicly owned parcels within the Annexation that derive special benefits from the maintenance and servicing of the improvements have been assessed for such special benefits.

SECTION 8. The assessments for the Annexation contained in the Report for Fiscal Year 2026-27 are hereby confirmed and levied upon the respective lots or parcels within the Annexation as set forth in said Report. Subsequent annual assessments, in amounts not to exceed an established maximum annual assessment may be confirmed and levied without further assessment ballot proceedings pursuant to the Assessment Law. Each fiscal year, beginning Fiscal Year 2027/28, the maximum amount of each assessment

may be increased by the formula contained in the Report without further compliance with the assessment ballot procedures required under the Assessment Law.

SECTION 9. The public interest and convenience requires and this legislative body does hereby order the maintenance work to be made and performed as set forth in the Report.

SECTION 10. The diagram and assessments shall be filed in the Office of the City Clerk. Said diagram and assessments, and the certified copy thereof, shall be open for public inspection.

SECTION 11. The City Clerk is hereby ordered and directed to immediately file a certified copy of the diagram and assessment with the Los Angeles County Auditor.

SECTION 12. After the filing of the diagram and assessment, the Los Angeles County Auditor shall enter onto the Los Angeles County assessment roll opposite each lot or parcel of land, the amount assessed thereon as shown in the assessment.

SECTION 13. The assessments shall be collected at the same time and in the same manner as Los Angeles County secured taxes are collected and all laws providing for the collection and enforcement of Los Angeles County taxes shall apply to the collection of the assessments.

SECTION 14. The assessments as above confirmed and levied for these proceedings will provide revenue to finance the maintenance of authorized improvements starting in the fiscal year commencing July 1, 2026, and ending June 30, 2027.

SECTION 15. The City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED and **ADOPTED** this 1st day of December 2026.

_____
Eric Ohlsen, Mayor

APPROVED AS TO FORM:

_____
Aleks Giragosian, City Attorney

ATTEST:

_____
Rochelle Scott, City Clerk

I, Rochelle Scott, City Clerk of the City of Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the 1st day of December 2026 by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____ABSENT:_____

Date: _____ _____
Rochelle Scott, City Clerk

CITY OF PALMDALE

Annexation and Annual Levy Report For:

Streetlight Maintenance Assessment District No. 1 Annexation 2026-204

Palmdale Family Apartments

October 2026

Fiscal Year 2026/27

Prepared by:

NBS
helping communities fund tomorrow

nbsgov.com

Corporate Headquarters
32605 Temecula Parkway, Suite 100
Temecula, CA 92592
Toll free: 800.676.7516

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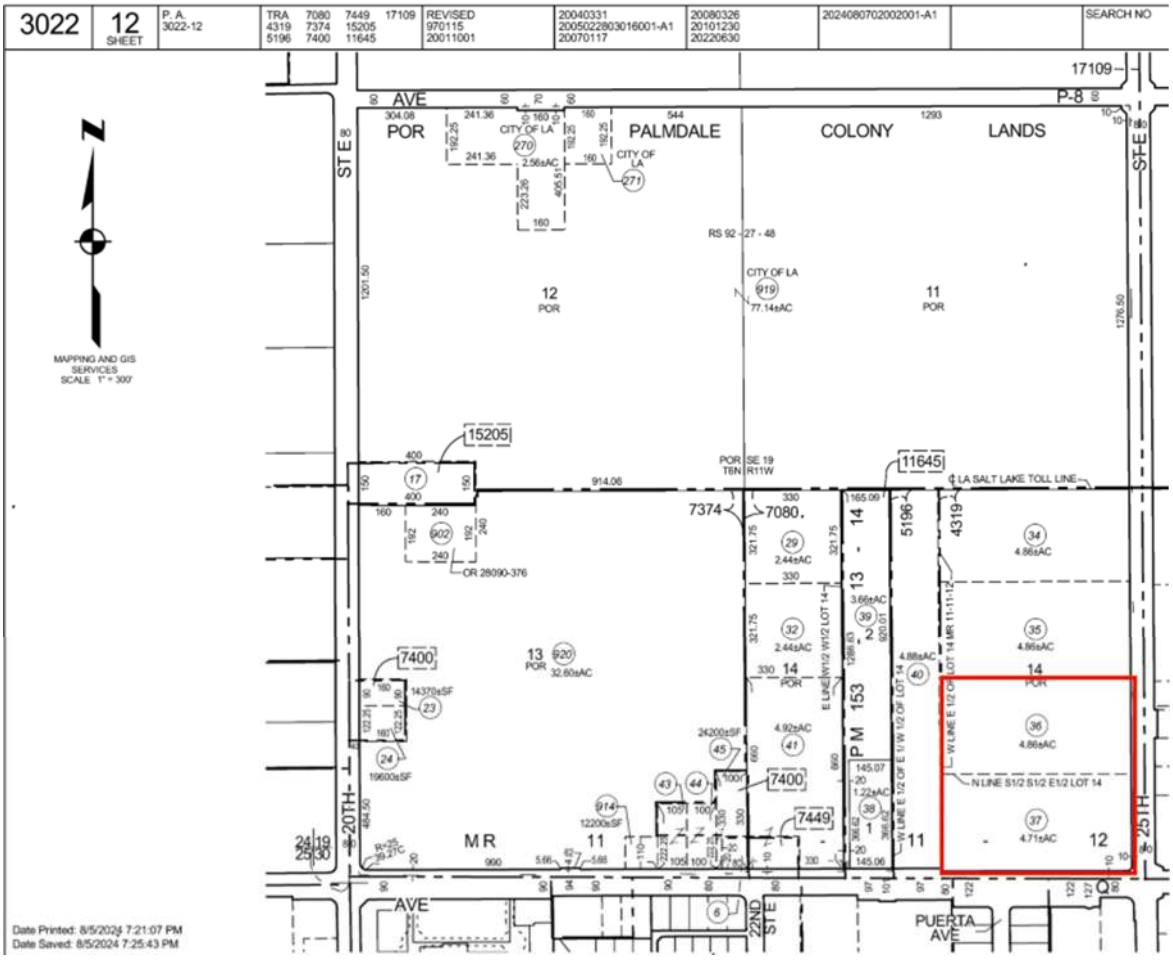
1. INTRODUCTION

1.1 District History

The City of Palmdale ("City") provides maintenance and servicing of certain publicly owned streetlights throughout its jurisdictional boundaries. In order to fund the maintenance and operation (the "Services") of these projects and improvements, the City has formed five Streetlight Maintenance Assessment Districts, including subsequent annexations, covering over 40 thousand parcels. The assessments described in this Report have been prepared pursuant to Article XIII D of the California Constitution, the Proposition 218 Omnibus Implementation Act (Division 2 of the California Government Code §53739 et seq.), and the Landscaping and Lighting Act of 1972 (Division 15 of the California Streets and Highways Code §22500 et seq.) collectively, the "Assessment Law".

As a condition of approval, the Palmdale Family Apartments project is required to fund the maintenance and servicing associated with the streetlight improvements fronting the project parcels. This annexation, a 9.813-acre multi-family residential project, will consist of assessor's parcel numbers 3022-012-036 and 3022-012-037, located on the northwest corner of Avenue Q East and 25th Street East, as illustrated below.



The Streetlight Maintenance Assessment District No. 1, Annexation 2026-204 (the "Annexation") is proposed to fund the maintenance and servicing of streetlights that benefit the parcels that form the Annexation.

1.2 Legislative Context

Determinations of special and general benefits must comply with the requirements of Assessment Law. The following is a description of the legislative context within which this report is written.

In 1996, California Voters adopted Proposition 218, the "Right to Vote on Taxes Act" which added Articles XIII C and XIII D to the California Constitution. Article XIII D imposes certain substantive and procedural requirements on any agency that wishes to levy special assessments.

The substantive requirements are twofold: (1) assessments can only be imposed for a "special benefit" conferred on an assessed parcel, and (2) assessments must be in proportion to, and no greater than, the special benefit conferred on an assessed parcel.

The special benefit and proportionality requirements are described in Section 4, Subdivision (a) of Article XIII D: "*An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and an agency shall separate the general benefits from the special benefits conferred on a parcel*…"

In addition to its substantive requirements, Article XIII D imposes certain procedural requirements, which include preparing an engineer's report, providing written notice to property owners, providing assessment protest ballots to property owners, holding a public hearing, and tabulating the assessment protest ballots.

1.3 Court Rulings

Since the initial passage of Proposition 218, several court rulings have helped provide context and direction on the practical implementation procedures and requirements for levying assessments. Several of the key concepts from these rulings are summarized below.

1.3.1 GENERAL BENEFIT

Article XIII D requires an agency to separate the general benefits from the special benefits conferred because only special benefits are assessable.

The Court of Appeal in *Golden Hills Neighborhood Assn., Inc. v. City of San Diego* (2011) ("*Golden Hills"*)[i] clarified this concept by stating, "*Separation and quantification of general and special benefits must be accomplished by apportioning the cost of a service or improvement between the two and assessing property owners only for the portion of the cost representing special benefits*."

The Court of Appeal in *Beutz v. County of Riverside* (2010) ("*Beutz"*)[ii] quoted from the Legislative Analyst's Office pamphlet titled "Understanding Proposition 218" which states an agency must, "*estimate the*

amount of special benefit landowners would receive from the project or service, as well as the amount of 'general benefit.' This step is needed because Proposition 218 allows local government to recoup from assessments only the proportionate share of cost to provide the special benefit."

The Court in *Beutz* furthered this idea stating, "*Separating the general from the special benefits of a public improvement project and estimating the quantity of each in relation to the other is essential if an assessment is to be limited to the special benefits*."

1.3.2 BENEFIT-BASED NOT COST-BASED

In *Bonander v. Town of Tiburon* (2009) ("*Tiburon*")[iii], the Court of Appeal clarified the idea that assessments must be apportioned based upon benefit rather than cost. The Court stated, "*Proportionate special benefit is the basis upon which a project's total assessable costs are apportioned among parcels within an assessment district.*"

The assessment on a particular property cannot be based on the relative cost of the improvements, but rather the special benefit conferred on such property. The Court in *Tiburon* also stated, "*an assessment represents the entirety of the cost of the improvement or property-related service, less any amount attributable to general benefits (which may not be assessed), allocated to individual properties in proportion to the relative special benefit conferred on the property*."

1.3.3 PUBLIC PROPERTY

Section 4, Subdivision (a) of Article XIII D states, in part, "*Parcels within a district that are owned or used by any agency, the State of California or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit.*" Historically, there had been differing opinions about whether this requirement that publicly owned property should not be exempt actually meant those properties must be assessed.

The Court of Appeal in *Manteca Unified School District v. Reclamation District No. 17 et al* (2017) *("Manteca")*[iv] clarified this issue by stating, *"section 4, subdivision (a) of article XIII D of the California Constitution unambiguously conditions any continuing benefit assessment exemption on a showing by clear and convincing evidence of no special benefit.*"

1.3.4 IMPRECISION

The Court in *Tiburon* acknowledged the difficulty of trying to precisely assign and measure special benefit, stating, "*Any attempt to classify special benefits conferred on particular properties and to assign relative weights to those benefits will necessarily involve some degree of imprecision.*"

The Court in *Tiburon* went on to say that a formula assigning equal weight to different special benefits *"may be a legally justifiable approach to measuring and apportioning special benefits,* [but] *it is not necessarily the only valid approach. Whichever approach is taken to measuring and apportioning special benefits, however, it must be both defensible and consistently applied*."

2. IMPROVEMENTS

The improvements to be maintained and serviced within the Annexation are to be part of the local and peripheral streetlight system of the City of Palmdale that confers special benefit to the Annexation parcels. The specific location of both local and periphery streetlight improvements within the City can be found on the Streetlight Inventory Maps maintained by the City and on file in the office of the City Engineer where they are available for inspection. The City also maintains a lamp location list that is a tabulated listing of every street by alphabetical order. Included in the items listed for each lamp are the exact location by street address number and lamp size.

The local streetlight improvements to be maintained and serviced within the Annexation include ten (10) streetlights within the right of way of the local public streets located within the boundaries of the Annexation. These lights are all within close proximity to the Annexation parcels identified as receiving local lighting benefit, and as such, provide special benefit to the parcel.

The City seeks to fund the following services and maintenance activities:

- Streetlight Maintenance

The services and maintenance activities listed above are collectively referred to as the "Improvements." The Improvements include, but are not limited to, the removal, repair, relocation, replacement or acquisition of light standards, poles, bulbs, fixtures and appurtenances, electrical energy, supplies, engineering and incidental costs relating to the maintenance and servicing of the street lighting improvements benefiting the parcels within the Annexation. The Assessment Diagram for the Annexation can be found in Section 8 of this report.

2.1 Streetlight Maintenance

As part of the conditions of approval of the project, the property owner requested the formation of a streetlight maintenance assessment district to fund the Improvements fronting the Annexation parcels along Avenue Q East and 25th Street East. The lights to be maintained by the Annexation include a total of ten (10) streetlights. Below is a diagram included in the plans titled "City of Palmdale Street Lighting Plans Zenith on 25th SOP 25-0030," illustrating the proposed area in which the Improvements can be found.



LEGENDS

- INSTALL LED STREET LIGHT LEOTEK GC1-50F-MV-WW-3-GY-530 FOR OR APPROVED EQUAL ON CONCRETE POLE FOUNDATION PER CITY STANDARD PW-19 POLE:1C123
- INSTALL LED STREET LIGHT LEOTEK GC1-40F-MV-NW-3-GY-700-PCR7 FOR OR APPROVED EQUAL ON CONCRETE POLE FOUNDATION PER CITY STANDARD POLE:15TS
- NEW METERED SERVICE PEDESTAL - 100AMPS 120/240V,1PH.,3W PER STANDARD PW-20 ADDRESS: TBA
- UNDERGROUND PULLBOX SEE GENERAL SPECIFICATIONS NOTE #11
- 2" SCH. 40 PVC CONDUIT & (2) #6 XHHW-2 (XLPE) - AL & (1) #5 AL - GND 30" BELOW GUTTER FLOW LINE PER DETAIL PW-20
- 2" SCH. 40 PVC CONDUIT & (4) #6 XHHW-2 (XLPE) - AL & (1) #5 AL - GND 30" BELOW GUTTER FLOW LINE PER DETAIL PW-20
- POLE NUMBER
- CONDUIT RUN NUMBER

3. BENEFITS

The Improvements will confer special benefits upon the parcels within the Annexation. These benefits are summarized in the table below:

Improvement	Benefit(s)
Street Lighting	Improved Safety and Crime Prevention Improved Access and Traffic Circulation

The special benefits to be conferred by the Improvements are detailed below.

3.1 Improved Safety and Crime Prevention

The street lighting improvements will confer safety benefits and help mitigate potential criminal activity within the Annexation. This benefit extends to property, as adequate lighting should decrease vandalism and other property-related crime. The following safety and crime prevention benefits will be provided as a result of the street lighting improvements.

The street lighting improvements will provide enhanced lighting throughout the Annexation, which will ensure that sidewalks, streets and property fronts are more visible during dusk and nighttime hours. The increased level of visibility, during these darker periods of the day, will reduce opportunities for potential vandalism and other property-related crimes. “Lighting has a positive effect on reducing crime and the positive benefits are similar to those observed for roadway lighting reducing crashes.” The creation of a cohesive neighborhood is also accomplished by lighting in that “lighting may send a message that goes beyond visibility as a means for providing a community with crime-reducing benefit.” (Review of the Safety Benefits and Other Effects of Roadway Lighting, National Cooperative Highway Research Program, Transportation Research Board of the National Academies, 2009).

The street lighting improvements also provide a measure of safety for pedestrian and vehicular traffic within the Annexation. “Published studies having different methodologies tend to converge on an overall average reported 20% to 30% reduction in nighttime crash risk from lighting” (National Cooperative Highway Research Program Transportation Research Board of The National Academies, 2009). This is of particular importance in a residential area where pedestrians are likely to be present during nighttime hours. The same report also states, “… lighting has a positive effect on reducing crime ...” Therefore, the street lighting improvements will confer safety benefits to property within the Annexation.

3.2 Improved Access and Traffic Circulation

The street lighting improvements also provide improved accessibility and traffic circulation benefits to the Annexation parcel where the access route to the property utilizes street lighting. The maximum usefulness of a parcel cannot be fully realized unless it is accessible. Thus, improving the accessibility of a parcel especially during nighttime hours, through proper street lighting, can improve the overall utilization of the parcel. The street lighting improvements will also improve the overall accessibility for emergency response vehicles. The efficient and timely response to emergencies is a critical component to the effectiveness of emergency response. It is reasonable to conclude that improving street lighting will improve accessibility

and emergency response efficiency, especially during the nighttime hours for the parcel within the Annexation.

The street lighting improvements will also provide improved traffic circulation benefits by facilitating a more efficient and safer flow of traffic to and from properties within the Annexation between the dusk and dawn hours. This increased traffic circulation benefit is due to the fact that well-maintained and reliable lighting artificially extends the “lighted” hours, which increases the amount of time for activity to occur. It is a well-accepted fact that pedestrian and traffic safety is considerably reduced in the hours of darkness. Various studies have concluded that good quality street lighting reduces the accident rate by increasing the overall visibility, as vehicle headlights are inadequate for high-speed traffic. “Driving outside of daylight hours is more dangerous – only a quarter of all travel by car drivers is between the hours of 7pm and 8am, yet this period accounts for 40% of fatal and serious injuries in the same group.” (Night-time accidents: a scoping study, UCL, London, 2009). Therefore, the street lighting improvements will confer traffic circulation benefits to property within the Annexation.

4. SPECIAL BENEFIT DISTRIBUTION

Once special benefits are identified, they must be assigned based on the estimated proportionate special benefit derived by the parcels. This section describes the assignment of special benefits to the parcels.

4.1 Parcel Size

It is believed parcels of the same use will experience different degrees of special benefit in relation to differences in their acreage. For example, a parcel with a large acreage will experience greater special benefit than a parcel with a small acreage. Accordingly, as acreage increases, parcels are considered to receive proportionately greater special benefit. Therefore, these parcel characteristics are deemed appropriate factors for determining proportional special benefit.

The Annexation consists of two parcels. Consequently, it is expected the parcels will experience special benefits from the Improvements. The Annexation parcels comprise 9.813 acres.

4.2 Land Use Type

In addition to parcel size, a parcel's land use type will also affect the special benefits received. Following the assignment of the Parcel Size Factor, a Land Use Benefit Point was assigned. This benefit point corresponds to the special benefits described in the Benefits section of this report.

The parcels within the proposed Annexation boundary are assigned a land use type for purposes of determining the special benefits received. Below is a description of the land use type category to be assessed within the Annexation.

> **Multi-Family Residential Property** consists of parcels with a residential structure or structures containing more than one residential unit where such units are income-restricted and offered for rent to the public and cannot be purchased by individual homebuyers.

4.2.1 APPORTIONING SAFETY AND CRIME PREVENTION BENEFIT

For the most part, Safety and Crime Prevention benefits are universal benefits for the parcels within the Annexation. The overall appeal and safety of an area is enhanced when street lighting improvements are in place and kept in a satisfactory condition. Conversely, appeal and safety decreases when street lighting is not operational or provides inconsistent illumination. Therefore, each parcel is assigned 1.00 benefit point for Safety and Crime Prevention.

4.2.2 APPORTIONING ACCESS AND TRAFFIC CIRCULATION BENEFIT

Generally, Access and Traffic Circulation benefits are universal benefits for the parcel within the Annexation. The improved accessibility and traffic circulation benefits to the Annexation parcel maximizes the overall usefulness of the parcel. Therefore, each parcel is assigned 1.00 benefit point for Access and Circulation.

4.2.3 LAND USE BENEFIT POINTS

The table below summarizes the Land Use Benefit Points assigned to the parcels within the Annexation:

Land Use Type	Safety and Crime Prevention	Access and Traffic Circulation	Total Land Use Benefit Points
Multi-Family Residential	1.00	1.00	2.00

4.3 Total Special Benefit Points

The calculation of Total Special Benefit Points for the Annexation takes into account each component analyzed and described above, parcel characteristics and land use. The formula for determining the Annexation's Total Benefit Points is as follows:

Parcel Size Factor		Land Use Benefit Points		Total Special Benefit Points
	X		=	

The Total Special Benefit Points are computed for each parcel in the Annexation and summed. The Total Annexation Special Benefit Points are 19.626. These Total Annexation Special Benefit Points are used to determine the proposed assessment amounts on each parcel.

Below is the Total Special Benefit Points calculation for the Annexation:

Parcel Size Factor		Land Use Benefit Points		Total Special Benefit Points
9.813	X	2.00	=	19.626

5. SEPARATION AND QUANTIFICATION OF GENERAL BENEFITS

As described in the Introduction, only special benefits are assessable and in order to assess only special benefits, the general benefits resulting from the Improvements must be separated and quantified. This section describes the process used to separate and quantify the general benefits.

5.1 Summary

As detailed below, it is estimated the Improvements will confer an Effective General Benefit of 5.40%.

5.2 General Benefits Identified

Section 4 of Article XIIID of the California Constitution provides that once a local agency which proposes to impose assessments on property has identified those parcels that will have special benefits conferred upon them and upon which an assessment will be imposed, the local agency must next "separate the general benefits from the special benefits conferred," and only the special benefits can be included in the amount of the assessments imposed.

General benefit is an overall and similar benefit to the public at large resulting from the maintenance of the Improvements provided by the assessments levied. The Improvements to be maintained by the Annexation are located within the Annexation boundaries only. There will be no Annexation maintenance activities provided for Improvements located outside of the Annexation boundaries.

The ongoing maintenance of the Improvements will provide safety and crime prevention and access and traffic circulation benefits to the property within the Annexation. However, it is recognized that the ongoing maintenance activities will also provide a level of benefit to some property within proximity to the Annexation, as well as individuals passing through. Therefore, the general benefit created as a result of the Annexation maintenance activities has been considered.

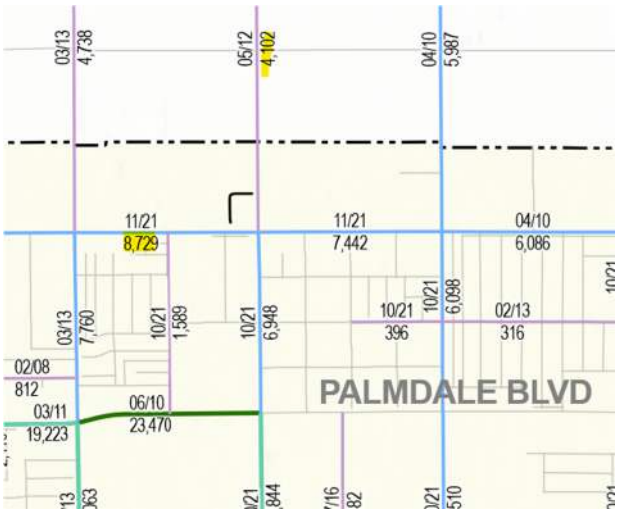
5.3 General Benefit Analysis

As a result of the maintenance and operation of the Improvements, there will be a level of general benefit to people that do not work or intend to conduct business within the Annexation. In order for property within the Annexation to be assessed only for that portion of special benefits received from the Annexation's maintenance activities, general benefits provided by the ongoing maintenance of the Improvements needs to be quantified. The amount of general benefit that is provided from the Annexation's maintenance activities cannot be funded via property owners' assessments.

5.3.1 GENERAL BENEFIT: PASS-THROUGH TRAFFIC

As a result of the Improvements, there will be a level of general benefit conferred to pass-through vehicle traffic related to properties outside of the Annexation whose occupants do not intend to access property within the Annexation. As such, the benefit derived by pass-through vehicle traffic needs to be quantified. In order to do this, we must first estimate the average daily vehicle trips through the Annexation area.

Daily vehicle trip counts for Avenue Q East and 25th Street East in the area of the Annexation was obtained from the City. Based upon the daily trip counts, the total estimated current daily trip traffic through the Annexation is 12,831 vehicle trips (highlighted in yellow in the figure below).



Next, we must estimate the number of daily vehicle trips that will be generated by land uses within the Annexation. To accomplish this, data from the ITE Trip Generation Manual was used to estimate the average daily vehicle trips for each land use type within the Annexation. The land use included in the Annexation is 223 – Affordable Housing. The estimated number of daily vehicle trips that will be generated by the 272 dwelling units within the Annexation is approximately 1,308.32, as summarized below.

ITE Land Use Type	Estimated Daily Vehicle Trips (1)
223 – Affordable Housing	1,308.32

(1) Extracted from the ITETripGen Web-based App, Trip Generation Manual, 12th Edition.

Therefore, the estimated number of pass-through vehicle trips related to properties outside of the Annexation is 12,831.

Average Vehicle Trips Through Annexation(1)		Estimated Annexation-Generated Vehicle Trips		Estimated Pass Through Vehicle Trips
14,139.32	-	1,308.32	=	12,831.00

(1) Includes Estimated Annexation-Generated Vehicle Trips

However, simply estimating the number of pass-through vehicle trips does not necessarily indicate the level of benefit accruing to vehicles passing through the Annexation. Estimating the total amount of time these pass-through vehicles spend driving through the Annexation, as compared to the time drivers spend within the Annexation, is a better indicator of the temporary benefits accruing to vehicles passing through the Annexation.

To estimate the total time these pass-through vehicles spend within the Annexation, and receive benefit from the Improvements, we must take into account the total road length of Avenue Q East and 25th Street East containing the Improvements, as well as the average traffic speed (using local speed limits):

Street	Length (in Miles) Within Annexation		Average Speed Within Annexation (MPH)		Travel Time (in Hours) Through Annexation per Vehicle
Avenue Q East	0.121	/	50	=	0.0024
25th Stret East	0.126	/	55	=	0.0023

Applying the total travel time through the Annexation per vehicle to each of the pass-through vehicle trips results in an aggregate daily pass-through time of approximately 31 hours, time in which vehicles passing through the Annexation spend in proximity to the Improvements:

Street	Travel Time (in Hours) Through Annexation per Vehicle		Estimated Pass Through Vehicle Trips		Total Pass Through Time (in Hours)
Avenue Q East	0.0024	x	8,729	=	21.1943
25th Stret East	0.0023	x	4,102	=	9.3651
Totals			**12,831**		**30.5594**

Further, the amount of time that the District properties spend in proximity to the Improvements should also be considered to determine the overall benefit of the Improvements. Properties within the District are permanently located in close proximity to the Improvements and experience the most benefit from these Improvements during the dusk to dawn hours, approximately 12 hours per day. Vehicles passing through only receive benefit from the Improvements while passing through the District. As such, the previously identified daily pass-through time for vehicles receiving limited benefit from the Improvements should be compared to the total time the District properties benefit from being in permanent proximity to the District Improvements:

Time Class	Hours	Percentage
Total Pass-Through Time	30.5594	0.93%
Total District Property Time [1]	3,264.0000	99.07%
Totals	**3,294.5594**	**100.00%**

(1) Equals the number of dwelling units within the Annexation (272) multiplied by 12 (hours).

Of the total benefits provided by the Improvements, the percentage of time allocated to vehicles passing through the Annexation is 0.93%.

Pass Through Vehicle Traffic General Benefit	0.93%

As a result of the Improvements, there will be a level of general benefit to pedestrians and others who do not live in or intend to access property within the Annexation. There will be pedestrian traffic generated from property outside of the Annexation that will utilize the maintained sidewalks to pass through the Annexation and access property located outside of the Annexation. In addition to accessing property located outside of the Annexation, there will also be a level of pedestrian activity that will utilize the maintained sidewalks for leisure and fitness activities. Pedestrians will incorporate the maintained sidewalks into their leisure and fitness routines, thus making the Annexation sidewalks serve as a pass-

through portion of their overall route traveled. The benefit provided to property and pedestrians, because of the maintained sidewalks serving as a pass-through corridor needs to be quantified.

People walk for a variety of reasons, whether the reason is to commute to work, run errands, shop, leisure activities, fitness, or some other purpose. To enhance the overall walking experience, pedestrians will seek out and utilize sidewalk facilities that provide a safe place to walk as well as an environment that provides a certain amount of visual interest. The Summary of Travel Trends, 2022 National Household Travel Survey (NHTS) prepared by the U.S. Department of Transportation Federal Highway Administration (FHWA, 2022) analyzed the number of person trips by various modes of transportations such as private vehicle, transit, walking, or some other means of transportation. This study showed that approximately 6.90% of daily person trips occur by walking.

According to the Urban Area data extracted from the 2022 NHTS database, of the annual 17,390 (in millions) total person trips made using walking as the primary mode of transportation (FHWA, 2022), 50.59% of the trips were identified as work/work related, shopping/errands, and school/church activities (unrelated to Annexation activities such as: social, recreational, other reasons).)

Trip Purpose	Number of Walking Trips (in millions)
Work/Work Related	8.29%
Shopping/Errands	26.26%
School/Church	16.04%
Total	**50.59%**

Applying this percentage of non-Annexation related activity to the 6.90% of daily person trips that occur by walking results in 3.47% of pedestrian trips related to general benefit activity.

Pass Through Pedestrian Traffic General Benefit	3.47%

Additionally, an estimated 1% of all US trips are made by bicycle[v]. Although the Annexation fronts Avenue Q East and 25th Street and there is no dedicated bike lane or paved sidewalks along these streets, there is the ability to pass through the Annexation by bicycle. Therefore, it would be reasonable to assume there would be some level of general benefit received from bicycle traffic passing through the Annexation. According to the National Household Travel Surveys, 49% of bike trips are for recreation, exercise, and sports[vi]. As a result, approximately 1.00% general benefit is attributable to bicycles passing through the Annexation.

Pass Through Bicycle Traffic General Benefit	1.00%

5.3.2 TOTAL GENERAL BENEFIT

Since the Annexation is comprised of safety and crime prevention and improved access and traffic circulation benefits resulting from the Improvements, the activity of vehicles, pedestrians and bicycles passing through the Annexation must be addressed in a collective form rather than independently. This general benefit result is provided in the table below:

General Benefit	Percentage
Pass-through Vehicle Traffic	0.93%
Pass-through Pedestrian Traffic	3.47%
Pass-through Bicycle Traffic	1.00%
Totals	**5.40%**

6. BUDGET

The following table summarizes the estimated annual costs to fund the Improvements for Fiscal Year 2026/27:

Description	Amount
Maintenance	
Direct Labor/Maintenance Costs	$6,755.00
Utility Costs	1,515.00
Administration	
Overhead/Engineer/Consultant Costs	2,090.00
Total Cost of Improvements	**$10,360.00**

6.1 Maximum Balance to Be Assessed

The total maximum amount to be assessed upon the specially benefitting parcel is the total cost of the Improvements, as detailed above, less the portion of Maintenance costs attributable to General Benefit as detailed in the Separation and Quantification of General Benefits section.

The calculation of the balance to be assessed is shown below:

Description	Amount
Total Cost of Improvements	$10,360.00
Less Maintenance General Benefit Portion (5.40%)	(558.93)
Total Cost of Improvements to Be Assessed	**$9,801.07**

6.2 Maximum Assessment Rate per Special Benefit Point

The Maximum Assessment Rate per Special Benefit Point is determined by dividing the Total Cost of Improvements to Be Assessed by the sum of the Total Annexation Special Benefit Points noted in Section 4.

The calculation of the Maximum Assessment Rate per Special Benefit Point is shown below:

Description	Amount
Balance to Be Assessed	$9,801.07
Total Annexation Special Benefit Points	19.626
Maximum Assessment Rate per Special Benefit Point[(1)]	**$499.39**

(1) Beginning July 1, 2027, the maximum assessment per Special Benefit Point will be increased by the change in the February to February Consumer Price Index for all Urban Consumers, for the Los Angeles-Long Beach-Anaheim, CA region compared year over year not to exceed 3% annually.

The Maximum Assessment Rate per Special Benefit Point is multiplied by each parcel's Total Special Benefit Points to determine a maximum assessment amount per parcel.

6.3 Annual Maximum Assessment Rate Increases

Each parcel's actual assessment is determined by multiplying the assessment rate by the parcels total specific benefit points. If the total Annexation special benefit points change in future years, the allowable annual Maximum Assessment Rate will not be recalculated. The allowable annual Maximum Assessment Rate per special benefit point, plus the annual cost of living inflator, will remain fixed. The actual annual assessment rate will be calculated by dividing the fiscal year's net cost estimate to be assessed by the fiscal year's total special benefit points, not to exceed the allowable annual Maximum Assessment Rate for that fiscal year. The Maximum Assessment Rate per special benefit point is escalated each year on July 1 by the annual change in the February-to-February Consumer Price Index for all Urban Consumers, for the Los Angeles-Long Beach-Anaheim CA region not to exceed 3% annually, beginning July 1, 2027.

In any given year, the assessments may be levied at any rate sufficient to meet the estimated budget, as long as the actual assessment rate does not exceed the Maximum Assessment Rate for that fiscal year.

6.4 Future Changes to Parcel Characteristics

Future changes to parcel characteristics will cause changes in the total assessment revenue. The assessment revenue for any given year will be the product of the Annexation's parcel characteristics and the budget in effect for such fiscal year.

6.5 Data for Annual Assessment Calculations

Each year, as part of the assessment calculation procedures, the City or its designated consultant shall determine the land use type for each parcel based on the County Assessor's use code or other supplementary information made available and deemed reliable. The parcel characteristics of lot size shall similarly be based on the County Assessor's secured rolled data for the applicable year and may be supplemented with other reliable data sources.

Assessment amounts may change over time in accordance with changes to parcel characteristics including land use type and lot size.

6.6 Appeals

If any property owner believes the data used to calculate the assessment is inaccurate for any reason, the property owner shall submit, in writing, a request for review to the City. The property owner shall provide documentation needed to support the request for review. The City or its designated consultant shall review the request and provide a response to the property owner. The property owner must be current in the payment of all assessments when filing the request for review and must remain current during the review process. The property owner should continue to pay any regular property taxes due according to the County's due dates.

If the review conducted by the City or its designated consultant results in changes to any parcel characteristics used to compute the assessment, the City or its designated consultant shall recalculate the assessment. When recalculating the assessment, the assessment rates actually applied in such fiscal year shall be used. Only the assessment for the parcel or parcels subject to review shall be recalculated.

If the recalculated assessment is less than the amount submitted to the County on the secured property tax roll, the difference shall be credited back to the property owner. This credit shall be limited to the current fiscal year and the prior fiscal year, if applicable. The "fiscal year" shall follow the County's fiscal year for property taxes, from July 1 to June 30. The applicable fiscal year shall be determined by the date the request for review is submitted to the City.

> *For example, if a request for review is submitted to the City during Fiscal Year 2027/28, the Fiscal Year 2026/27 and 2027/28 assessments will be reviewed. The property owner credit shall be limited to any difference calculated for Fiscal Year 2027/28 (the current fiscal year) and Fiscal Year 2026/27 (the prior fiscal year).*

The credit may be provided in the form of a check to the property owner, an adjustment to the current year's property tax roll (if possible), or a credit to the succeeding year's assessment thereby reducing the amount placed on the secured property tax roll for such year.

If the recalculated assessment is greater than the amount submitted to the County on the secured property tax roll, the City or its designated consultant shall apply the recalculated assessment to the succeeding year's property tax roll and no adjustments shall be made to the prior or current fiscal years' assessments.

In any dispute over parcel characteristic data used to compute assessments, the City shall make a conclusive determination and its decision shall be final.

6.7 Method of Collection

The assessments will be collected annually on the County's secured property tax roll. The assessments will be subject to the County's assigned due dates and late penalties. However, the City may choose to collect the assessments in an alternate manner (including directly billing the property owner) as may be deemed appropriate or necessary by the City.

7. ENGINEER'S STATEMENT

The City of Palmdale Streetlight Maintenance Assessment District No. 1, Annexation 2026-204 assessments described in this Report have been prepared pursuant to Article XIII D of the California Constitution, the Proposition 218 Omnibus Implementation Act (Division 2 of the California Government Code §53739 et seq.), and the Landscaping and Lighting Act of 1972 (Division 15 of the California Streets and Highways Code §22500 et seq.) collectively, the "Assessment Law".

1. I have identified the parcels that will have a special benefit conferred upon it by the Improvements described in Section 2 of this Report (the "Specially Benefited Parcels").
    a. For particulars as to the identification of the parcels, reference is made to the Assessment Diagram, a copy of which is included in Section 8 of this Report.
2. I have assessed the estimated costs and expenses of the Improvements upon the Specially Benefited Parcel. In making such assessment:
    a. The proportionate special benefit derived from the Improvements by the Specially Benefited Parcels was determined in relationship to the entirety of the cost of the Improvements;
    b. No assessment has been imposed on any Specially Benefited Parcel which exceeds the reasonable cost of the proportional special benefit conferred on such parcel by the Improvements; and
    c. The general benefits have been separated from the special benefits and only special benefits have been assessed.

I, the undersigned, respectfully submit this Annexation Report and, to the best of my knowledge, information and belief, this Report, the assessments, and the Assessment Diagram herein have been prepared and computed in accordance with the Assessment Law.

By: John G Egan

John G. Egan
Assessment Engineer
R.C.E. 14853

9/29/2026



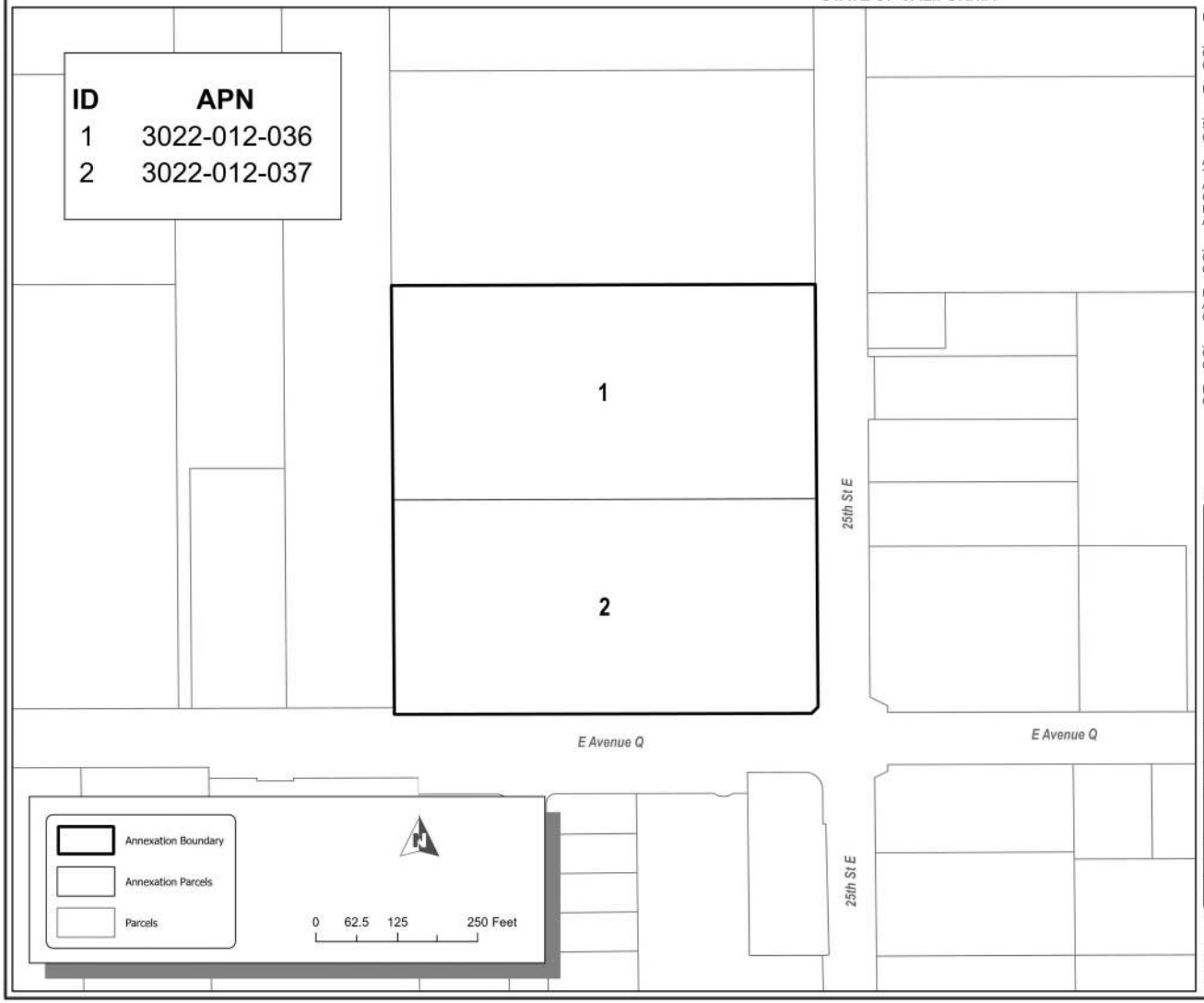
8. ASSESSMENT DIAGRAM

The following pages contains the assessment diagram for the Annexation.

ASSESSMENT DIAGRAM
STREETLIGHT MAINTENANCE ASSESSMENT DISTRICT NO. 1, ANNEXATION 2026-204

CITY OF PALMDALE
COUNTY OF LOS ANGELES
STATE OF CALIFORNIA

ID	APN
1	3022-012-036
2	3022-012-037



FILED IN THE OFFICE OF THE CITY CLERK, THIS ____ DAY OF _____, 202_.

_____
CITY CLERK
CITY OF PALMDALE

RECORDED IN THE OFFICE OF THE SUPERINTENDENT OF STREETS THIS ____ DAY OF _____, 202_.

_____
SUPERINTENDENT OF STREETS
CITY OF PALMDALE

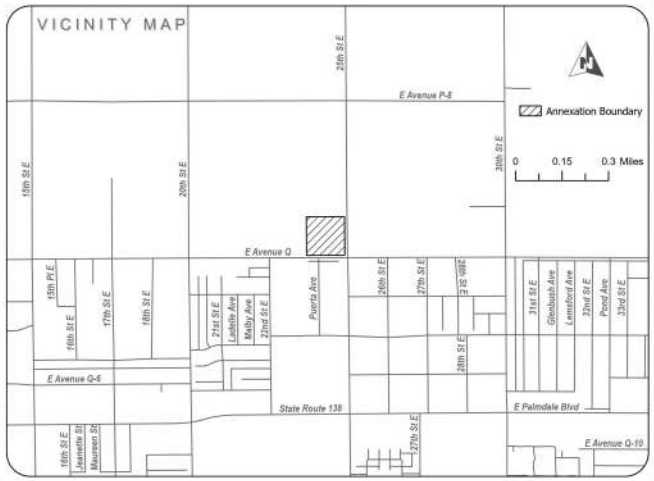
AN ASSESSMENT WAS LEVIED BY THE CITY COUNCIL ON THE LOTS, PIECES, AND PARCELS OF LAND SHOWN ON THIS ASSESSMENT DIAGRAM. THE ASSESSMENT WAS LEVIED ON THE ____ DAY OF _____, 202_. THE ASSESSMENT DIAGRAM AND THE ASSESSMENT ROLL WERE RECORDED IN THE OFFICE OF THE SUPERINTENDENT OF STREETS OF THE CITY ON THE ____ DAY OF _____, 202_. REFERENCE IS MADE TO THE ASSESSMENT ROLL RECORDED IN THE OFFICE OF THE SUPERINTENDENT OF STREETS FOR THE EXACT AMOUNT OF EACH ASSESSMENT LEVIED AGAINST EACH PARCEL OF LAND SHOWN ON THIS ASSESSMENT DIAGRAM.

_____
CITY CLERK
CITY OF PALMDALE

FILED THIS ____ DAY OF _____, 202_, AT THE HOUR OF _____ O'CLOCK _.M. IN BOOK ____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE ___, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA.

_____
COUNTY RECORDER
COUNTY OF LOS ANGELES

FOR PARTICULARS OF THE LINES AND DIMENSIONS OF ASSESSOR PARCELS, REFERENCE IS MADE TO THE MAPS OF THE ASSESSOR, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA.



Source: Los Angeles County GIS
Geographic Coordinate Reference: GCS North American 1983
Projection: NAD 1983 StatePlane California V FIPS 0405 Feet

NBS

9. ASSESSMENT ROLL

City of Palmdale
Streetlight Maintenance Assessment District No. 1, Annexation 2026-204
Fiscal Year 2026/27 Proposed Maximum Assessment

ID	Assessor's Parcel Number	Fiscal Year 2026/27 Proposed Maximum Assessment
1	3022-012-036	$4,900.04
2	3022-012-037	$4,901.03
	TOTAL	**$9,801.07**

10. REFERENCES

[i] *Golden Hill Neighborhood Assn. v. City of San Diego* CA4/1, D062203 (Cal. Ct. App. 2013)

[ii] *Beutz v. County of Riverside*, 109 Cal. Rptr. 3d 851 (Cal. Ct. App. 2010)

[iii] *Bonander v. Town of Tiburon,* 147 Cal. App. 4th 1116 (Cal. Ct. App. 2007)

[iv] *Manteca Unified School District v. Reclamation District No. 17 et al*, C077906 (Cal. Ct. App. 2017)

[v] U.S Department of Transportation. Federal Highway Administration. (2001). Designing Sidewalks and Trails for Access, Part II of II: Best Practices Design Guide. Retrieved from http://www.fhwa. dot. gov/ environment/bicycle_pedestrian/publications/sidewalk2/

[vi] Pucher, J., Buehler R., Meron, F., and Bauman, A. American Journals of Public Health, Supplement 1, Vol 101, No S1 (2011). Walking and Cycling in the United States, 2001-2009: Evidence from the National Household Travel Surveys. Retrieved from http://www.ncbi.nlm.nih.gov/pubmed/21551387

Exhibit A

Certificate of Tabulation Official
and
Statement of Assessment Ballots Submitted

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)
ss. CITY OF PALMDALE)

The undersigned, the duly authorized tabulation official appointed by the City Council of the City of Palmdale, DOES HEREBY CERTIFY that pursuant to the provisions of Article XIIID of the Constitution of the State of California and the Proposition 218 Omnibus Implementation Act (Government Code Section 53750 and following), I did tabulate the assessment ballots timely submitted, and not withdrawn, in the assessment ballot proceedings pertaining to the City of Palmdale Streetlight Maintenance Assessment District No. 1 as Annexation 2026-204.

I FURTHER CERTIFY that this Statement of Assessment Ballots Received shows the assessment ballots submitted, and not withdrawn, in favor of the proposed assessment and the assessment ballots submitted, and not withdrawn, in opposition to the proposed assessment, each total weighted according to the financial obligation of the affected properties for which the assessment ballots were submitted.

Total assessment ballots distributed	1
Total assessment ballots received	
Total assessment ballots invalidated	
Assessment ballots received in favor of the proposed assessment:	
Weighted value of assessment ballots received in favor of the proposed assessment	
Percent of assessment ballots received in favor of the proposed assessment	
Assessment ballots received in opposition to the proposed assessment:	
Weighted value of assessment ballots received in opposition to the proposed assessment	
Percent of assessment ballots received in opposition to the proposed assessment	

This certification is executed this 1st day of December 2026 in Palmdale, California.

By: _____

Title: _____

ASSESSMENT DIAGRAM
STREETLIGHT MAINTENANCE ASSESSMENT DISTRICT NO. 1, ANNEXATION 2026-204

CITY OF PALMDALE
COUNTY OF LOS ANGELES
STATE OF CALIFORNIA



FILED IN THE OFFICE OF THE CITY CLERK, THIS ____ DAY OF _____, 202_.

_____
CITY CLERK
CITY OF PALMDALE

RECORDED IN THE OFFICE OF THE SUPERINTENDENT OF STREETS THIS ____ DAY OF _____, 202_.

_____
SUPERINTENDENT OF STREETS
CITY OF PALMDALE

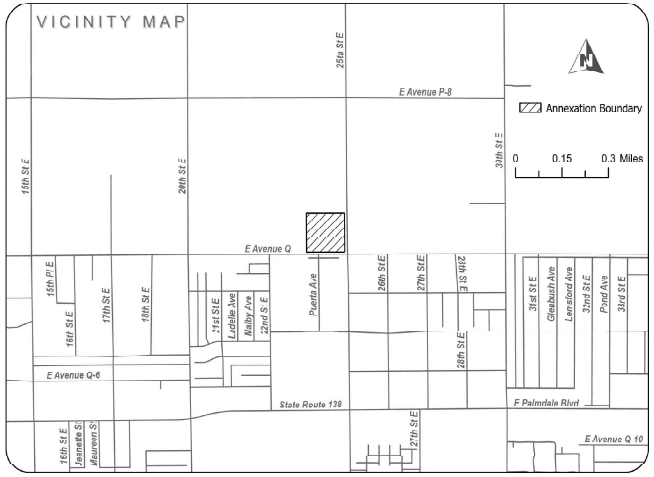
AN ASSESSMENT WAS LEVIED BY THE CITY COUNCIL ON THE LOTS, PIECES, AND PARCELS OF LAND SHOWN ON THIS ASSESSMENT DIAGRAM. THE ASSESSMENT WAS LEVIED ON THE ____ DAY OF _____, 202_; THE ASSESSMENT DIAGRAM AND THE ASSESSMENT ROLL WERE RECORDED IN THE OFFICE OF THE SUPERINTENDENT OF STREETS OF THE CITY ON THE ____ DAY OF _____, 202_. REFERENCE IS MADE TO THE ASSESSMENT ROLL RECORDED IN THE OFFICE OF THE SUPERINTENDENT OF STREETS FOR THE EXACT AMOUNT OF EACH ASSESSMENT LEVIED AGAINST EACH PARCEL OF LAND SHOWN ON THIS ASSESSMENT DIAGRAM.

_____
CITY CLERK
CITY OF PALMDALE

FILED THIS ____ DAY OF _____, 202_, AT THE HOUR OF ____ O'CLOCK .M. IN BOOK ____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE ___, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA.

_____
COUNTY RECORDER
COUNTY OF LOS ANGELES

FOR PARTICULARS OF THE LINES AND DIMENSIONS OF ASSESSOR PARCELS, REFERENCE IS MADE TO THE MAPS OF THE ASSESSOR, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA.



Source: Los Angeles County GIS
Geographic Coordinate Reference: GCS North American 1983
Projection: NAD 1983 StatePlane California V FIPS 0405 Feet

NBS

City Council Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **ECONOMIC AND COMMUNITY DEVELOPMENT DEPARTMENT PLANNING DIVISION**

DISTRICT: **ALL**

SUBJECT: **ADOPT ORDINANCE NO. 1672, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PALMDALE, APPROVING ZONING ORDINANCE AMENDMENT NO. 26-0001 TO MODIFY CHAPTER 17.88 (SIGNS) AND FINDING THAT THE AMENDMENT IS EXEMPT FROM ENVIRONMENTAL REVIEW**

RECOMMENDATION

Staff recommend that the City Council:

1. Receive public testimony regarding proposed Ordinance No. 1672;

2. Adopt Ordinance No. 1672 approving Zoning Ordinance Amendment (ZOA) 26-0001; and,

3. Find that the request is exempt from environmental review.

BACKGROUND

On October 8, 2026, the Planning Commission approved Resolution No. PC-2026-004 recommending City Council approval for ZOA 26-001 to modify Chapter 17.88 (Signs).

On September 21, 2022, the City Council adopted Palmdale 2045, establishing updated land use designations and development patterns to guide future growth. To implement Palmdale 2045, the City Council adopted ZOA 21-007 on March 15, 2023, comprehensively updating Title 17 of the Palmdale Municipal Code (PMC), including zoning designations and development standards.

As part of the City's continued implementation of these updates, staff reviewed PMC Chapter 17.88 (Signs) to ensure the City's sign regulations align with the updated land use and zoning framework and to identify provisions requiring clarification or modification.

This item was originally scheduled for consideration at the November 9, 2026, City Council meeting. However, due to a lack of quorum, the item was continued to the December 1, 2026, City Council meeting.

DISCUSSION

ZOA 26-0001 proposes amendments to PMC Chapter 17.88 (Signs) to align the City's sign regulations with the updated General Plan land use and zoning designations, provide greater clarity and consistency, and improve administration and enforcement. The amendments update standards for various sign types, clarify review and approval procedures, and refine provisions related to enforcement and abatement of signs that do not comply with City requirements.

The amendments also update terminology and existing provisions to reflect current zoning designations and City procedures, clarify permitted and prohibited signage, and address the regulation of temporary, nonconforming, and outdoor advertising signs. These changes are intended to make PMC Chapter 17.88 (Signs) easier to administer and provide clearer direction to applicants, property owners, businesses, and City staff.

Overall, the proposed amendments provide a more consistent regulatory framework while maintaining standards that support community character, economic development, and public safety. The proposed ZOA is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3), the Common Sense Exemption, because it can be seen with certainty that there is no possibility that adoption of the proposed amendments to the City's sign regulations will have a significant effect on the environment.

FISCAL IMPACT

$0; There is no proposed development; therefore, this action has no fiscal impact.

STRATEGIC PLAN

Goal III: Invest in infrastructure to improve community livability.

A. Seek innovative, cost effective, customer focused methods of service delivery.

Prepared by:	Megan Taggart, Director of Economic and Community Development
Certified as to availability of Funds:	Janelle Samson, Deputy City Manager
Approved by:	Salvador Mendez, City Manager
Approved as to form:	Taylor Anderson, Deputy City Attorney

ATTACHMENTS

Ordinance No. 1672
Reso. No. PC-2026-004

CITY OF PALMDALE, A CHARTER CITY,
COUNTY OF LOS ANGELES, CALIFORNIA
ORDINANCE NO. 1672

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PALMDALE APPROVING OF ZONING ORDINANCE AMENDMENT NO. 26-0001 TO MODIFY CHAPTER 17.88 (SIGNS) AND FIND THAT THE AMENDMENT IS EXEMPT FROM ENVIRONMENTAL REVIEW

A. INTENT OF THE CITY COUNCIL:

1. The City of Palmdale (City) has filed an application that applies to the City and the City's sphere of influence, requesting approval of Zoning Ordinance Amendment (ZOA) 26-0001, modifying Chapter 17.88 (Signs) (hereinafter referred to as "Application").

2. The Application was scheduled for consideration at the September 10, 2026, Planning Commission meeting. Although the meeting was properly noticed and agendized, the Planning Commission was unable to consider the item due to a lack of a quorum. Accordingly, the item was continued to the October 8, 2026, Planning Commission meeting; and

3. On October 8, 2026, the Planning Commission adopted Resolution No. PC-2026-004 recommending City Council approval of ZOA 26-0001; and

4. The Application was scheduled for consideration at the November 9, 2026, Planning Commission meeting. Although the meeting was properly noticed and agendized, the City Council was unable to consider the item due to a lack of a quorum. Accordingly, the item was continued to the December 1, 2026, Planning Commission meeting; and

5. On December 1, 2026, the City Council of the City of Palmdale conducted a duly noticed public hearing. All legal prerequisites to the adoption of this Ordinance have occurred.

B. ORDINANCE

THE CITY COUNCIL OF THE CITY OF PALMDALE DOES ORDAIN AS FOLLOWS:

SECTION 1. Palmdale Municipal Code Chapter 17.88 (Signs) is hereby amended to read as follows:

§ 17.88.010 Applicability.

This Chapter shall apply to all signs and/or sign structures that are visible from public rights-of-way and private streets, within parking lots and loading areas and from adjacent

properties, unless such signs are regulated pursuant to the provisions of an adopted Specific Plan.

§ 17.88.020 Intent and Purpose.

The purpose of this Chapter is to implement the Palmdale General Plan by promoting the growth of the City in an orderly and attractive manner and to provide standards to safeguard life, health, property, and public welfare by regulating and controlling the type, number, area, height, quality of materials, construction, illumination, location, and maintenance of all signs and sign structures. The sign standards of this Chapter are intended to accomplish the following results:

(A) Make the City attractive while enhancing economic development through an effective and high-quality signing program. Protect and enhance the character of neighborhoods by preventing visual clutter caused by excessive and obtrusive signage. Promote and maintain healthy commercial, mixed-use, and industrial areas and property values for effective identification and communication of the nature of goods and services and avoidance of wasteful and unsightly signs.

(B) Establish uniform Citywide signage standards and requirements that provide for public convenience by directing persons to various activities and uses.

(C) Provide a reasonable system of sign control throughout the City consisting of sign type, size, location, illumination, and spacing to contribute toward development of a high-quality visual environment.

(D) Encourage signs that are well designed and pleasing in appearance, and provide incentive and latitude for variety, good design, relationship, and spacing.

(E) Encourage a desirable community character, which has a minimum of visual clutter.

(F) Enhance aesthetic appeal through the reasonable regulation of such things as type, number, area, height, location, and illumination of signs.

(G) Encourage signs that are properly located, harmonious with adjacent land uses, and architecturally compatible.

(H) Reduce and, to the extent permissible and practicable, eliminate traffic and safety hazards posed to motorists and pedestrians by outdoor advertising structures and other signs that may distract motorists and pedestrians.

(I) Implement the goals, policies, and objectives of the General Plan.

(J) Encourage pedestrian-oriented commerce by promoting pedestrian-scale signs.

(K) Direct persons at entrances of multi-tenant buildings through placement of directory signs or information kiosks where such signage is supported by a compelling governmental interest and/or is government signage.

(L) Enhance the community environment by limiting the visual influence of wall signs on structures containing three stories or more.

(M) Ensure and protect the constitutional right of free speech by not imposing greater restrictions on noncommercial speech than on commercial speech or advertising.

(N) Provide sign criteria that is objective, does not vest City officials with unfettered discretion, and that is aimed at regulating the time, place, and manner of signs as distinguished from the content of the sign. Where content is regulated, the City intends its standards to be narrowly tailored to serve the City's compelling interest in preserving and enhancing its appearance and in protecting motorists and pedestrians from traffic and safety hazards.

(O) Bring existing approved sign programs into conformance with current development standards while maintaining the unique characteristics intended for such programs.

(P) Provide a reasonable amortization period for the removal of nonconforming signs.

(Q) Inventory, identify and abate all illegal, abandoned and improperly maintained signs.

(R) Identify precisely those areas and/or zones where the installation of additional outdoor advertising structures should be prohibited due to the importance of such areas to the environmental, economic, or other development goals and objectives of the City.

(S) Provide for the relocation of existing legal outdoor advertising structures so as to minimize the adverse effects of such signs on the City's goals and objectives, pursuant to the California Business and Professions Code Section 5412.

(T) Remove all outdoor advertising sign structures from the residential areas of the City, pursuant to the California Business and Professions Code Section 5412.

§ 17.88.030 Definitions.

"Agreement, billboard relocation" shall mean an agreement entered into between the City and a billboard owner resulting in removal of an existing outdoor advertising sign structure, reconstruction of the outdoor advertising sign structure on its existing parcel or relocation of the outdoor advertising structure to another parcel of property within the City, subject to the approval of a Conditional Use Permit.

"Outdoor advertising" shall mean the use of a sign or signs soliciting public support or directing public attention to the sale, lease, hire or use of any objects, products, services or functions which are not produced, sold or otherwise available on the premises where such sign is erected or maintained.

"Sign" shall mean any device, structure, fixture, surface, display, graphic, or visual element that is visible from a public right of way or outdoor area and is used to ~~object conveying a message and having a visual appearance primarily used for~~ attract ~~attracting public~~ attention or ~~patronage from the street, sidewalk, or other outside public area.~~ communicate any visual information or message, regardless of content. ~~Signs located completely within an enclosed building, and not exposed to view from a street, are not considered a sign for purposes of this Title.~~ A display or device, need not contain lettering to be a sign.

"Sign, abandoned" shall mean any sign associated with a business remaining in place for a period of 90 days or more where the establishment to which the sign is attached has ceased operation or where there is no sign copy appearing on the sign.

~~"Sign, accessory" shall mean signs that are secondary in purpose and provide information concerning the business and are typically placed on the outer edge of a permanent canopy island structure or that are displayed on or below a canopy projecting from a main building.~~

"Sign, advertising or commercial" shall mean any message, the prevailing thrust of which is to propose a commercial transaction.

"Sign, advertising structure" shall mean a structure of any kind erected, used, or maintained for outdoor advertising purposes, upon which any poster, bill, printing, painting or other advertisement or commercial speech of any kind whatsoever may be placed, including statuary, for advertising or commercial purposes.

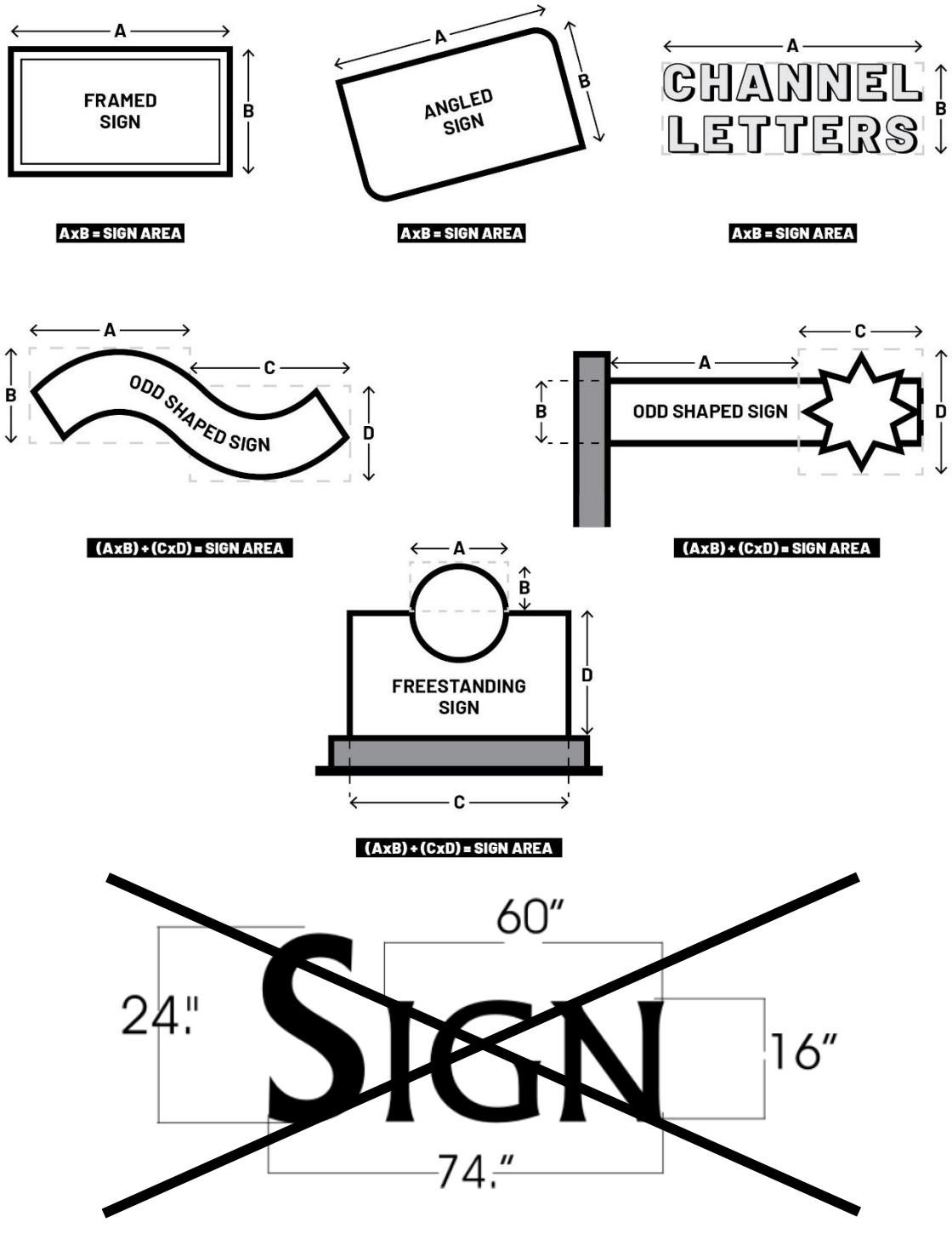
"Sign, alteration" shall mean any change of size, shape, illumination, position, location, construction or supporting structure of an existing sign.

"Sign, animated" shall mean a sign having moving parts or lighting, an image projection which creates the illusion of moving parts, or has flashing, chasing, or twinkling lights.

"Sign area" shall mean the entire area within ~~a single continuous~~ the perimeter ~~composed~~ of a maximum of two squares or rectangles which encloses~~s~~ the extreme limits of the writing, representation, emblem, or any figure, together with any frame, background area, structural trim, or other material, including any light or color that forms an integral part of the display which is used to differentiate the sign from the background upon which it is placed. In the case of a sign designed with more than one exterior surface, the area shall be computed as including only the maximum single display

surface, which is visible from any ground position at one time. The supports or uprights on which any such sign is supported shall not be included in determining the sign area unless such supports or uprights are designed in such a manner as to form an integral background of the display.

FIGURE 17.88.030-12. SIGN AREA



"Sign, balloon" shall mean a flexible, nonporous bag inflated with a gaseous substance, including but not limited to helium, that is lighter than the surrounding air, which causes the bag to rise and float in the air

“Sign, banner” shall mean a temporary sign composed of flexible, lightweight material not enclosed in a rigid frame.

“Sign, billboard” shall mean the same as outdoor advertising sign structure.

“Sign, cabinet or can” shall mean a sign consisting of one or more flat translucent panels containing sign copy affixed to an internally illuminated box or cabinet mounted on a building or monument structure. Such signs are typically illuminated with fluorescent lights. Sign panels may or may not be interchangeable.

“Sign, canopy/awning” shall mean any sign printed or painted on the visible surface of a canopy or awning.

“Sign, change of copy” shall mean the changing of a message on a lawfully erected sign. A change of copy does not include the following (all of which acts shall be considered as the placing of a new sign): any alteration or reconfiguration of the outside dimensions of a sign, any structural modifications of a sign and/or relocation of all or any portion of a sign.

“Sign, changeable copy” shall mean a sign on which message copy can be changed manually through use of attachable letters and numerals.

“Sign, City kiosk program” shall mean a uniform off-site directional sign program, administered by the ~~BIA~~ City or an agency as determined by ~~resolution of~~ the City ~~Council~~ for the purpose of providing travel directions.

“Sign, construct” when used with reference to a sign, shall mean to install, erect, or place on the ground or on a building structure, or to affix, paint or post on or to a building or structure.

“Sign, copy” shall mean either commercial speech or noncommercial speech messages.

“Sign, digital advertising display” shall mean an electronic advertising display where the message is changed more than once every two minutes, but no more than once every six seconds and the transition between messages is no more than one second. A digital advertising display shall not be considered an electronic reader board or animated sign as those terms are otherwise defined herein.

“Sign, directional” shall mean any sign that serves solely to designate the direction or the location of any place or area and is placed on the property to which the public is directed. Distinctions for directional signs within this Chapter are limited to those

situations where there is a compelling government interest and/or where the directional sign qualifies as a government sign.

“Sign, directory” shall mean a sign or a set of similarly designed individual signs placed or displayed in sequence, to list the location of various units within a development. Distinctions for directory signs within this Chapter are limited to those situations where there is a compelling government interest and/or where the directory sign qualifies as a government sign.

“Sign, double-faced” shall mean a sign with copy on two faces, legible from opposite directions.

“Sign, electronic reader board” shall mean a sign that contains a video screen, rows of light bulbs or other type of electronic display, which when activated forms messages, symbols, or graphics. Electronic reader boards do not include outdoor advertising sign structures utilizing digital advertising display pursuant to PMC §17.88.135~~0.E~~.

“Sign, externally illuminated” shall mean any sign constructed to have artificial light shone on the sign face from a lighting source that is external to the sign structure.

“Sign face” shall mean the surface or that portion of a sign upon which the sign copy or message is located that is visible from a single point as generally a flat surface or a single plane.

“Sign, flashing” shall mean the same as “Animated Sign”.

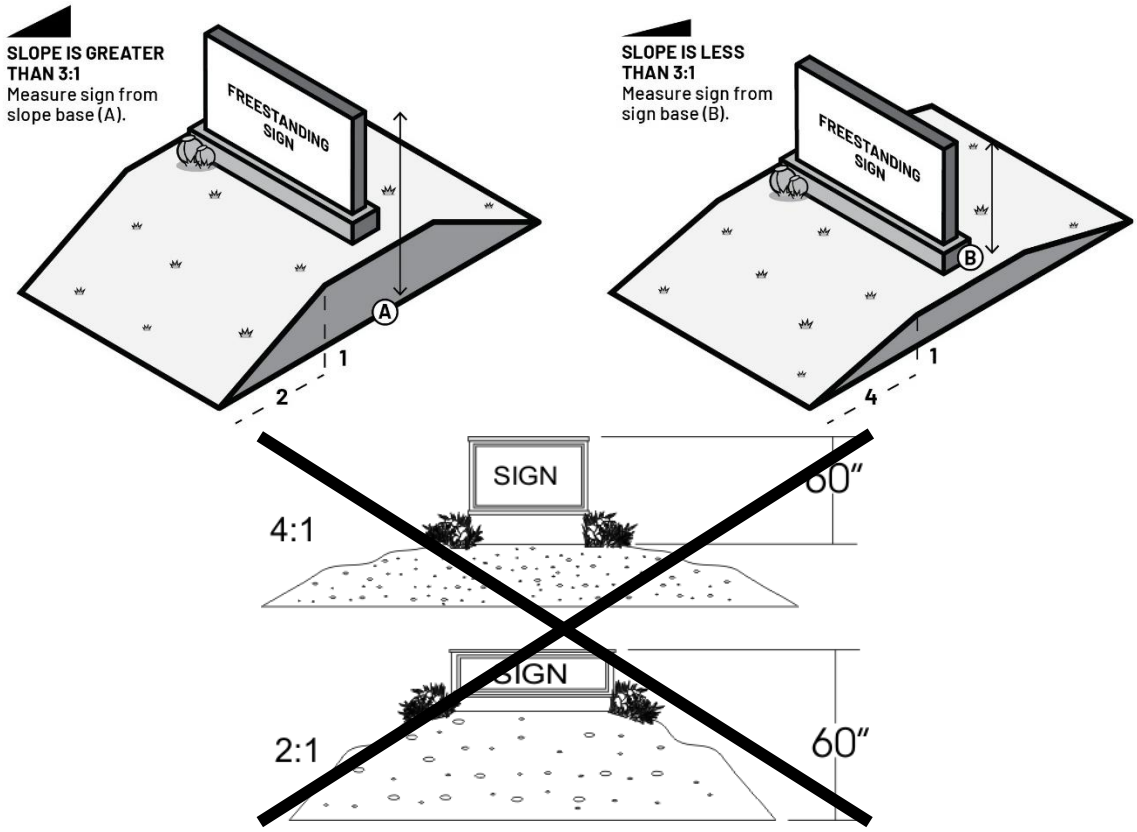
“Sign, freestanding” shall mean any sign supported by structures or supports that are placed on, or anchored in, the ground, which are independent from any building or other structure. ~~This definition may include pole signs, ground signs and monument signs.~~

“Sign, government” shall mean a sign ~~erected and~~ maintained by the City ~~Federal, State, or local government~~, or any other public agency, or third-party designated by a public agency. Government Sign shall also mean a sign that is required to be constructed, placed, or maintained by the Federal, State, County, or local government or any other public agency either directly or to enforce a property owner’s rights. Government Sign shall also include a sign erected and maintained by any person authorized by the City pursuant to resolution, license, or agreement, as part of the City kiosk sign program or the government sign section, which may include a digital advertising display or an electronic reader board.

“Sign, halo” shall mean a sign that directs light toward the wall behind the sign or lettering rather than outward creating a halo or negative effect.

"Sign, height of freestanding" shall mean the greatest vertical distance measured from ground surface to the top of the freestanding sign and any accompanying architectural feature of the sign. Intentional changes in the elevation of the ground surface by mounding within landscape areas utilizing more than a 3:1 slope in order to achieve an increased overall height shall be counted in the calculation of sign height.

FIGURE 17.88.030-2~~1~~. FREESTANDING SIGN HEIGHT



"Sign, height of nonfreestanding" shall mean the greatest vertical distance measured from the bottom to the top of the sign area.

"Sign, human" shall mean any person having a visual appearance primarily used for, or having the effect of, attracting attention from the streets, sidewalks, or other outside public areas for identification purposes to convey a commercial message. Noncommercial messages shall not be considered within the definition of human signs.

"Sign, illegal nonconforming" shall mean any sign structure which did not conform to applicable laws and/or was not granted a sign permit when constructed and has not been brought into full conformity by a specific remedy provided in this Title.

~~"Sign, information kiosk" shall mean a freestanding or wall-mounted sign structure, other than an outdoor advertising structure, billboard, or monument sign, that is designed to display a collection of two or more on-site signs or noncommercial signs.~~

"Sign, internally illuminated" shall mean any sign constructed to have artificial light shone on the sign face from a lighting source that is inside the sign structure.

"Sign, legal nonconforming" shall mean any sign that was lawfully erected, with all necessary permits, but due to a change in the law, fails to conform to all applicable standards and limitations of this Title.

"Sign, maintenance" shall mean the repair, restoration or preservation of an existing sign or sign structure to a condition or state similar to, but not larger than, that which was originally installed, erected, or approved by the City.

"Sign, marquee" shall mean a freestanding structure, wall sign or a structure that overhangs the entrance of a building or projects beyond a building facade, on which a changeable copy sign is affixed, including, but not limited to those typically displayed outside theaters, hotels, schools, or churches. Individual letters are changed manually on such signs as opposed to electronically.

"Sign, mobile billboard" shall mean any vehicle, trailer, or wheeled conveyance that carries, displays, or supports a sign and is used for the primary purpose of displaying signage, regardless of message content.

~~"Sign, monument" shall mean a low-profile, ground-mounted freestanding sign that is supported by a solid base as an essential element of the design of the sign.~~

~~"Sign, neon" shall mean a sign constructed of tubing that is illuminated by means of a gas or vapors. Decorative or other architectural elements on buildings consisting of neon tubing are not included in this definition.~~

"Sign, off-site/off-premises ~~commercial~~" shall mean a sign displaying a permanent commercial message that is not located on the site of the business, accommodations, services, or commercial activity served by the sign.

"Sign, official" shall mean signs that help direct pedestrians and motorists away from roadway hazards, toward public services, and informs those persons of the applicability of certain traffic regulations which are required to be erected by the City, the State Department of Transportation, or any other public agency.

"Sign, on-site/on-premises ~~commercial~~" shall mean a sign that is located on the site of the business, accommodations, services, or commercial activity served by the sign.

“Sign, outdoor advertising structure” shall mean a panel or billboard affixed to the ground, enclosed in a rigid frame used to display paid commercial and noncommercial messages or advertisements in outdoor public places, such as alongside highways.

“Sign, painted” shall mean a wall sign painted directly onto the surface of a building or onto a separate flat surface that is attached to the side of a building.

~~“Sign, pole” shall mean a permanent freestanding sign supported by one or more posts, columns or poles that are not enclosed in a solid structure equal in width to at least one-quarter the sign face and where the portion of the unenclosed posts, columns or poles exceeds 18 inches in height. This definition shall not include in whole or in part electronic reader boards or digital advertising displays.~~

"Sign program" shall mean an approved plan by the Director setting forth all signage for an approved commercial, business, or industrial center.

“Sign, projecting” shall mean a sign that is attached to and projects away from the side of a building. Such signs are typically oriented for pedestrian visibility and are viewed perpendicular to the face of the building.

“Sign, reader board” shall have the same definition as the term Electronic Reader Board.

“Sign relocation” shall mean to move a sign from one location to another or to remove a sign from one location and construct a similar sign at another location.

“Sign, roof” shall mean any sign erected upon, against, or directly above a roof, or projecting above the parapet of a building. Signs erected completely below the uppermost roof line on a mansard roof shall not constitute a roof sign.

“Sign, secondary skyline” shall mean a wall sign that is placed below the second floor of a building consisting of three stories or more.

“Sign, skyline” shall mean a wall sign that is placed above the windows of the highest floor of a building consisting of three stories or more.

"Sign structure" shall mean any structure, which supports, has supported, or is capable of supporting a sign, including decorative cover.

“Sign, temporary” shall mean a sign that is displayed for the specific period of time of an event and which is removed immediately after the completion of the event or time period.

“Sign, under-canopy” shall mean signs suspended no lower than eight feet above the public right- of-way or a walkway under a canopy or awning of a building.

"Sign, unlawful" shall mean a sign which was constructed illegally and which violates this Chapter, or which the Director declares to be unlawful because it has become dangerous to public safety.

"Sign, upgrade" shall mean any activity intended to improve the design quality and aesthetic appeal of an existing sign, display, or device by modifying structural elements of, or providing substantial cosmetic enhancements to, such sign, display or device.

"Sign, vehicle" shall mean any sign painted directly upon, magnetically affixed to or ~~permanently~~ affixed to the body or other integral part of an operative vehicle or trailer~~; provided, that the maximum number of such signs is two and the maximum size of each sign is four square feet~~.

"Sign, wall" shall mean a sign attached to, painted, or erected on the exterior wall of a building or structure with the exposed face of the sign in a plane approximately parallel to the plane of the exterior wall.

"Sign, window" shall mean a temporary or permanent sign with a single face of copy that is painted or installed on a glass window or door, or located within 12 inches from inside the window, in a manner which can be viewed from the exterior of a structure. ~~sign constructed of paper, canvas, cardboard or painted with water soluble pigment which is to be displayed on the inside of a glass window surface or painted on the outside of a window.~~ This term does not include merchandise located in a window.

~~"Speech, commercial" shall mean any message, the prevailing thrust of which is to propose a commercial transaction.~~

~~"Speech, noncommercial" shall mean any message that is not determined to be commercial speech as defined herein. Speech that is determined to be obscene shall not be included~~

"Structure, advertising" shall mean a structure existing, erected or maintained to serve exclusively as a stand, frame or background for the support or display of signs.

17.88.040 Sign Permit Requirements and Procedures

Except as otherwise provided in this Chapter, no person shall cause or permit the construction, enlargement, remodeling, or upgrade of any sign without first obtaining a sign permit pursuant to the provisions of this Section, and any other permits required by law. Legally established signs becoming nonconforming as a result of this Chapter shall be subject to amortization pursuant to PMC §17.88.140~~150~~ (Amortization and Abatement of On and Off-Premise Signs, Sign Programs and Outdoor Advertising Sign Structures ~~outdoor advertising sign structures (Billboards)~~). Any person or entity

engaged in the business of constructing or installing signs in the City shall have a valid State contractor's license, as applicable, and a City business license.

In each instance, and pursuant to the same conditions to which this Chapter permits any sign with a commercial message, a sign containing a noncommercial message and constructed to the same physical dimensions, character, and standards shall be allowed.

(A) Application Requirements. An application for a sign permit shall be made on the appropriate form(s) provided by the Director. A processing fee established by resolution of the City Council for new sign permits shall accompany applications. Applications for new sign permits shall contain all of the following information and materials:

1. Project location

   a. Address or nearest cross streets

   b. Assessor's parcel number (for vacant land)

2. Name of business (if applicable);

3. Name, address, and phone number of person and firm preparing application;

4. Applicant or applicant's authorized leasing agent name, signature, and telephone number;

5. Description and number of signs requested~~, including all accessory signs~~;

6. Drawing depicting dimensions, design, colors and materials of the sign or sign structure(s);

7. Construction specifications for method of attachment of the sign to the ground or structure and illumination;

8. Building elevation (for wall signs) depicting the dimensions, color and materials of the building or leaseholder unit where sign is to be attached. A photograph may be used to show the color and material of the building;

9. Site plan (for freestanding signs). Showing the intended location and position of the proposed sign; distance to existing or future structures, parking facilities, any outdoor seating areas, other freestanding signs, property lines, roadways, and driveways on or adjacent to the parcel where the sign is to be located; and

10. Grading Plans (for freestanding signs), demonstrating grade elevation within landscaped areas in relationship to the public right-of-way in immediate proximity of proposed sign structure(s).

(B) Review Process. ~~An application for a sign permit to construct a new sign or to enlarge or upgrade an existing sign for an existing building shall be submitted on the appropriate form(s) provided by the Director and accompanied by a processing fee established by resolution of the City Council.~~ The Director shall approve the sign permit if the Director finds that such application satisfies the standards set forth in Subsection (C) of this Section (Criteria for Approval) of this Section and the provisions of this Chapter. Otherwise, the Director shall deny the sign permit, in which case the applicant shall be notified in writing the reason(s) why the application was denied. All decisions of the Director may be appealed pursuant to PMC §17.20.110 (Appeal Procedures).

(C) Criteria for Approval. The following findings shall be made for approval of any sign permit for a sign or sign structure regulated by this Chapter:

1. The sign complies with the applicable provisions of PMC §17.88.080~~090~~ (General Development Standards), for permanent sign structures regulating the allowable sign area, location, setbacks, orientation, design, construction, materials, colors, and illumination; and,

2. The sign complies with the adopted sign program for the site, which regulates the size, color, lettering, location, and other design elements specified in the sign program (if applicable).

~~17.88.050 Change of Copy Requirements and Procedures~~

~~The application for a change of copy on an existing legally established and legally existing sign shall be made on the appropriate form(s) provided by the Director. Any person or entity engaged in the business of constructing signs in the City shall have a valid state contractor's license and a City business license. In each instance, and pursuant to the same conditions to which this Chapter permits any change of copy, a sign containing an ideological, political, religious, or other non-commercial message and constructed to the same physical dimensions, character, and standards shall be allowed.~~

~~(A) Applications for a change of copy shall contain all of the following information and materials:~~

~~1. Project location including address or nearest cross streets, assessor's parcel number (for vacant land), and name of business (if applicable);~~

~~2. Name, address, and phone number of person and firm preparing the application;~~

~~3. Applicant or applicant's authorized leasing agent name, signature, and telephone number;~~

~~4. Description and number of signs for which change of copy is requested; and,~~

~~5. Previously approved sign plans depicting sign area, dimensions, colors, design and materials, and method of illumination of the original sign or sign structure.~~

~~(B) Review Process. An application for a change of copy to upgrade an existing sign shall be reviewed by the Director following submittal of a complete change of copy application. The Director shall either approve the requested change of copy if the Director finds that such application satisfies the standards set forth in Subsection (C) of this Section (Criteria for Approval) and the provisions of this Chapter or the Director shall deny the sign permit, in which case the applicant shall be notified in writing the reason(s) why the application was denied. All decisions of the Director may be appealed pursuant to PMC §17.20.110 (Appeal Procedures).~~

~~(C) Criteria for Approval. The following findings shall be made for approval of any change of copy regulated by this Chapter:~~

~~1. The requested change of copy is to change the face of a legally-established sign structure that was issued all required permits at the time the sign was originally constructed;~~

~~2. The sign structure to which the change of copy is requested is of sufficient integrity and strength to adequately support the sign copy; and,~~

~~3. The requested change of copy does not alter or reconfigure the outside dimensions of the sign, structurally modify the sign, or relocate the sign from its original construction.~~

17.88.05~~6~~0 Sign Program Requirements and Procedures

Anyone wishing to establish a new sign program for the purpose of establishing a coordinated project theme consisting of uniform design elements for multiple tenants and/or for modifying the spacing, location, size, or height requirements for signs may apply for a sign program pursuant to this Section. Elements not specified as a component of the sign program shall comply with all applicable City sign standards as required pursuant to this Chapter. A processing fee established by resolution of the City Council shall accompany applications for new sign programs along with the following:

(A) Application Requirements. An application for a sign program shall be made on the appropriate form(s) provided by the Director. A processing fee established by resolution of the City Council for sign programs shall accompany applications. New applications for sign programs shall contain the following information and materials.

~~(B) Sign Program Specifications. The following shall be submitted in support of an application for a sign program at a minimum. Where appropriate, illustrations shall be included.~~

1. Size and material specifications;

2. Method of attachment;

3. Method of illumination;

4. Architectural design enhancements;

5. Location(s) of signs;

6. Major or other tenant sign specifications, provided total center sign area is not exceeded;

7. Letter style, font, color, and/or height specifications;

8. Spacing standards for signs; ~~and,~~

9. Additional sign restrictions, which may include prohibited signs; and

10. Illustrations, where appropriate.

(B) Review Authority. The Director shall be the review authority for sign programs except as provided below.

1. If the Director determines that the sign program includes free standing signs that are taller than 12 feet that may have significant impacts on the project site or surrounding properties, the Director may defer approval of the sign program to the Planning Commission.

(C) Review Process. Applications for new sign programs shall be submitted on the appropriate form(s) provided by the Director and accompanied by a processing fee established by resolution of the City Council. The ~~Director~~ applicable review authority shall approve the application if ~~the Director~~ it finds that such application satisfies the standards set forth in Subsection (D) of this Section (Criteria for Approval) and conforms to the provisions of this Chapter. Otherwise, the sign program shall be denied and the applicant shall be provided with the reason(s) for the denial in writing from the ~~Director~~ applicable review authority. All decisions ~~of the Director~~ on sign program applications may be appealed pursuant to PMC §17.20.110 (Appeal Procedures).

(D) Criteria for Approval. An application shall be approved so long as it complies with the following criteria:

1. The sign program establishes a coordinated project signage theme or modifies the spacing or location standards within an approved commercial, business, or industrial center; and,

2. The sign program meets all of the provisions contained in this Section.

17.88.060~~070~~ Exemptions to Sign Permit Requirements

The following signs shall be allowed without the requirement of a sign permit in all zones, except as specified herein in which case such signs shall comply with PMC §17.88.040 (Sign Permit Requirements and Procedures). All exempt signs shall be subject to PMC §17.88.080~~090~~ (General Development Standards), and PMC §17.88.160~~180~~ (Administration):

(A) Bus Shelter Signs. Signs located on bus shelters as specifically allowed by resolution of the City Council.

(B) Flags. One flagpole per developed parcel with a maximum of two flags, not to exceed 35 feet in height and 25 square feet in area. One additional flagpole with up to two additional flags may be allowed subject to approval of a sign permit.

~~(C) Information Kiosks. Information kiosks that are allowed by the zone as an accessory use and shall not exceed six feet in height or 16 square feet in area per face (maximum 32 square feet for a multi-sided kiosk). Information kiosks may be located within public property or right-of- way, subject to approval by the Director of Public Works or his/her designee. Wall-mounted signs are not exempt and are subject to the sign standards for the zone.~~

(C~~D~~) Interior Signs. Signs located inside a building~~,~~ or structure~~, or mall~~ provided the sign copy is not visible to the public right-of-way or a parking lot or is not located so as to be conspicuously visible and readable without intentional and deliberate effort from outside the building, structure, or mall.

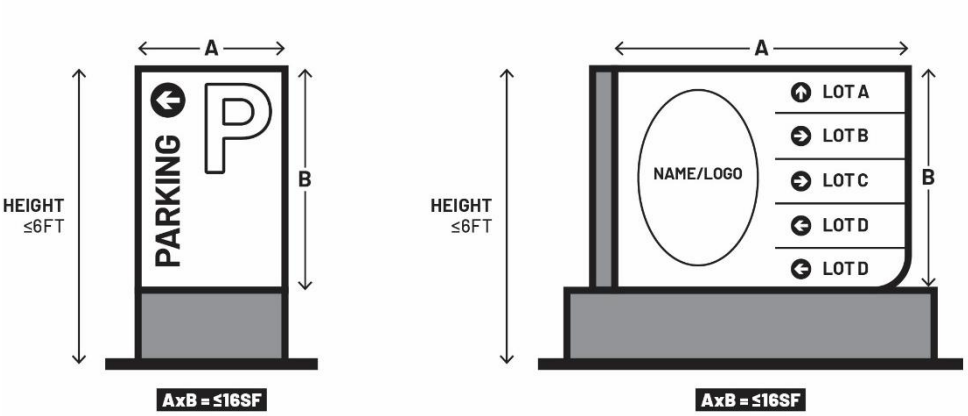
(D~~E~~) Home-based Business Signs. Mandatory signs required by Federal, State, County, or other agencies for home-based businesses.

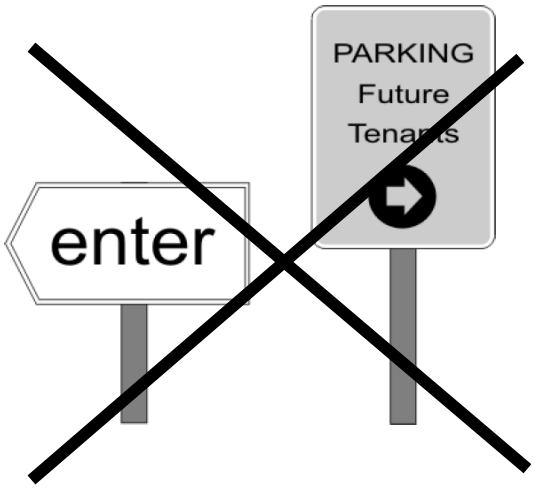
(E~~F~~) Light Pole Banners. Light pole banners as specifically allowed pursuant to PMC §17.88.110~~130~~ (Government Signs).

(F~~G~~) Government Signs. Signs as specifically allowed pursuant to PMC §17.88.110~~130~~ (Government Signs).

(G~~H~~) On-site Directional Signs. On-site directional signs not to exceed six feet in height or 16 square feet in area per face are allowed to provide information for the direction or convenience of the public, such as outlining/assisting vehicle and pedestrian circulation within a site. ~~The City has a compelling interest in ensuring traffic safety, and to directly advance that interest, the City will allow on-site directional signage so as to assist and direct traffic circulation into, out of, and through parking lots on private property. On-site directional signs shall be limited in number to five signs. Developed sites that have more than one frontage shall be allowed four signs per frontage up to eight total signs. The maximum area for such signs shall not exceed six square feet in area per sign and eight feet in height. Up to three times the allowable sign area and an additional four feet in height may be allowed with approval of a sign permit when it can be reasonably justified that due to the subject property or use, visibility constraints exist which justify larger signage.~~

FIGURE 17.88.060~~070~~-1. ON-SITE DIRECTIONAL SIGNS





(H~~I~~) Official Signs. The City has a compelling interest in facilitating traffic safety for pedestrians and motorists. This interest is directly advanced by having official signs that help direct pedestrians and motorists away from roadway hazards, toward public services, and informs those persons of the applicability of certain traffic regulations. To accomplish this compelling purpose, the City finds that it shall allow for such signs to be erected, moved, and changed by governmental officials with minimal regulation from the Economic and Community Development Department. For these reasons, the City hereby exempts the following signs from its sign permit requirements and development standards. Official traffic, fire and police related signs, temporary traffic-control signs used during construction, utility facilities and substructure location and identification signs and markers required to protect said facilities, and other signs and markers required by the City, the State Department of Transportation, or any other public agency.

(I~~J~~) Signs Accompanying the Sale of Personal Property. One sign not exceeding four square feet in area may be placed on residential property where personal property is displayed for sale pursuant to the provisions of this Title.

(J~~K~~) Signs on Vehicles. Vehicle signs, as defined in PMC §17.88.030 (Definitions), in compliance with all of the following: ~~provided that the vehicle is not parked in a required parking space adjacent to a public right-of-way for the primary purpose of advertising.~~

1. The display shall be flush with and painted directly upon, magnetically affixed to, or permanently affixed to the body of an operative vehicle.

2. The maximum number of such signs is two and the maximum size of each sign is four square feet.

3. Illumination and/or animation is prohibited.

4. Changeable and electronic copy is prohibited.

5. Any signage required by state law or local ordinance to be affixed to a vehicle, or vehicle signage required to protect public health, safety, and welfare is also exempt.

6. Vehicles positioned or used for the primary purpose of displaying signage visible from a public right-of-way shall be regulated as mobile billboards pursuant to PMC §17.88.070, regardless of message content

(K~~L~~) Temporary Signs. The City has a compelling interest in making the City attractive to residents, visitors, and business owners. To accomplish this interest, the City finds it necessary to establish standards for temporary signs and to regulate their duration. All temporary signs in the City shall be subject to the following:

1. Number. No more than one temporary sign shall be allowed per authorized use as specified in this Section.

2. Permission. Temporary signs may be placed on private property with the owner's permission. Nothing in this subsection shall prohibit the owner of a piece of property, or his or her authorized representative, from removing a temporary sign from his or her property when the sign has been erected without his or her consent; and provided, further, nothing in this subsection shall prevent the Director, Code Enforcement staff, or other authorized representative of the City from taking action to abate sign violations.

3. Illumination. Temporary signs shall be non-illuminated.

~~FIGURE 17.88.070-2. TEMPORARY SIGN~~



4. Removal. When displayed for a specific event or activity, temporary signs shall be removed within 10 calendar days of the advertised event or activity.

5. Temporary ~~Noncommercial~~ Signs. No person shall remove, destroy, relocate, or otherwise disturb any temporary ~~noncommercial~~ sign, or direct, permit or allow such removal, destruction, relocation, or disturbance, without the permission of the party who erected the sign. It shall be presumed, as to signs for political candidates, that the political candidate or his or her representative is the party who erected the sign. It shall further be presumed that the committee who has registered with the Secretary of State to support a position on a ballot proposition is the party who erected the sign taking the position on the ballot measure.

6. Temporary On-site ~~Commercial~~ Signs. Temporary signs located on the same property as the activity, use, or permit to which they relate may be displayed as follows, regardless of message content: ~~Temporary on-site commercial signs may be displayed as follows:~~

a. Signs Associated With Active Permits. Temporary signs may be displayed during the period that an approved and valid Planning entitlement, Grading Permit, Building Permit, or other City-issued development permit is active for the property. ~~During the period that a valid Grading or Building Permit exists.~~

~~b. For a maximum of 60 calendar days after the issuance of a business license for a new business. A new business may include an existing business under new~~

~~ownership but does not include an existing business under new management. The size of a new business banner utilized pursuant to this Section shall be as allowed under PMC 17.88.100 (Temporary Banner Permit for Commercial and Industrial Properties).~~

b~~c~~. Signs Associated With Seasonal On-Site Sales. Temporary signs may be displayed during seasonal sales of goods or products lawfully produced, offered, or sold on the property. ~~During the seasonal sale of agricultural products lawfully produced on the property.~~

c~~d~~. Signs Associated With Property Availability. One temporary sign per property, or one per commercial center, may be displayed during periods when the property is available for occupancy or use pursuant to a lawful transaction. Temporary banners are not permitted under this subsection. ~~During the period when property is for sale, lease or rent.~~

d~~e~~. Signs Authorized by a Temporary Use Permit or Special Event Permit. Temporary signs may be displayed as part of an approved Temporary Use Permit or Special Event Permit issued pursuant to PMC §17.26.100. The permit number shall be affixed to each temporary sign so as to be readily visible to City inspectors. Any temporary sign not displaying the permit number may be removed by the City. The owner of the sign shall reimburse the City for the actual costs of removing, storing, and disposing of the sign.

e~~d~~. Enforcement. Where written notification has been provided by the City and compliance has not been achieved within 10 days, the City may remove any temporary sign displayed in violation of this Section. The owner of the sign shall reimburse the City for the actual costs of removing, storing, and disposing of the sign.

~~(e)As a part of an approved Temporary Use Permit or Special Event Permit as specified in PMC Section 17.26.100 (Temporary Use and Special Event Permits) for:~~

~~i. Parking lot and sidewalk sales;~~

~~ii. Grand openings and anniversary events;~~

~~iii. Outdoor art and craft shows and exhibits;~~

~~iv. Bazaars, pony rides and festivals;~~

~~v. Mobile health services;~~

~~vi. Christmas tree lots, pumpkin lots, haunted houses, and firework stands; and,~~

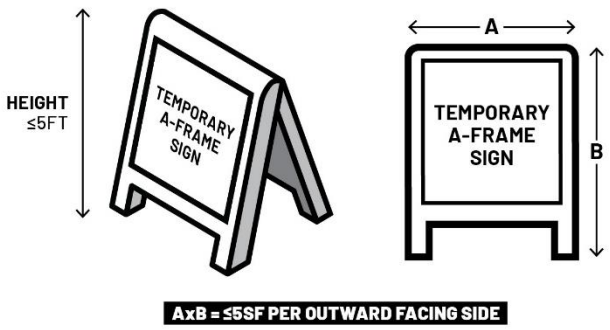
~~vii. Circuses, carnivals, rodeos concerts, shows, or similar enterprises.~~

ff. Inflatable Displays. Inflatable displays may be approved by the Director for a period of time not to exceed an aggregate total of 45 days per calendar year and 14 consecutive days, and shall only be approved as part of a Special Event or Temporary Use Permit, as provided for in PMC Section 17.26.100 (Temporary Use and Special Event Permits). Inflatable displays shall be securely fastened, ground-mounted and maintained in a good condition. Inflatable displays do not include balloons typically found in retail stores. The permit number of the Temporary Use and Special Event Permit authorizing the use of the inflatable display shall be affixed to the display so as to be readily visible by City inspectors. Any such sign not displaying the permit number shall be removed. Where due written notification has been given by the City and compliance has not been made within 10 days of written notification, the City may cause removal of such signs. The owner of the sign shall reimburse the City for the actual costs of removing, storing, and destroying or otherwise disposing of the sign.

gg. ~~Temporary on-site commercial signs allowed pursuant to this Section may also display noncommercial messages.~~

7. A-frame Signs. One temporary A-frame or similar impermanent freestanding sign is allowed for any use located within the Mixed-Use ~~z~~Zones and ~~civic center~~ Commercial/Office Zones where pedestrian-oriented use is encouraged. Such signs shall be non-illuminated and not exceed five square feet per side (maximum two sides) and a height of five feet. Signs shall be constructed using a minimum of industrial grade particleboard (or equivalent) and designed with radius edges, unexposed hinges, and feet. Only oil-based paints shall be used for painted signs, which shall be professionally painted. Placement of A-frame signs shall not impede pedestrian or handicap access.

FIGURE 17.88.060~~070~~-2~~3~~. A-FRAME SIGN

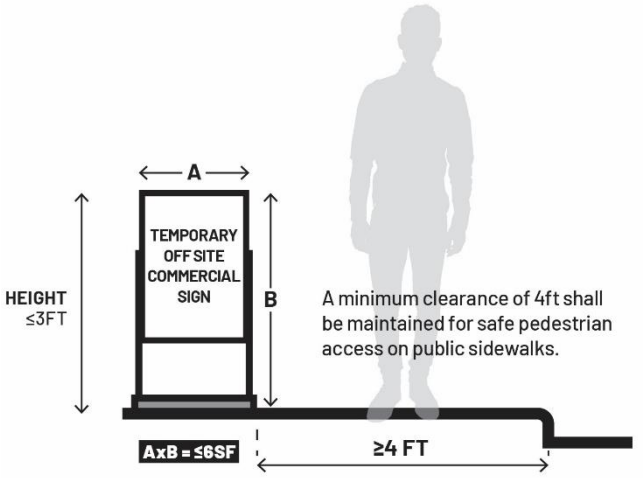


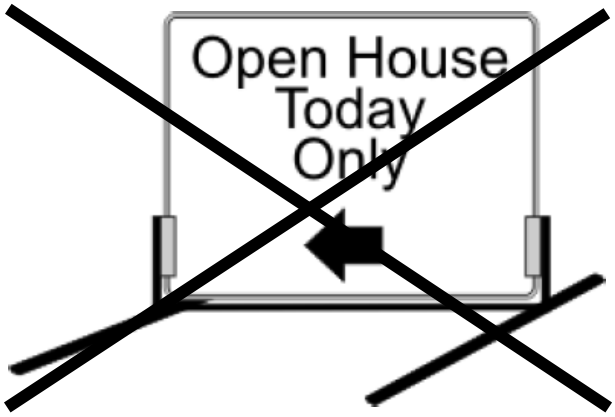


8. Temporary Off-site ~~Commercial~~ Signs. Temporary off-site ~~commercial~~ signs may be displayed in ~~are allowed in~~ ~~the single-family~~ residential zones as follows:

a. Temporary off-site ~~commercial~~ signs shall be freestanding only and shall not be affixed to posts or utility poles or pushed or hammered into the ground. Such signs shall be formed from aluminum or a hard plastic material (or equivalent) pursuant to current industry standards. Cardboard or paper signs are prohibited ~~not allowed~~. Signs shall not exceed six square feet in area and three feet in height. Signs shall be of sufficient weight in order to keep upright and in place. ~~No r~~Reflective paint or day-glo colors shall be prohibited ~~are allowed~~. Signs shall not include balloons, ribbons, pennants, streamers, or other attachments.

FIGURE 17.88.060~~070~~-3~~4~~. TEMPORARY OFF-SITE COMMERCIAL MESSAGE SIGN





~~b. Signs shall not be placed within subdivision landscape easements.~~

b~~c~~. Up to one such sign may be located at any one corner of an intersection provided ~~handicap~~ ADA access is maintained.

c~~d~~. No sign shall be placed upon any private property without first obtaining permission from the owner of such property.

d~~e~~. No sign shall be placed within the public right-of-way without approval of an encroachment permit issued by the City Engineer. A minimum clearance of four feet shall be maintained at all times for safe pedestrian access on public sidewalks. Signs may not be located on center medians or within the public street where vehicles travel. Where the public right-of-way extends into a parkway strip, signs shall be placed so as not to cause damage to landscaping and/or irrigation systems. One or more signs may be approved with an encroachment permit. Signs that do not comply are subject to removal pursuant to PMC §17.88.140~~160~~ (Amortization and Abatement of On and Off-Premise Signs, Sign Programs and Outdoor Advertising Sign Structures).

e~~f~~. Signs may be displayed only during daylight hours on weekends, holidays, and one day during the week.

f~~g~~. Temporary off-site ~~commercial~~ signs allowed pursuant to this Section may also display noncommercial messages.

(L~~M~~)—Window Sign, Permanent. One permanent non-illuminated window sign not exceeding four square feet in area.

~~(N) Window Signs, Temporary. Temporary window signs not exceeding 25 percent of the window area provided visibility into the building is maintained.~~

(M~~O~~) Strand Lights. Strand lights or similar outdoor lighting within areas where people dine or otherwise publicly congregate that is intended as festive ornamentation to be used on a year- round basis.

17.88.070~~080~~ Prohibited Signs

The following signs are prohibited, except as otherwise expressly allowed pursuant to this Chapter:

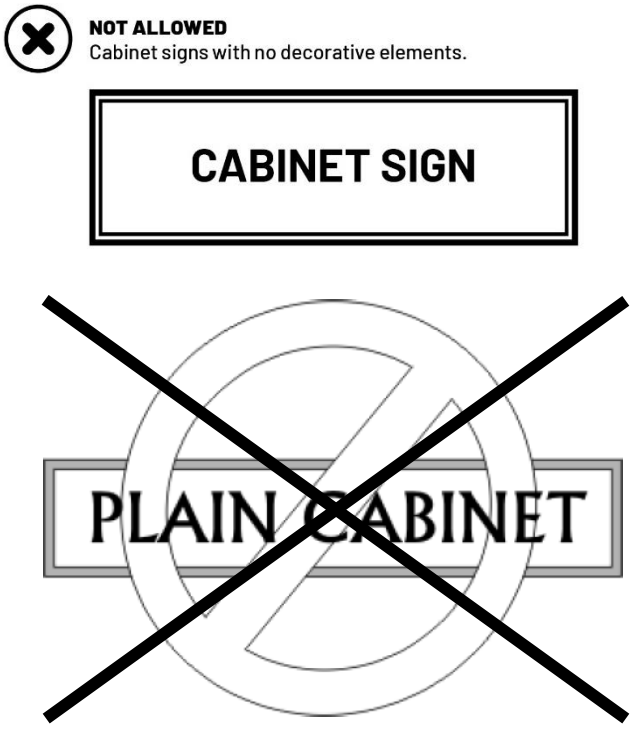
(A) Animated signs.

(B) Balloons or other inflatable, wind activated, or spinning devices that are typically available in retail stores, except as exempted pursuant to PMC §17.88.060~~070~~ (Exemptions to Sign Permit Requirements).

(C) Banner signs as permanent signage; however, temporary banners may be exempt as specified pursuant to PMC §17.88.060~~070~~.K~~L~~.6 (Temporary On-Site ~~Commercial~~ Signs) or allowed pursuant to PMC §17.88.100.A (Temporary Banners ~~Permit for Commercial and Industrial Properties~~).

(D) Cabinet signs with little or no decorative elements.

FIGURE 17.88.070~~080~~-1. PLAIN CABINET SIGN



(E) Paper and c~~C~~ardboard signs exposed to the outdoor elements.

(F) Electronic reader board signs, excluding government signs.

(G) Flags, except as expressly allowed pursuant to this Chapter.

(H) Flashing signs.

(I) Human signs.

(J) Off-site signs, except as exempted pursuant to PMC §17.88.060~~070~~ (Exemptions to Sign Permit Requirements).

~~(K) Paper signs exposed to the outdoor elements.~~

(K~~L~~) Pennants, strings of pennants, or streamers.

(L~~M~~) Portable or A-frame signs, except as allowed pursuant to PMC §17.88.060~~070~~ (Exemptions to Sign Permit Requirements).

(M~~N~~) Revolving signs, excluding barber shop poles.

(N~~O~~) Roof signs.

(O~~P~~) Signs that create a safety hazard by obstructing the clear view of pedestrian and vehicular traffic.

(P~~Q~~) Signs that display a message, graphic representation, or other image that is obscene as that term is defined in Section 311 of the Penal Code.

(Q~~R~~) Signs, which by their color, design, location, or illustration resemble, distract attention from, or conflict with any traffic control device.

(R~~S~~) Signs within the public right-of-way or upon public property (except where approved or required by a government agency and exempted pursuant to PMC §17.88.060~~070~~ (Exemptions to Sign Permit Requirements)), including, but not limited to, any notice, placard, bill, card, poster, sticker, banner, sign, advertising, or other device affixed or attached to or upon any public street, walkway, crosswalk, or other right-of-way, curb, lamp post, hydrant, tree, telephone ~~booth or~~ pole, lighting system, or any fixture of the police or fire alarm system.

(S) Mobile Billboards. Any vehicle, trailer, or wheeled conveyance that carries, displays, or supports a sign and is positioned or used for the primary purpose of displaying signage visible from a public right-of-way is prohibited. This prohibition eliminates mobile billboard advertising within the City to reduce traffic congestion, promote the safe movement of vehicular traffic, to reduce air pollution, and improve the aesthetic appearance of the City. This prohibition does not apply to displays on vehicles

exempted pursuant to PMC §17.88.060 (Exemptions to Sign Permit Requirements), public safety and public transit/public carrier graphics on properly licensed buses, taxicabs, and similar vehicles for hire that legally pass through the City.

(T) Signs Mounted on Vehicles. No person shall park any vehicle on a public right-of-way or in a location on a private property that is visible from a public right-of-way, which has attached thereto or suspended therefrom any sign, except as exempted pursuant to PMC §17.88.060~~070~~ (Exemptions to Sign Permit Requirements). This Section shall not preclude the display of bumper stickers.

17.88.080~~090~~ General Development Standards

The following general provisions are applicable to all signs and sign structures regulated by this Chapter, excluding signs within sign programs or Specific Plans. These general provisions apply in addition to any specific standards in this Chapter.

(A) Sign Area. Unless otherwise specified in this Chapter, the maximum allowed sign area for signs shall be calculated based on the acreage and frontage of a property and/or the length of the building elevation upon which the sign is to be attached. Wall signs for multiple tenant buildings shall be based upon the lineal building frontage occupied by each tenant as specified by the zone.

(B) Locational Criteria. All signs shall be subject to all applicable standards for the zone in which the proposed sign is to be located, pursuant to PMC §17.88.090~~100~~ (Temporary Banner Permit for Commercial and Industrial Properties) through 17.88.100~~120~~ (Signs in ~~Non-Residential and Mixed-Use~~ Zones Other Than Residential Zones). Unless otherwise expressly provided in this Chapter, no sign shall be erected or used for business purposes of any kind, except such sign(s) as shall be located on the site of the place of business, enterprise, or calling which is reasonably related to the products or services available on or within those premises. Sign location shall not obstruct motorists' visibility by considering driveway placement, long-term growth of landscaping, and adjacent and/or future development. No signs may be located in or adjacent to the public right-of-way, or private drive aisle or driveway in such a manner that it obstructs the clear view of pedestrians and/or vehicular traffic or constructed so as to obstruct any window, door, fire escape, or other emergency exit of any building. In addition, the following additional location criteria shall be maintained:

1. Wall-mounted signs shall not project above the parapet, canopy, fascia, wall, or roofline to which they are attached.

2. Freestanding signs shall not block visibility of motorists in order to maintain traffic safety, or from outdoor seating areas to preserve views. Freestanding signs shall not be placed in such a manner that obstructs any portion of a traffic control device as regulated by the California Manual on Uniform Traffic Control Devices, as

viewed by a driver, pedestrian, or bicyclist, as is appropriate for the type of device. Freestanding signs shall be set back and spaced along street frontages as specified in this Chapter.

3. Except where approved or required by a government agency or as otherwise expressly allowed pursuant to this Chapter, no sign may be stuck, glued, painted, pasted, posted, nailed, stapled or otherwise affixed or attached to or upon any public street, walkway, cross walk or other right of way, curb, lamp post, transit bench or shelter, trash receptacle, fire hydrant, tree, telephone ~~booth or~~ pole, lighting system or any fixture of the police or fire alarm system, any existing sign, or upon any other public property.

(C) Setbacks. All freestanding signs shall be set back a minimum of one foot from the public right-of-way

(D) Orientation. On-site signs shall be oriented so as not to create confusion and shall be visible to pedestrians, motorists and/or other passersby from the front, side, or rear of the building to which it is intended~~; however, wall signs located within commercial or industrial zones shall not face directly onto residentially designated property~~.

(E) Methods of Attachment.

1. Wall signs shall be attached to the sides of structures with fasteners that are either concealed from clear view or treated to match the building.

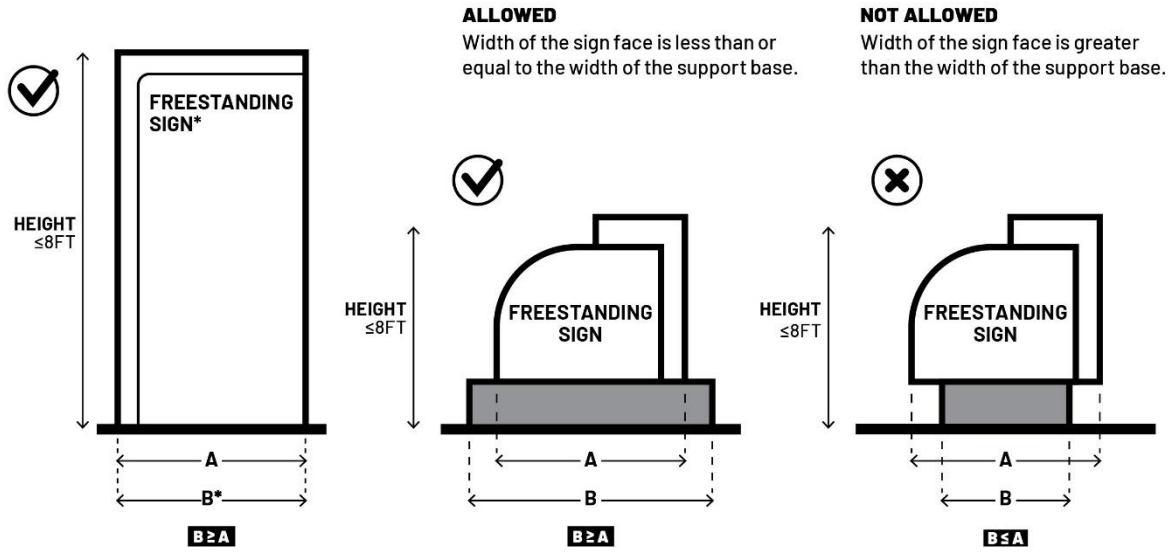
2. Projecting signs shall utilize decorative methods of attachment in instances where their visibility cannot reasonably be concealed.

3. Freestanding signs.

a. Freestanding signs eight feet or less in height shall be secured to the ground utilizing a solid support base that is a minimum width of the sign face and consisting of solid materials such as concrete, block, stone, or brick~~ rather than poles with veneer covers~~.

b. Unless specifically approved under a Sign Program, freestanding signs more than eight feet in height shall be secured to the ground using a support base whose width is at least 1/3 the width of the sign face. The support base may consist of multiple columns; however, the cumulative total width of the columns must equal at least 1/3 the width of the sign face.

FIGURE 17.88.080-1 METHOD OF ATTACHMENT-FREESTANDING SIGN 8 FEET OR LESS IN HEIGHT

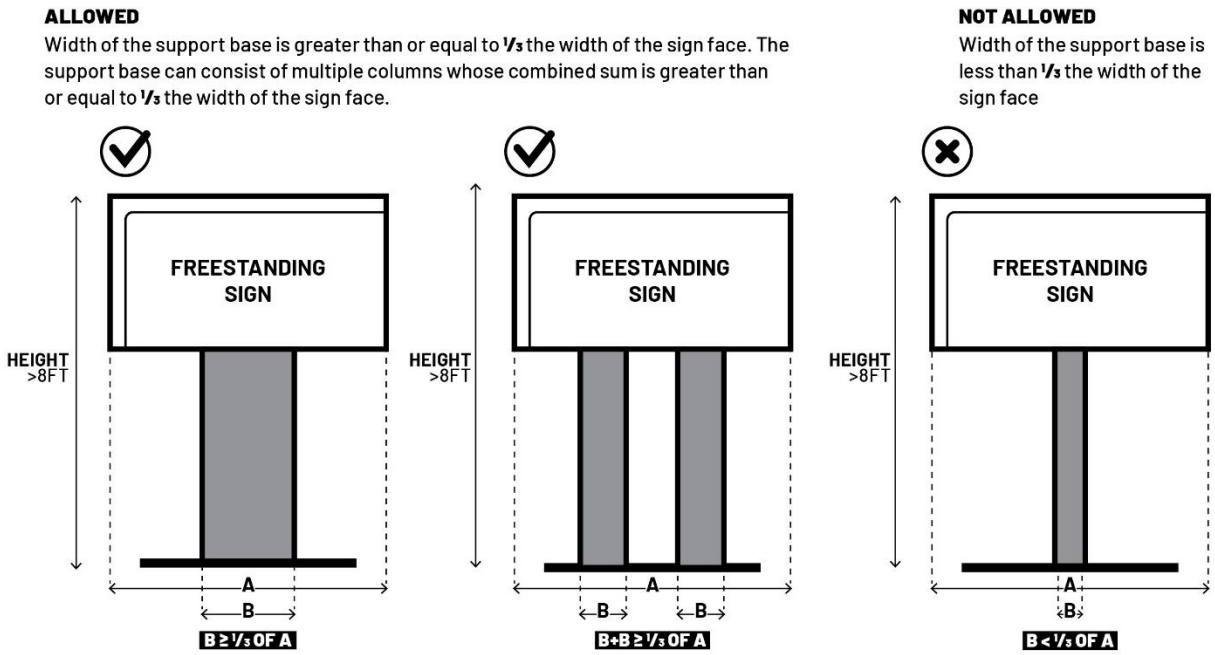


A = width of sign face

B = width of support base

**In this instance the width of the sign face and support base are equal because the support base is integrated into the sign face.*

FIGURE 17.88.080-2 METHOD OF ATTACHMENT-FREESTANDING SIGN MORE THAN 8 FEET IN HEIGHT



A = width of sign face **B = width of support base**

(F) Design. Signs and sign structures shall be professionally designed, pursuant to industry standards, and clearly understood for their intended purpose. Signs shall incorporate a classic style that will not quickly become outdated. On-site freestanding signs adjacent to the roadway shall be designed to include break-away features that are forgiving and crash-worthy. Signs shall not be designed to mimic traffic control devices, traffic warning devices, traffic regulating or directional way-finding signs. In addition, the following additional criteria of design shall be incorporated into new signs:

1. Wall signs

a. Wall signs shall consist of one of the following types of signs:

FIGURE 17.88.080~~090~~-3~~1~~ CHANNEL LETTER SIGN



FIGURE 17.88. 080-4~~090-2~~ CONTOUR SIGN



FIGURE 17.88. 080~~090~~-5~~3~~ CABINET SIGN



FIGURE 17.88. 080~~090~~-64 PRINTED SIGN



i. Individual raised letters or symbols (channel letter);

ii. Custom contour enclosure; ~~or~~

iii. Acrylic signs; or

iv. Professionally custom painted.

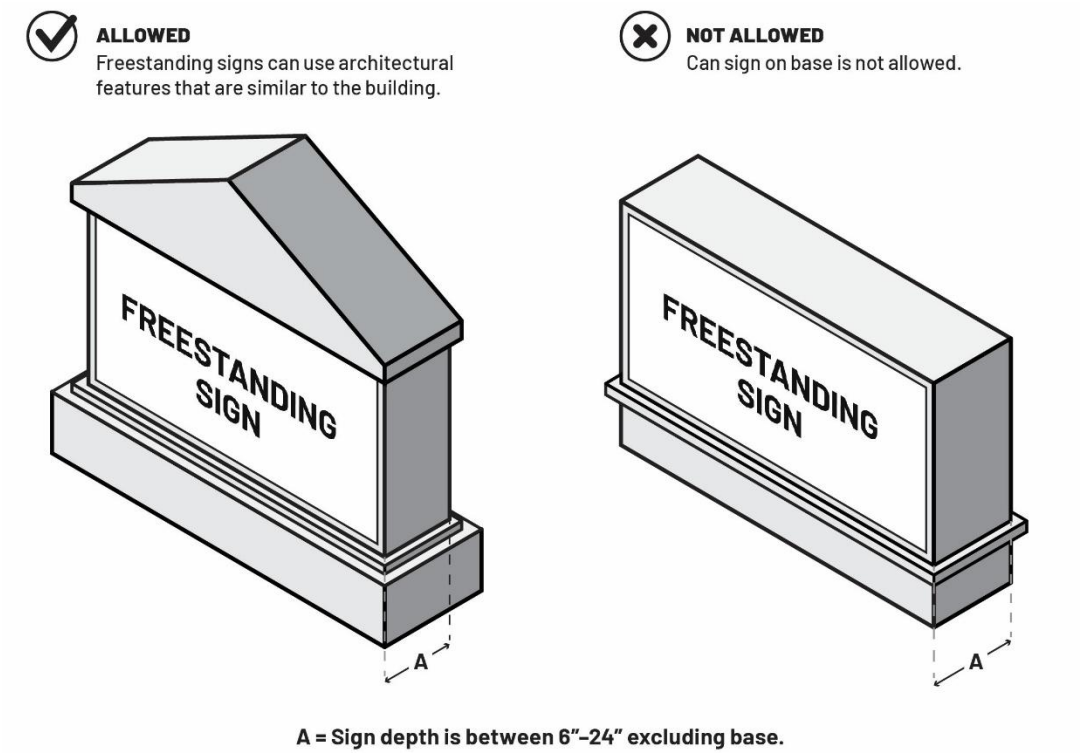
b. Signs attached to buildings shall project no less than one inch and no more than 18 inches from the structure.

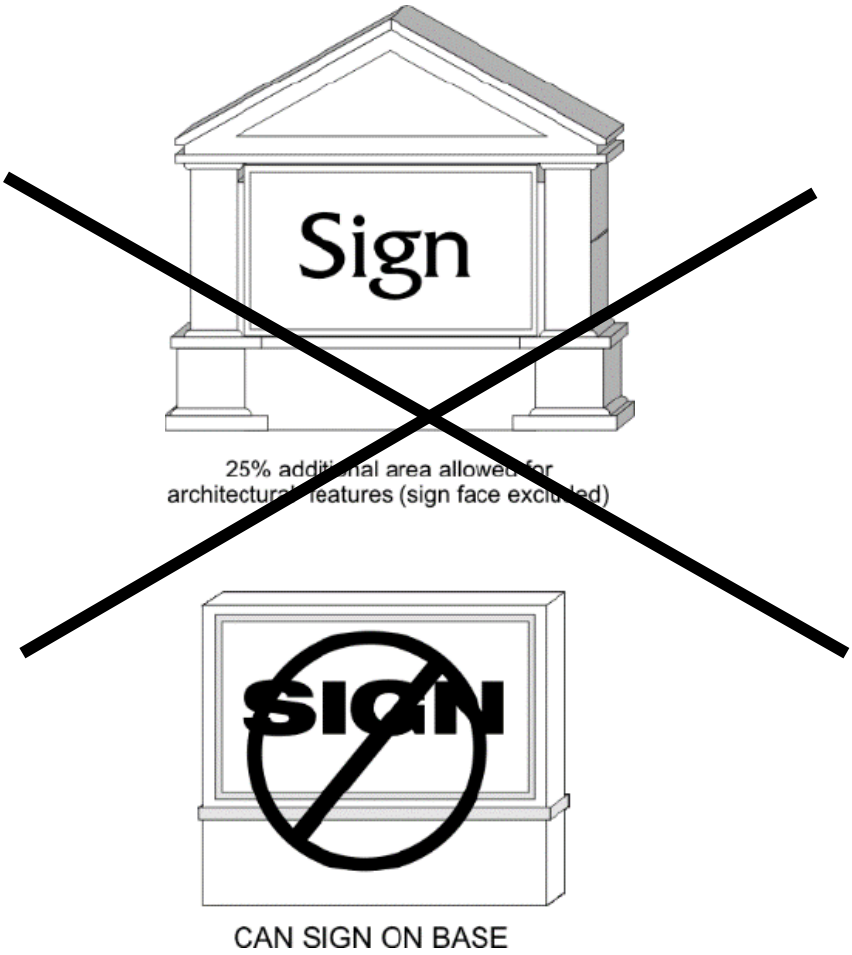
2. On-Site Freestanding Sign Structures

a. Signs shall be architecturally integrated into the overall development of the site with respect to color, material, and design~~, except that pole signs may utilize metal for the sign structure regardless of building materials on site~~.

b. Minor architectural features such as cornices, roof pitches and archways, which are similar to those of the building(s) shall be incorporated into the design of the sign structure. Such features may increase the allowable size of structures by 25 percent, exclusive of sign face and base. Freestanding can signs with no architectural features are not allowed.

FIGURE 17.88.080~~090~~-7~~5~~ ARCHITECTURALLY TREATED FREESTANDING SIGN





25% additional area allowed for architectural features (sign face excluded)

CAN SIGN ON BASE

c. The shape or appearance of freestanding signs shall not depict inanimate objects, animals or human beings.

d. The depth of sign structures shall be a minimum of six (6) inches and a maximum of 24 inches, exclusive of the base. Sign structures exceeding 24 inches in depth may be considered provided the total sign area allowed for a double-faced sign is not exceeded and the sign structure meets all other criteria for approval.

e. Panel inserts for multi-tenant freestanding sign structures shall be uniform in color and typeface.

(G) Substitutions

1. Marquee signs may be substituted for wall or freestanding sign structures pursuant to the definition of a marquee sign pursuant to PMC §17.88.030 (Definitions).

2. Projecting signs may be used in place of wall signs provided they do not exceed one-half of the allowable wall sign area and the sign meets all other provisions in this Section.

3. Canopy/awning signs may be allowed in place of or in addition to wall signs as specified in Subsection (N~~O~~) of this Section (Canopy/Awning Signs).

(H) Construction. All signs and sign structures shall be professionally constructed pursuant to industry standards. All parts, portions, units, and materials, comprising all signs, together with the frame, background, supports, or anchorage for all sign structures, shall be manufactured, fabricated, assembled, constructed, and erected pursuant to all applicable Federal, State, County, and City laws and standards.

(I) Materials. Construction materials for all components of signs shall consist of durable, long- lasting materials that hold up to the extremes inherent in Palmdale's desert environment, including heat, cold and wind for long-term durability, as well as damage caused by nesting birds and other environmental constraints of the region. Individual foam letters shall be covered with a solid material to prevent damage by birds, sun, and harsh weather.

(J) Colors. Earth tones and subdued colors such as maroon, brown, tan, gray, peach, cream, or white shall be used for the sign face or sign structure. Primary colors such as red, green, blue, yellow, orange, purple, pink, and black may be used for letters, symbols, graphics, or minor accents; however, except in the case of temporary signs, such colors shall not be used for the sign face or sign structure. Day-glo colors may only be used as minor accents to the overall sign. Reflective paint is not allowed.

(K) Illumination. The City has a compelling interest in promoting traffic safety for pedestrians and motorists. To achieve this interest, it is necessary to minimize excessive lighting of signs that may distract pedestrians and motorists or produce hazardous light and glare into the eyes of motorists, and to do so by conditioning the type and intensity of the lighting and its appropriateness for the planned location and orientation of the sign. In addition, no sign shall be illuminated in such a way that mimics a traffic signal or traffic control device.

The method of illumination for all types of signs is an important design element. However, the intensity or glare of the illumination may cause a visual distraction, safety hazard or public nuisance. The Director shall determine any required measures necessary to reduce possible negative impacts on adjacent structures, roadways, or surrounding land uses. New light fixtures added to the exterior of an existing building for the purpose of sign illumination shall be subject to the specifications of PMC §17.86.030 (Outdoor Lighting). Any sign that requires approval of an electrical building permit shall utilize only approved electrical components that are properly listed and tested by an acceptable testing agency and approved by the City's Building Official. No illuminated sign or lighting device shall

be placed or directed so as to permit or cause glare or reflection which may constitute a traffic or safety hazard or interfere with the use and enjoyment of a public street, walkway, or adjacent properties by having a blinding effect on residents, motorists, or pedestrians, preventing safe illumination of sidewalks, streets, or drive aisles, or by negatively impacting illumination levels on adjacent properties.

(L) Flags. Flags shall consist of fabric or similar flexible material that is designed to hang from a pole and blow in the wind. Plastic or other materials that produce more noise than fabric are prohibited for use as flags. Such flags shall be replaced when ripped, tattered, and/or faded or other wear is evident as determined by the Director.

~~(M) Neon Signs. Neon signs as defined by this Chapter are allowed only in the commercial/office zones, subject to PMC §17.88.040(C) (Criteria for Approval) and Subsection (K) of this Section (Illumination).~~

(M~~N~~) Painted Signs. Painted signs may be allowed as permanent wall signs and shall be professionally painted only. Such signs may be externally illuminated with decorative light fixtures within commercial zones subject to Subsection (K) of this Section (Illumination). As allowed by the zone, signs may be painted directly on structures or on industrial grade particleboard (minimum, or equivalent) with radius edges. Only oil-based paints (or equivalent) shall be utilized for painted signs.

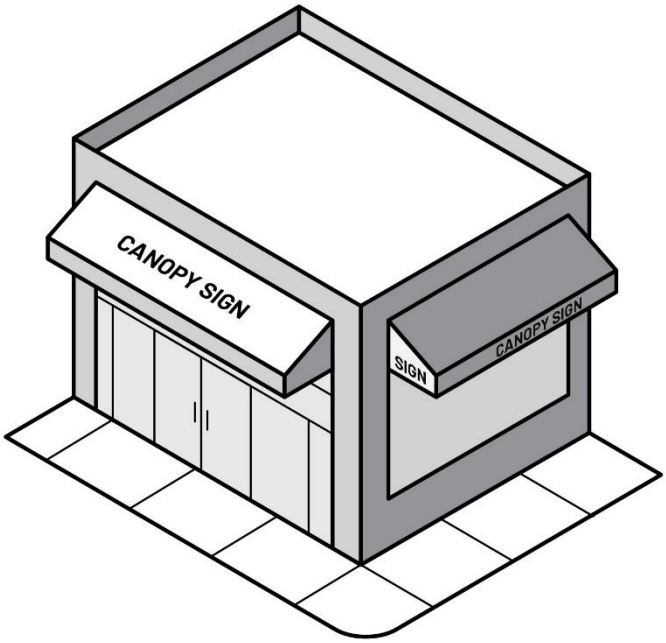
FIGURE 17.88.080~~090~~-8~~6~~. PAINTED SIGNS

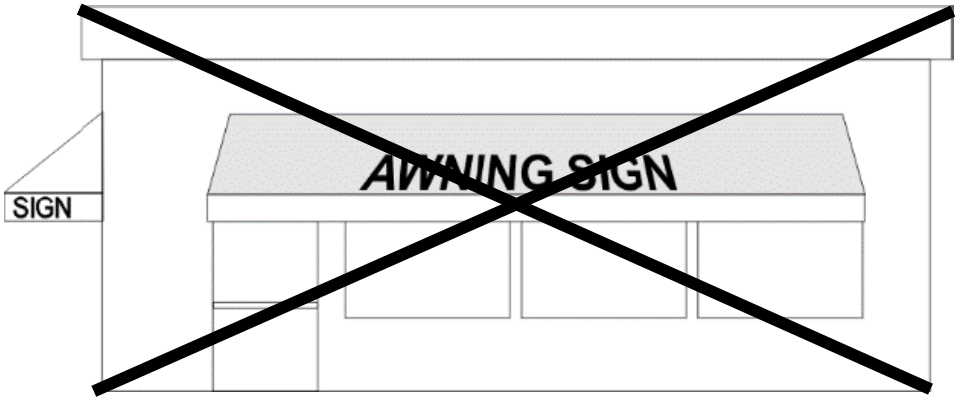




(N~~O~~) Canopy/Awning Signs. Canopy/Awning ~~and awning~~ signs are intended to be visible to pedestrians and/or from nearby parking areas and on-site circulation drives. Canopy/Awning signs are allowed within a shopping center where canopies or awnings are uniformly used within the shopping center or for a single tenant if the tenant is occupying an entire parcel and does not share space in a shopping center, as follows:

FIGURE 17.88.080~~090~~-9~~7~~. CANOPY/AWNING SIGN





1. The total combined area for wall and canopy/awning signs shall not exceed the allowable wall sign area allowed for the face of the building;

2. Canopy/Awning signs may be located on the front or side panels of angled, curved or box canopies or awnings or on the bottom flap (valance) of the canopy or awning;

3. Canopy/Awning signs shall not consist of more than a single line of copy or symbols; and,

4. The size of the sign shall not exceed 75 percent of any one dimension of the canopy or awning.

(O~~P~~) Maintenance. The following maintenance standards shall apply to all signs:

1. Every sign and all parts, portions, units, and materials comprising the same, together with the frame, background, supports, or anchorage thereof, shall be continuously maintained in a safe, structurally sound, neatly painted, graffiti-free, and well-repaired condition; and,

2. Signs illuminated either internally or externally shall be capable of being fully illuminated and legible and the face(s) shall be intact without holes or other exterior facial damage. Illuminated signs that are damaged or have defective lighting elements shall remain unlighted until repaired.

~~**17.88.100 Temporary Banner Permit for Commercial and Industrial Properties**~~

~~The following provisions are applicable to all banners regulated pursuant to this Section. The provisions are intended to permit the greatest flexibility possible in terms of business signage, while maintaining an orderly and attractive business environment within the City's commercial and industrial areas.~~

~~(A) Permit Process and Fees for Temporary Banners~~

1. The applicant shall be responsible for obtaining all required building permits from the Building and Safety Division associated with the installation of the banner.

2. A Temporary Banner Permit shall be obtained for the use of banners at a business location. In evaluating permit applications, staff will review zoning, location, size, method of attachment, and conformance with this Section and any other applicable standards.

3. The Temporary Banner Permit application shall include the applicant's authorized leasing agent name, signature, and telephone number.

4. Applicants shall pay an annual Temporary Banner Permit fee and annual inspection fees as established by the fee resolution approved by the City.

(B) Zones. Banners will be allowed in all commercial/office and industrial zones and commercial/office and industrial designated properties within Specific Plan areas.

1. Use. Banners may be used for all general business purposes, provided that banners may not be utilized as the sole source of business identification. In order to ensure that banners are not used for primary business identification, any business applying for a banner permit shall have permanent signage on the building that has been legally established.

(C) Noncommercial banners shall be allowed pursuant to this Section to the same extent commercial banners are allowed.

(D) Design Standards. The banner shall be constructed of high quality, durable material capable of withstanding the severe local weather conditions. The banner shall be professionally designed and manufactured. No handwriting on blank banners or erasable banner material and design shall be allowed.

(E) Types of Banners

1. Wall-Mounted. Standards for wall-mounted banners are provided within PMC Section 17.88.120 (Signs in Non-Residential and Mixed-Use Zones).

2. Ground-Mounted Banners. Standards for ground-mounted banners are provided within PMC Section 17.88.120 (Signs in Non-Residential and Mixed-Use Zones).

(F) Any banner legally established pursuant to this Section shall be maintained by the applicant. When wear and tear is observed by any employee of the City and upon notification to the applicant, required work to restore or replace the worn banner shall be performed to the satisfaction of the Director within 14 days. Failure to comply with this provision may result in revocation of the permit for the temporary banner.

~~(G) The Director shall give written notice to the applicant regarding any violations of the provisions of this Section. Within 14 days of receipt of the notice, the violation shall be corrected or remedied to the satisfaction of the Director. Failure to pay fees, or noncompliance with the standards, procedures, and conditions set forth in this Section shall be cause for revocation of the temporary banner permit and removal of the banner. Materially inaccurate or erroneous information submitted as a part of a Temporary Banner Permit application may be cause for revocation of the permit.~~

17.88.090~~110~~ Signs in Residential Zones

In addition to temporary signs identified in PMC §17.88.060~~070~~ (Exemptions to Sign Permit Requirements), the following signs are allowed in residential zones subject to approval of a sign permit:

Table 17.88.090~~110~~-1. Allowed Signs in Residential Zones

Sign Type	Maximum Number	Maximum Sign Area	Maximum Height Including Base	Remarks
Wall	No limit: combined area of signs shall not exceed the maximum allowed sign area	1 ½ sf of sign area per lineal foot of building frontage	N/A	Signs may be internally illuminated only, subject to PMC §17.88.080~~090~~.K (Illumination).
~~Monument~~ Freestanding	1 per public entrance, up to 2 signs total	30 sf	5 ft	Signs may be internally illuminated only, subject to PMC §17.88.080~~090~~.K (Illumination).
~~Directional~~	~~1 per public entrance, up to 4 signs total~~	~~16 sf~~	~~5 ft~~	~~Signs shall not be illuminated.~~
Temporary ~~freestanding banner (teardrop, feather, bowhead, etc.)~~	1 freestanding sign per frontage; 2 per model home	60 sf per single face for freestanding signs and 15 sf for flags	10 ft for free-standing signs and 15 ft for flags	Signs shall not be illuminated. Flags shall not be within 50 ft of an occupied residence.

17.88.100~~120~~ Signs in ~~Non-Residential and Mixed-Use~~ Zones Other Than Residential Zones.

In addition to temporary signs identified in PMC §17.88.060~~070~~ (Exemptions to Sign Permit Requirements), the following signs may be allowed in ~~commercial, industrial, mixed-use or public facility~~ zones other than Residential Zones (i.e., Mixed-Use, Commercial/Office, Industrial, and Special Purpose Zones (see Table 17.14.010-1. List of Zones)), subject to approval of a sign permit:

Table 17.88.100~~120~~-1. Allowed Signs in ~~Non-Residential and Mixed-Use~~ Zones Other Than Residential Zones				
Sign Type	**Maximum Number**	**Maximum Sign Area**	**Max. Height[1]**	**Remarks**
Wall signs, secondary skyline signs or canopy/awning signs	No limit: combined area of signs shall not exceed the maximum allowed sign area	1 ½ sf of sign area per lineal foot of building frontage	N/A	Secondary skyline signs are subject to PMC §17.88.120~~140~~ (Skyline Signs); externally lighted signs are subject to PMC §17.88.080~~090~~.K (Illumination); canopy/awning signs are subject to PMC §17.88.080~~090~~.N~~O~~ (Canopy/Awning Signs).
Skyline signs[2]	1 per allowable elevation; up to 2 signs total on opposite sides of the building	1 sf of sign area per lineal foot of building frontage	N/A	Skyline signs subject to PMC §17.88.120~~140~~ (Skyline Signs) are in addition to secondary skyline signs. Shall be compatible with the building surface and shall complement the aesthetics of the development. Shall consist of a single line of copy/symbol unless approved by the Director due to building architecture prohibiting placement of a single line of copy. May be halo sign or internally illuminated.
~~Monument~~ Freestanding signs	1 sign for every 250 feet of street frontage	For industrial zones:		
		< 10 acres: 30 sf	5 ft	
		> 10 acres: 50 sf	8 ft	
		For nonindustrial zones		
		< 10 acres: 50 sf	8 ft	
		> 10 acres: 100 sf	12 ft	

Table 17.88.100~~120~~-1. Allowed Signs in ~~Non-Residential and Mixed-Use~~ Zones Other Than Residential Zones				
Sign Type	**Maximum Number**	**Maximum Sign Area**	**Max. Height[1]**	**Remarks**
	1 sign per development (in addition to the freestanding sign allowance above)	100 sf	30 ft maximum Sign copy shall be located between 10 and 30 feet above the ground.	Only allowed within property designated as Regional Commercial: Minimum 10-foot clearance above walkways and drive aisles. Signs may be internally illuminated only, subject to PMC §17.88.080.K (Illumination). Shall maintain a minimum distance separation of 50 ft from residentially designated property or existing residential development.
Under-canopy signs	1 per tenant	5 sf	N/A	Minimum 8-foot clearance above walkways.
Temporary Wall-mounted ~~banner~~[3]	1 per frontage except facing residential uses	1 sf of area per lineal foot of frontage	N/A	Shall be mounted flat against the wall using permanent anchors. Banners shall not be mounted using wire, rope, cables, bungee cords or similar devices.

Table 17.88.100~~120~~-1. Allowed Signs in ~~Non-Residential and Mixed-Use~~ Zones Other Than Residential Zones				
Sign Type	**Maximum Number**	**Maximum Sign Area**	**Max. Height[1]**	**Remarks**
Temporary Freestanding ~~banner (teardrop, feather, bowhead, etc.)~~	1 per business	42 sf	12 ft	Minimum clearance of 5 ft from edge of right-of-way~~, except when located within the Mixed-Use zones to PMC §17.88.070.L (Temporary Signs)~~. Shall not impede pedestrian or handicap access. Shall not obstruct clear view of pedestrians and/or vehicular traffic. No off-site banners are allowed. Signs shall not be illuminated.
~~Pole signs4~~	~~1 per development~~	~~100 sf~~	~~10-ft minimum clearance height and 30-ft maximum~~	~~Signs may be internally illuminated only, subject to PMC Section17.88.090.K (Illumination). Shall maintain a minimum distance separation of 50 ft from residentially designated property or existing residential development.~~

Notes:

1. Grade changes by mounding within landscape areas less than 3:1 slope shall be counted in calculation of sign height; maximum height includes the base.

2. This applies to buildings with three or more stories, pursuant to PMC §17.88.120~~140~~ (Skyline Signs).

3. Not allowed within 50 feet of an occupied residence.

~~4. Only allowed within the Regional Commercial zone.~~

17.88.110~~130~~ Government Signs

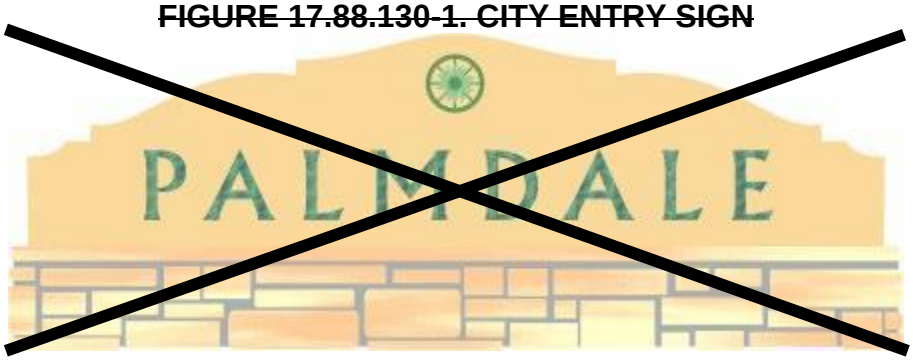
The City has a compelling interest in making the City attractive to residents, visitors, and business owners and in protecting and improving economic vitality, protecting, and enhancing aesthetic character, and promoting traffic safety in, through, and around areas that have a concentration of public facilities and structures. To accomplish these interests, the City finds it necessary to establish certain classes of government signs, to limit their content and to provide a public convenience by directing motorists and pedestrians to various locations throughout the City.

This Government Sign Section consists of signs that are uniform in design, which provide the community with a sense of place and a distinct identity. Signs constructed as a part of this Section shall be allowed without the requirement of a sign permit in all zones, except that electronic reader boards and digital advertising displays are not allowed in residential zones. Government signs shall be erected by the City, a public agency, or by any person authorized by the City ~~resolution~~ to erect such signage. This Section shall be applicable to the following types of signs:

(A) Civic Center Plaza. Roadway signs may be installed on streets leading to the Civic Center and surrounding public parking areas.

(B) City Entry Signs. Freeway and roadway monument signs may be installed on major thoroughfares near City limits in varying size. ~~Such signs shall be constructed of integral concrete monolith and stone base with lettering to be cast into the concrete with color infill.~~

~~FIGURE 17.88.130-1. CITY ENTRY SIGN~~



(C) City Roadway/Street Signage. Street name signs may be installed on streets throughout the City.

(D) Light Pole Banners. Banners may be placed on light poles along major thoroughfares and/or surrounding the Civic Center during various seasons of the year or for City-sponsored events.

(E) City Kiosk Signs. City kiosk signs are permissible in all zones except ~~those that are r~~Residential Zones. City kiosk signs are subject to the development standards for ~~monument and on-site~~ freestanding sign structures contained in PMC §17.88.100~~120~~ (Signs in ~~Non-Residential and Mixed-Use~~ Zones Other Than Residential Zones).

(F) Digital Advertising Display (DAD). Government signs that are considered DADs are not required to be installed pursuant to a Billboard Relocation Agreement and are permissible in all zones except residential. Government signage DADs are subject to the following standards:

1. Sign Area. The maximum sign area of a single-face DAD is 675 square feet and 1,350 square feet for a double-face DAD.

2. Sign Height. The maximum sign height is 40 feet; however, a DAD located immediately adjacent to State Route 14 may be modified if it can be demonstrated that compliance with the 40 foot height limit would impair visibility for a portion of the sign face. Increased height shall only be allowed to the extent necessary to allow reasonable view of the sign face.

3. A DAD may only display a series of still images, each of which is displayed for a minimum of six seconds and transitions between images shall not exceed one second. No DAD shall depict or simulate any motion or video, or have flashing, chasing, or twinkling lights.

4. Each DAD shall include a photometric sensor that will adjust the intensity of the sign for daytime and nighttime viewing. The intensity from sunset to sunrise shall be limited to 150 nits. The City may modify or further restrict the intensity of any DAD should the lighting create a distraction to drivers or an adverse effect on nearby residential properties.

5. In addition to complying with the other standards set forth in this Section, any DAD located within 660 feet of a state highway shall also comply with the standards of the California Outdoor Advertising Act (Chapter 2 of Division 3 of the California Business and Professions Code beginning at Section 5400), including, but not limited to, the restrictions on size, height, proximity to interstate and primary highways and landscaped freeways. To the extent any conflict arises between this Section and the Outdoor Advertising Act, the Outdoor Advertising Act shall prevail.

(G) Electronic Reader Boards. Government signs that are considered electronic reader boards are permissible in all zones except residential ~~and are subject to the development standards for monument and on-site freestanding sign structures contained in PMC §17.88.120 (Signs in Non-Residential and Mixed-Use Zones)~~.

(H~~1~~) General Standards for Government Signs

1~~a~~. For purposes of this Section, “street intersection” shall mean where two or more streets or roads cross at the same grade. This shall include all streets and roads with a right-of-way of 100 feet or larger.

2~~b~~. Signs may be constructed on improved or unimproved property along Regional and Crosstown streets provided they are located on private property with the owner’s written permission or within the public right-of-way with approval of an encroachment permit. Regional and Crosstown streets shall consist of those designated on the General Plan Circulation Map.

3~~c~~. Signs shall not obstruct the use of sidewalks, walkways, bike, and hiking trails and shall not obstruct the visibility to motorists and pedestrians of traffic control signs.

4~~d~~. Signs shall be limited to no more than three structures on the same side of the street between major intersections and shall not be located within 100 feet of another freestanding sign structure.

5~~e~~. Sign structure installations shall include “breakaway” design features.

6~~f~~. No signs, pennants, flags or other devices for visual attention or other appurtenances shall be placed on government signs.

7~~g~~. The design of all government signs shall be consistent throughout the City.

8~~h~~. Sign lettering used for identification panels shall be uniform in style and size.

17.88.120~~140~~ Skyline Signs

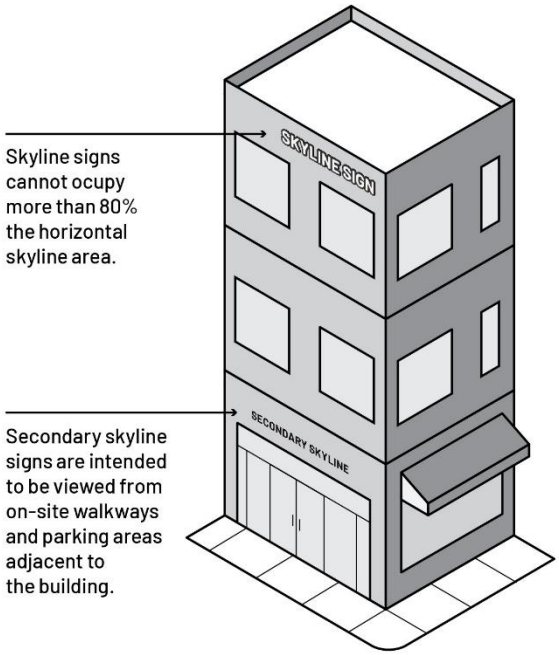
Skyline signs shall consist of wall signs that are placed on structures of three stories or more. Signs on tall buildings can have a significant visual influence upon the community’s environment; therefore, they should be consistent with the architectural style of the building. The approval of skyline signs shall be subject to PMC §17.88.040 (Sign Permit Requirements and Procedures) and to the following standards:

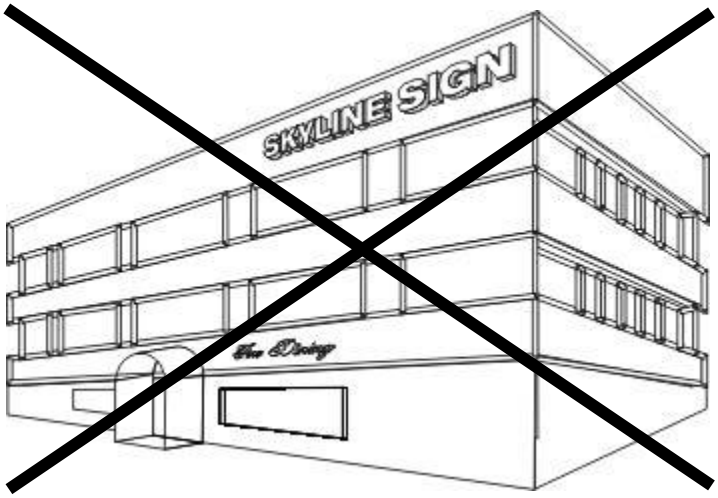
(A) Skyline Signs

1. Placement. Skyline signs shall be placed above the vision glass windows of the highest floor of the building and below the eave line pursuant to the provisions for signs within the zone. In conventional high-rise design, a sizeable area is generally available for signs above the vision glass of the highest floor. Skyline signs shall not be located on any building elevation in vertical (stacked) alignment and shall be separated by a horizontal dimension of not less than 40 percent of the linear

dimension of the subject elevation. For buildings with articulated roofs, a more flexible definition is appropriate. In such cases, signs are to be integrated visually with architectural features such as windows, projections, and articulating elements.

FIGURE 17.88.120~~140~~-1. SKYLINE SIGN PLACEMENT AND PROPORTION





2. Proportion of Sign Area. To avoid the appearance of crowding a sign into a sign area, sign copy shall occupy no more than 80 percent of the horizontal skyline sign area as defined by this Section. Additionally, no part of a sign can be located within the extreme left or right 10 percent of the building elevation.

(B) Secondary Skyline Signs

1. Placement. Secondary skyline signs shall be allowed below the second floor, except that, if the building has a two-story lobby, secondary skyline tenant signs are allowed between the second and third floors above such lobby. An individual tenant may have no more than one sign per building elevation. Secondary skyline signs shall not be located on any building elevation in vertical (stacked) alignment and shall be separated by a horizontal dimension of not less than 15 percent of the linear dimension of the subject elevation.

2. Locational Criteria. Secondary skyline signs are intended to be viewed from on-site walkways and parking areas adjacent to the building.

(C) Retail, Service Business, and Restaurant Uses Located within Structures of Three or More Stories. In addition to secondary skyline signs described in Subsection (B) of this Section (Secondary Skyline Signs), retail uses, service business uses, or restaurants located within an office building containing three or more stories may be allowed signs as specified in this Chapter and may appear on the same building elevation as and be included in the same total sign area calculation and placement as secondary skyline signs. Such signs shall be located at or adjacent to the entrance of the building and individual tenants shall be allowed no more than one sign per elevation.

17.88.130~~150~~ Outdoor Advertising Sign Structures (Billboards)

(A) Permits and Review Process

1. Permits Required

a. No outdoor advertising sign structure shall be constructed, relocated, or upgraded at any location in the City without obtaining a Conditional Use Permit subject to the provisions of this Section, and any other permits required by law.

b. Other Permits. Nothing in this Chapter shall exempt the applicant from obtaining any other required approval including, but not limited to, any permits required by the State of California.

2. Review Process. A Conditional Use Permit shall be required, pursuant to the provisions of this Chapter and PMC Chapter 17.22 (Conditional Use Permits) for any construction, upgrade, or relocation of outdoor advertising sign structures. The Planning Commission shall approve the Conditional Use Permit if the Commission finds that such application satisfies the standards set forth in Subsection (A)(3) of this Section (Findings for Approval), or the Planning Commission shall deny the application, in which case the applicant shall be notified in writing of the reason(s)

why the application was denied. All decisions of the Planning Commission may be appealed pursuant to PMC §17.20.110 (Appeal Procedures).

3. Findings for Approval. No Conditional Use Permit for an outdoor advertising sign structure shall be issued unless the Planning Commission finds that the application satisfies, or with conditions can satisfy, all of the following standards:

a. The proposed sign meets all of the findings for approval of a Conditional Use Permit as set forth in PMC §17.22.050 (Approval Requirements and Conditions);

b. The proposed sign meets the locational criteria for outdoor advertising sign structures, pursuant to Subsection (B) of this Section (Locational Criteria);

c. The proposed outdoor advertising sign structure meets all of the development standards as specified in Subsection (C) (Development Standards) or Subsection (E) (Outdoor Advertising Sign Structures Subject to a Billboard Relocation Agreement) of this Section;

d. The outdoor advertising sign structure is oriented to attract the attention/patronage of the general public, taking into consideration long-term growth of landscaping and future projects; and,

e. The outdoor advertising sign structure is in compliance with all applicable Federal, State, and City laws and regulations pertaining to the construction of outdoor advertising sign structures.

(B) Locational Criteria. Outdoor advertising sign structures shall be limited to placement on improved properties with habitable structures only, subject to the following restrictions:

1. No outdoor advertising sign structure shall be located within the area bounded by 20th Street West to the west, Avenue N to the north, Sierra Highway to the east and Palmdale Boulevard to the south.

2. There shall be no more than four outdoor advertising sign structures, including existing outdoor advertising sign structures, located within the area bounded by the extension of Avenue N-12 to the north, Rancho Vista Boulevard to the south, Sierra Highway to the west and an imaginary line 100 feet of the easterly Southern Pacific property line to the east.

3. No additional outdoor advertising sign structures shall be constructed, relocated, or upgraded except when located in the industrial zones.

4. No additional outdoor advertising sign structures shall be constructed on properties within 660 feet of Palmdale Boulevard.

5. The outdoor advertising sign structure shall be no closer than a radius of 500 feet to any premises designated or zoned for residential purposes, or to any premises containing a school, religious institution, or similar place of worship, historical site or building, cemetery, or similar place of interment, public or private park or outdoor recreational facility.

6. The outdoor advertising sign structure shall be no closer than a radius of 1,500 feet to a previously constructed off-premise outdoor advertising sign structure.

7. An outdoor advertising structure may be approved in a location other than specifically identified or excluded in Subsections (B)(1) through (B)(5) of this Section, including within an adopted Specific Plan area, when a Conditional Use Permit is approved in conjunction with a billboard relocation agreement pursuant to Subsection (D) of this Section (Billboard Relocation Agreement), but in no event shall be located within a residential zone.

(C) Development Standards. All outdoor advertising sign structures shall comply with the following standards:

1. Sign Area. The total area of a single sign face shall not exceed 300 square feet. The total area of a double-faced sign shall not exceed 600 square feet. Not more than five percent of the area of a sign face shall be used for projections.

2. Height. The outdoor advertising sign structure shall not exceed 32 feet in height measured from the ground level.

3. Setbacks. The sign shall comply with all setback standards of the underlying zone. It shall be located no closer than 10 feet to any property line. No materials or structural feature, except poles or pilasters, shall extend into the cross-visibility area between ground level and seven feet above the grade of the nearest street curb. No portion of the sign shall block the view of any on-site advertising sign on the same or adjoining parcels.

4. Construction. The outdoor advertising sign structure shall be built to withstand a minimum wind pressure of 21 pounds per square foot of exposed surface.

5. Design. The outdoor advertising sign structure shall not be supported by more than one supporting post. It shall be architecturally treated so as to screen the frame, support structures and lighting from public view. The outdoor advertising sign structure shall not contain any flashing or blinking material, or mechanically activated

or animated devices. The color and materials shall be subject to the provisions of this Chapter.

6. Sign Copy Area. The message or sign copy area of any relocated or upgraded outdoor advertising sign structure may be no larger than the message copy area of the original outdoor advertising sign structure.

7. Utility Lines. Utility lines providing electrical power to a new or relocated outdoor advertising sign structure shall be placed underground.

8. Maintenance. The sign and structure shall be continuously maintained in an attractive, clean, and safe condition pursuant to PMC §17.88.080~~090~~.O~~P~~ (Maintenance).

9. Traffic Safety. The sign shall not constitute a traffic hazard because of sign shape or its location in relationship to an official public traffic sign or signal.

(D) Billboard Relocation Agreement

1. Purpose. The purpose of the Billboard Relocation Agreement is to reduce the overall number of outdoor advertising sign structures within the City by allowing relocation of billboards in more suitable locations and provide more attractive, aesthetically-pleasing billboard designs and to improve the aesthetic appearance of the City.

2. Authority. Notwithstanding any other provision of this Chapter, and consistent with the California Business and Professions Code Outdoor Advertising provisions, existing outdoor advertising sign structures may be relocated and/or upgraded as part of a Billboard Relocation Agreement entered into between the City Council and a billboard owner and the approval of a Conditional Use Permit for any relocated billboard.

3. Content. Each Billboard Relocation Agreement shall contain, at a minimum, the following information:

a. Identification of the location of the billboards being permanently removed and the location of the relocated billboards; and

b. Conceptual design drawings for the relocated billboards.

4. Review Process and Findings. All Billboard Relocation Agreements shall be reviewed and approved by the City Council. The following findings shall be made by the City Council in order to approve a Billboard Reduction and Relocation Agreement:

a. The proposed agreement is consistent with the goals, objectives, purposes and provisions of the Palmdale General Plan, this Title, and any applicable Specific Plan;

b. The proposed relocation site is compatible with the uses and structures on the site and in the surrounding area;

c. The proposed Billboard Relocation Agreement provides for a net reduction in existing outdoor advertising sign structures within the City;

d. The proposed Billboard Relocation Agreement contributes to the reduction of visual clutter in the City;

e. The proposed billboard would not create a traffic or safety problem with regard to onsite access circulation or visibility;

f. The proposed billboard would not interfere with onsite parking or landscaping required by City ordinance or permit; and,

g. The proposed billboard would not otherwise result in a threat to the general health, safety, and welfare of City residents.

5. Conditional Use Permit. Subsequent to the approval of a Billboard Relocation Agreement by the City Council, the billboard owner shall file a Conditional Use Permit application to relocate or upgrade the outdoor advertising sign structure as authorized by the Billboard Relocation Agreement.

(E) Outdoor Advertising Sign Structures Subject to a Billboard Relocation Agreement. An outdoor advertising sign structure may be upgraded or relocated through the approval of a Conditional Use Permit and a corresponding Relocation Agreement. A relocated or upgraded billboard shall meet the development standards contained within Subsection (C) of this Section (Development Standards). A DAD is permissible in conjunction with the relocation/upgrade of an outdoor advertising sign structure approved pursuant to a Billboard Relocation Agreement, subject to the following standards:

1. Sign Area. A DAD shall be subject to the sign area standards specified in Subsection (C)(1) of this Section (Sign Area); however, given the unique characteristics of DAD’s, an applicant may request a modification to the maximum sign area pursuant to the following conditions:

a. The applicant demonstrates, to the satisfaction of the Planning Commission, that the larger size is necessary to provide a readable DAD in a cost-effective manner; and,

b. The maximum sign area of a single-face DAD is 675 square feet and 1,350 square feet for a double-face DAD.

2. Sign Height. A DAD shall be subject to the sign area standards specified in Subsection (C)(2) of this Section (Height); however, a DAD relocated immediately adjacent to State Route 14 may be modified if the applicant can demonstrate that compliance with the 32-foot height limit would impair visibility for a portion of the sign face. Increased height shall only be allowed to the extent necessary to allow reasonable view of the sign face.

3. A DAD may only display a series of still images, each of which is displayed for a minimum of six seconds and transitions between images shall not exceed one second. No DAD shall depict or simulate any motion or video, have flashing, chasing, or twinkling lights.

4. Each DAD shall include a photometric sensor that will adjust the intensity of the sign for daytime and nighttime viewing. The intensity from sunset to sunrise shall be limited to 150 nits. The City may modify or further restrict the intensity of any DAD should the lighting create a distraction to drivers or an adverse effect on nearby residential properties.

5. In addition to complying with the other standards set forth in this Section and any other applicable provisions of this Section, any relocated billboard within 660 feet of a State highway shall also comply with the standards of the California Outdoor Advertising Act (Chapter 2 of Division 3 of the California Business and Professions Code beginning at Section 5400), including, but not limited to, the restrictions on size, height, proximity to interstate and primary highways and landscaped freeways. To the extent any conflict arises between this Section and the Outdoor Advertising Act, the Outdoor Advertising Act will prevail.

17.88.140~~160~~ Amortization and Abatement of On and Off-Premise Signs, Sign Programs, and Outdoor Advertising Sign Structures

(A) On-Premise Signs

1. Inventory of Signs. Within 120 days of the date of adoption of the ordinance codified in this Title the Director shall cause to be performed an inventory of all on-premise signs within the City to identify those that are illegal or abandoned. For the purposes of this Section, the term “illegal” denotes a sign which was erected without compliance with all ordinances and standards in effect at the time of its construction and erection or use, and the term “abandoned” denotes a sign which remains in place or is not maintained for a period of 90 days which no longer advertises or identifies an ongoing business, product, or service available on the business premises where the sign is located.

2. Public Hearing. Upon completion of the required identification and inventory of signs described in Subsection (A)(1) of this Section (Inventory of Signs), the City Council shall consider at a public hearing, with opportunity for public comment, whether there is a continuing need for the provisions of the ordinance that caused the signs to become illegal or abandoned.

3. Abatement. No later than 60 days after the public hearing described in Subsection (A)(2) of this Section (Public Hearing), the City shall commence abatement as provided in this Subsection of the illegal and abandoned on-premises signs identified by the inventory required by Subsection (A)(1) of this Section (Inventory of Signs).

4. Nonconforming Signs Which May Be Abated Without Payment of Compensation. Any sign which does not comply with the standards of this Chapter and which may be abated without the payment of compensation pursuant to Section 5497 or 5498 of the Business and Professions Code shall be brought into compliance with the standards and requirements of this Chapter as soon as may reasonably be accomplished and in no event later than six months after the date of adoption of the ordinance codified in this Title, unless such period is extended by the Planning Commission for good cause shown. Any sign that is not brought into conformance with the standards and requirements of this Chapter within that time shall be subject to abatement as a public nuisance.

5. Other Nonconforming Signs. Any sign which does not conform to the standards and requirements of this Chapter and which may be abated after the expiration of 15 years pursuant to Section 5495 of the Business and Professions Code shall be brought into compliance with the standards and requirements of this Chapter within 15 years of the date of adoption of this Chapter. Any sign that is not brought into conformance with the standards and requirements of this Chapter within that time shall be subject to abatement as a public nuisance.

6. Continuation of Existing Nonconforming Signs. Pursuant to PMC §17.11.080 (Continuation of Existing Nonconforming Uses), a sign that lawfully existed as a nonconforming sign prior to the effective date of the ordinance codified in this Chapter pursuant to Ordinance No. 684 and/or Ordinance No. U-1060 shall be deemed to be continued pursuant to this Title, and in determination of the termination date established by this Title, shall be computed from the original date it became nonconforming pursuant to said Ordinance No. 684 and/or Ordinance No. U-1060. Any sign that is not brought into conformance with the standards and requirements of this Chapter within that time shall be subject to abatement as a public nuisance.

7. Signs with Flashing and Rotating Features. Any sign which contains flashing or rotating features and which is not in compliance with the provisions of this Chapter shall be brought into compliance with the provisions of this Chapter as soon as may reasonably be accomplished and in no event later than six months after the date of

adoption of the ordinance codified in this Title unless such period is extended by the Planning Commission for good cause shown. If such sign is not brought into conformance with the standards and requirements of this Chapter within that time, the flashing or rotating features of the sign shall be deactivated immediately. However, the owner or operator of such sign may be authorized to continue its operation notwithstanding this Section if the Planning Commission determines the sign to be of historical significance.

(B) Off-Site Commercial Signs. All off-site commercial signs that do not comply with the standards and requirements of this Chapter shall be brought into compliance with the standards and requirements of this Chapter as soon as may reasonably be accomplished and in no event later than one year after the date of adoption of the ordinance codified in this Title, unless such period is extended by the Planning Commission for good cause shown. Any sign that is not brought into conformance with the standards and requirements of this Chapter within that time shall be subject to abatement as a public nuisance.

~~(C) Sign Programs. Sign programs approved prior to the effective date of the ordinance codified in this Title shall be automatically subject to the General Development Standards contained in PMC §17.88.090 (General Development Standards). New sign permits requested pursuant to these programs may not exceed the maximum sign area or maximum sign height specified under PMC §17.88.100 (Temporary Banner Permit for Commercial and Industrial Properties) through PMC §17.88.120 (Signs in Non-Residential and Mixed-Use Zones).~~

(C~~D~~) Outdoor Advertising Sign Structures. Any outdoor advertising sign structure which lawfully existed in a residential zone at the time of the adoption of this Chapter or was lawfully constructed pursuant to a permit issued by Los Angeles County and was later annexed to the City, but which is not in conformance with the standards and requirements of this Chapter, and is located within residential zoned property, shall be deemed a legal nonconforming use which shall be maintained, and may be upgraded subject to the restrictions and limitations imposed on nonconforming signs by this Chapter. Such signs shall be removed pursuant to the following amortization schedule.

Table 17.88.140~~160~~-1 Amortization Schedule	
Fair Market Value of Off-Premises Commercial Advertising Signs*	**Years Allowed Before Removal**
Under $1,999	2
$2,000 to $3,999	3
$4,000 to $5,999	4
$6,000 to $7,999	5
$8,000 to $9,999	6
$10,000 and over	7

Notes:

* Fair Market Value of outdoor advertising sign structures on the date of removal requirement.

(D~~E~~) Continuation of Existing Nonconforming Signs. Pursuant to PMC §17.11.080 (Continuation of Existing Nonconforming Uses), nonconforming outdoor advertising sign structures that lawfully existed prior to the effective date of this Chapter ~~pursuant to Ordinance No. 684 and/or Ordinance No. U-1060~~ shall be deemed to be continued pursuant to this Title, and in determination of the termination date established by this Title, shall be computed from the original date it became nonconforming pursuant to said Ordinance ~~No. 684 and/or Ordinance No. U-1060~~. Any sign that is not brought into conformance with the standards and requirements of this Chapter within that time shall be subject to abatement as a public nuisance.

17.88.150~~170~~ Variance and Minor Exceptions

Applicants may apply for a Variance or Minor Exception to the provisions of this Chapter pursuant to PMC Chapter 17.23 (Variances and Minor Exceptions), and shall have the burden of proving that the requested Variance or Minor Exception is in conformance with the required findings.

17.88.160~~180~~ Administration

(A) Duty to Enforce. The ~~Director~~ City Manager or his/her designee shall have the duty to enforce the provisions of this Title.

(B) Violations. It shall be unlawful for any person to violate any provision of this Chapter. It shall also be unlawful for a property owner, tenant, and a proprietor of a sign company to use, occupy, or maintain property in violation of this Chapter. Illegal signs and persons using, occupying, or maintaining property with an illegal sign shall be subject to enforcement procedures as described in the PMC, including but not limited to issuance of a citation, imposition of a fine, and/or arrest. Signs in violation of this Chapter may be summarily removed by the City Manager or his/her designee ~~Superintendent of Maintenance or his/her representative, or any Community Service or Code Enforcement Officer, or any other City employee authorized by the City Manager to remove such sign(s)~~. The sign owner shall be responsible for payment of a fee or fine in the ~~an~~ amount specified in the City's ~~fee resolution~~ Master Schedule of Fees and Penalties for each sign ~~so~~ removed. In cases where a duly authorized representative of the City has direct contact with the violator of these provisions, this person shall be responsible for the payment of the aforementioned fees or fines. A written notice of the removal shall be given to the sign owner stating that the sign may be reclaimed within 10 days and will be returned to the owner upon payment of the fee or fine specified herein, except that no such notice shall be required if the owner is not identified on the sign. In the event the sign is not reclaimed within the

time allowed to do so, the sign may be destroyed or otherwise disposed of by the City Manager or his/her designee ~~Superintendent of Maintenance~~. Unclaimed signs may be sold at a price determined by the City Manager and/or his/her designee ~~Superintendent of Maintenance~~.

(C) Ambiguity. Whenever ambiguity arises as to the interpretation of the provisions of this Title, the applicant for a sign permit may request that the Planning Commission make a determination as to the meaning and application of the ambiguous provisions.

(D) Discontinuance of a Business. Within 91 days of vacancy in the unit or building for which a commercial sign was placed or before a new business occupies the premises, it shall be the responsibility of the applicant or the applicant's authorized leasing agent to remove the message or copy of an abandoned sign and to patch and conceal any and all damage to the structure resulting from removal of the sign in a neat and professional manner. Legally existing abandoned cabinet signs shall be replaced with a blank panel.

(E) Removal of Illegal Signs on Public Property. The City Manager and/or his/her designee ~~Director~~ shall remove or cause to be removed any sign unlawfully placed or located on public property. The City Manager and/or his/her designee ~~Director~~ shall send notification in writing to the owner of such sign, if such owner is known, stating the location where his or her sign is being held and that it will be destroyed if not claimed by the owner within 10 days after the date of such notice. In the event that the owner does not claim such sign within the 10 day period, the City Manager and/or his/her designee ~~Director~~ may destroy or otherwise dispose of such sign. The owner of the sign shall reimburse the City for the actual costs of removing, storing, and destroying or otherwise disposing of the sign.

For purposes of this Section, there shall be a presumption that:

1. The real estate agent, broker, brokerage firm or other person whose name or telephone number appears on the handbill or sign is the person responsible for posting a handbill or sign advertising property for sale, lease or rent;

2. The candidate seeking office is the person responsible for posting a handbill or sign promoting the candidate for public office;

3. The owner, or lessee if the property is leased, of property used for a yard or garage sale is the person responsible for posting a handbill or sign advertising a yard or garage sale;

4. The person whose name, telephone number or address appears as the sponsor for a sporting event, concert, theatrical performance, or similar activity or

event is the person responsible for posting a handbill or sign advertising the subject activity or event; and,

5. The person whose name, telephone number, or address appears as the person to contact on any handbill or sign posted is the person responsible for posting the same. For purposes of this Section, the person presumed to be responsible for posting a handbill or sign on public or utility property may rebut such presumption by declaring under penalty of perjury or swearing under oath that the person did not cause, authorize, allow, or permit the posting of the handbill or sign on public or utility property.

(F) Abatement of Danger. When the City Manager and/or his/her designee ~~Director~~ determines a sign constitutes an imminent danger to the public safety, the City Manager and/or his/her designee ~~Director~~ may take appropriate action to abate the danger. Any sign removed to abate such a threat to the public safety shall become the property of the City and may be disposed of in any appropriate manner. The cost of such emergency abatement shall be charged against the owner of the sign and may be recovered by the City by an appropriate legal action or by assessment against the property, provided that the person assessed shall be granted a hearing before the Planning Commission to contest the amount or propriety of the charge if such person requests a hearing within 30 days of notice from the City. For the purposes of this Section, a sign shall be refutably presumed to be the property of the same person as described in Subsection (E) of this Section (Removal of Illegal Signs on Public Property).

(G) Entitlements Strictly Construed. Because the standards provided by this Chapter are established to protect and promote the public health, safety, and general welfare, any sign entitlement authorized herein shall be strictly construed to further the purposes of this Chapter.

SECTION 2. The City Council hereby finds as follows with respect to the environmental document:

A The proposed Zoning Ordinance Amendment is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3), the Common Sense Exemption, because it can be seen with certainty that there is no possibility that adoption of the proposed amendments to the City's sign regulations will have a significant effect on the environment.

B The custodian of records for the environmental document and all other materials which constitute the record of proceedings upon which the Planning Commission's decision is based is the Planning Manager of the City of Palmdale. These documents are available for public review in the Planning Division of the City of Palmdale located at 38250 Sierra Highway, Palmdale, California 93550, telephone (661) 267-5200.

SECTION 3. Based upon substantial evidence presented to the City Council during the above-referenced December 1, 2026, public hearing, including public testimony, and written and oral staff report, this Commission specifically finds as follows:

A The proposed ZOA conforms with the goals, objectives, and policies of the General Plan.

B The proposed ZOA is necessary to implement the General Plan and to provide public safety, convenience and/or general welfare.

The proposed ZOA updates the City's sign regulations to establish clear and consistent standards that support orderly and attractive development, enhance community character, reduce visual clutter, and clarify enforcement procedures. The amendments also promote public safety and convenience by regulating the location, design, and illumination of signs to minimize impacts to motorists and pedestrians. Therefore, the proposed ZOA is consistent with and implements the goals, objectives, and policies of the General Plan and promotes public safety, convenience, and general welfare.

SECTION 4. Based on the findings and conclusions outlined in sections 1, 2, and 3, this City Council approves ZOA 26-0001 and finds that the amendment is exempt from environmental review.

SECTION 5. The City Clerk shall certify the adoption of this ordinance and shall cause this ordinance to be published or posted as required by law.

PASSED, APPROVED, and **ADOPTED** this 1st day of December 2026.

_____
Eric Ohlsen, Mayor

Approved as to form:

_____
Aleks R. Giragosian, City Attorney

Attest:

_____
Rochelle Scott, City Clerk

I, Rochelle Scott, City Clerk of the City of Palmdale, California, do hereby certify that the foregoing Ordinance was duly introduced, passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the 1st day of December, 2026, effective on the 31st day of December, 2026, by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____ ABSENT: _____

Date: _____

_____
Rochelle Scott, City Clerk

PLANNING COMMISSION
CITY OF PALMDALE
RESOLUTION NO. PC-2026-004

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF PALMDALE RECOMMENDING CITY COUNCIL APPROVAL OF ZONING ORDINANCE AMENDMENT NO. 26-0001 TO MODIFY CHAPTER 17.88 SIGNS AND FIND THAT THE AMENDMENT IS EXEMPT FROM ENVIRONMENTAL REVIEW

WHEREAS, the City of Palmdale (City) has filed an application that applies to the City and the City's sphere of influence, requesting approval of Zoning Ordinance Amendment (ZOA) 26-0001, modifying Chapter 17.88 (Signs) (hereinafter referred to as "Application").

WHEREAS, the Application was scheduled for consideration at the September 10, 2026, Planning Commission meeting. Although the meeting was properly noticed and agendized, the Planning Commission was unable to consider the item due to a lack of a quorum. Accordingly, the item was continued to the October 8, 2026, Planning Commission meeting.

WHEREAS, on October 8, 2026, the Planning Commission of the City of Palmdale conducted a duly noticed public hearing on the Application and concluded said hearing on that date. All legal prerequisites to the adoption of this Resolution have occurred.

NOW THEREFORE, BE IT RESOLVED, THE CITY COUNCIL OF THE CITY OF PALMDALE DOES HEREBY FIND, DETERMINE, RESOLVE, AND ORDER AS FOLLOWS:

SECTION 1. Palmdale Municipal Code Chapter 17.88 (Signs) is hereby amended to read as follows:

§ 17.88.010 Applicability.

This Chapter shall apply to all signs and/or sign structures that are visible from public rights-of-way and private streets, within parking lots and loading areas and from adjacent properties, unless such signs are regulated pursuant to the provisions of an adopted Specific Plan.

§ 17.88.020 Intent and Purpose.

The purpose of this Chapter is to implement the Palmdale General Plan by promoting the growth of the City in an orderly and attractive manner and to provide standards to safeguard life, health, property, and public welfare by regulating and controlling the type, number, area, height, quality of materials, construction, illumination, location, and maintenance of all signs and sign structures. The sign standards of this Chapter are intended to accomplish the following results:

(A) Make the City attractive while enhancing economic development through an effective and high-quality signing program. Protect and enhance the character of neighborhoods by preventing visual clutter caused by excessive and obtrusive signage. Promote and maintain healthy commercial, mixed-use, and industrial areas and property values for effective identification and communication of the nature of goods and services and avoidance of wasteful and unsightly signs.

(B) Establish uniform Citywide signage standards and requirements that provide for public convenience by directing persons to various activities and uses.

(C) Provide a reasonable system of sign control throughout the City consisting of sign type, size, location, illumination, and spacing to contribute toward development of a high-quality visual environment.

(D) Encourage signs that are well designed and pleasing in appearance, and provide incentive and latitude for variety, good design, relationship, and spacing.

(E) Encourage a desirable community character, which has a minimum of visual clutter.

(F) Enhance aesthetic appeal through the reasonable regulation of such things as type, number, area, height, location, and illumination of signs.

(G) Encourage signs that are properly located, harmonious with adjacent land uses, and architecturally compatible.

(H) Reduce and, to the extent permissible and practicable, eliminate traffic and safety hazards posed to motorists and pedestrians by outdoor advertising structures and other signs that may distract motorists and pedestrians.

(I) Implement the goals, policies, and objectives of the General Plan.

(J) Encourage pedestrian-oriented commerce by promoting pedestrian-scale signs.

(K) Direct persons at entrances of multi-tenant buildings through placement of directory signs or information kiosks where such signage is supported by a compelling governmental interest and/or is government signage.

(L) Enhance the community environment by limiting the visual influence of wall signs on structures containing three stories or more.

(M) Ensure and protect the constitutional right of free speech by not imposing greater restrictions on noncommercial speech than on commercial speech or advertising.

(N) Provide sign criteria that is objective, does not vest City officials with unfettered discretion, and that is aimed at regulating the time, place, and manner of signs as

distinguished from the content of the sign. Where content is regulated, the City intends its standards to be narrowly tailored to serve the City's compelling interest in preserving and enhancing its appearance and in protecting motorists and pedestrians from traffic and safety hazards.

(O) Bring existing approved sign programs into conformance with current development standards while maintaining the unique characteristics intended for such programs.

(P) Provide a reasonable amortization period for the removal of nonconforming signs.

(Q) Inventory, identify and abate all illegal, abandoned and improperly maintained signs.

(R) Identify precisely those areas and/or zones where the installation of additional outdoor advertising structures should be prohibited due to the importance of such areas to the environmental, economic, or other development goals and objectives of the City.

(S) Provide for the relocation of existing legal outdoor advertising structures so as to minimize the adverse effects of such signs on the City's goals and objectives, pursuant to the California Business and Professions Code Section 5412.

(T) Remove all outdoor advertising sign structures from the residential areas of the City, pursuant to the California Business and Professions Code Section 5412.

§ 17.88.030 Definitions.

"Agreement, billboard relocation" shall mean an agreement entered into between the City and a billboard owner resulting in removal of an existing outdoor advertising sign structure, reconstruction of the outdoor advertising sign structure on its existing parcel or relocation of the outdoor advertising structure to another parcel of property within the City, subject to the approval of a Conditional Use Permit.

"Outdoor advertising" shall mean the use of a sign or signs soliciting public support or directing public attention to the sale, lease, hire or use of any objects, products, services or functions which are not produced, sold or otherwise available on the premises where such sign is erected or maintained.

"Sign" shall mean any device, structure, fixture, surface, display, graphic, or visual element that is visible from a public right of way or outdoor area and is used to ~~object conveying a message and having a visual appearance primarily used for~~ attract ~~attracting public~~ attention or ~~patronage from the street, sidewalk, or other outside public area.~~ communicate any visual information or message, regardless of content. ~~Signs located completely within an enclosed building, and not exposed to view from a street, are not considered a sign for purposes of this Title.~~ A display or device, need not contain lettering to be a sign.

“Sign, abandoned” shall mean any sign associated with a business remaining in place for a period of 90 days or more where the establishment to which the sign is attached has ceased operation or where there is no sign copy appearing on the sign.

~~“Sign, accessory” shall mean signs that are secondary in purpose and provide information concerning the business and are typically placed on the outer edge of a permanent canopy island structure or that are displayed on or below a canopy projecting from a main building.~~

“Sign, advertising or commercial” shall mean any message, the prevailing thrust of which is to propose a commercial transaction.

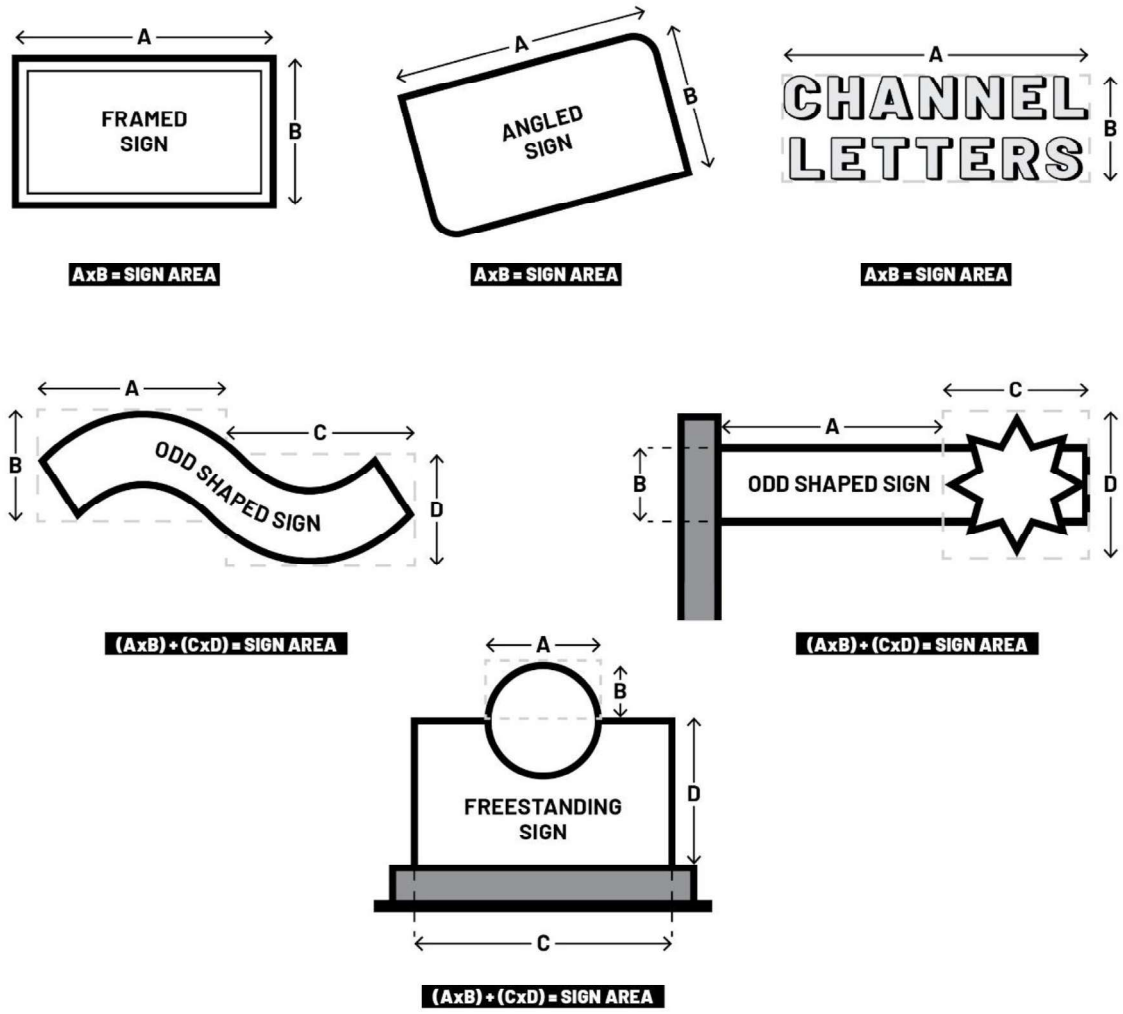
“Sign, advertising structure” shall mean a structure of any kind erected, used, or maintained for outdoor advertising purposes, upon which any poster, bill, printing, painting or other advertisement or commercial speech of any kind whatsoever may be placed, including statuary, for advertising or commercial purposes.

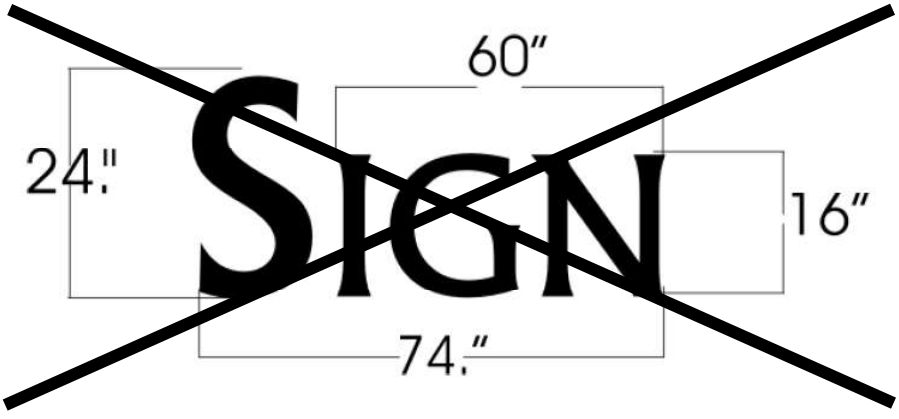
“Sign, alteration” shall mean any change of size, shape, illumination, position, location, construction or supporting structure of an existing sign.

“Sign, animated” shall mean a sign having moving parts or lighting, an image projection which creates the illusion of moving parts, or has flashing, chasing, or twinkling lights.

“Sign area” shall mean the entire area within ~~a single continuous~~ the perimeter ~~composed~~ of a maximum of two squares or rectangles which enclose~~s~~ the extreme limits of the writing, representation, emblem, or any figure, together with any frame, background area, structural trim, or other material, including any light or color that forms an integral part of the display which is used to differentiate the sign from the background upon which it is placed. In the case of a sign designed with more than one exterior surface, the area shall be computed as including only the maximum single display surface, which is visible from any ground position at one time. The supports or uprights on which any such sign is supported shall not be included in determining the sign area unless such supports or uprights are designed in such a manner as to form an integral background of the display.

FIGURE 17.88.030-12. SIGN AREA





"Sign, balloon" shall mean a flexible, nonporous bag inflated with a gaseous substance, including but not limited to helium, that is lighter than the surrounding air, which causes the bag to rise and float in the air

“Sign, banner” shall mean a temporary sign composed of flexible, lightweight material not enclosed in a rigid frame.

“Sign, billboard” shall mean the same as outdoor advertising sign structure.

“Sign, cabinet or can” shall mean a sign consisting of one or more flat translucent panels containing sign copy affixed to an internally illuminated box or cabinet mounted on a building or monument structure. Such signs are typically illuminated with fluorescent lights. Sign panels may or may not be interchangeable.

“Sign, canopy/awning” shall mean any sign printed or painted on the visible surface of a canopy or awning.

“Sign, change of copy” shall mean the changing of a message on a lawfully erected sign. A change of copy does not include the following (all of which acts shall be considered as the placing of a new sign): any alteration or reconfiguration of the outside dimensions of a sign, any structural modifications of a sign and/or relocation of all or any portion of a sign.

“Sign, changeable copy” shall mean a sign on which message copy can be changed manually through use of attachable letters and numerals.

“Sign, City kiosk program” shall mean a uniform off-site directional sign program, administered by the ~~BIA~~ City or an agency as determined by ~~resolution of~~ the City ~~Council~~ for the purpose of providing travel directions.

“Sign, construct” when used with reference to a sign, shall mean to install, erect, or place on the ground or on a building structure, or to affix, paint or post on or to a building or structure.

“Sign, copy” shall mean either commercial speech or noncommercial speech messages.

“Sign, digital advertising display” shall mean an electronic advertising display where the message is changed more than once every two minutes, but no more than once every six seconds and the transition between messages is no more than one second. A digital advertising display shall not be considered an electronic reader board or animated sign as those terms are otherwise defined herein.

“Sign, directional” shall mean any sign that serves solely to designate the direction or the location of any place or area and is placed on the property to which the public is directed. Distinctions for directional signs within this Chapter are limited to those

situations where there is a compelling government interest and/or where the directional sign qualifies as a government sign.

"Sign, directory" shall mean a sign or a set of similarly designed individual signs placed or displayed in sequence, to list the location of various units within a development. Distinctions for directory signs within this Chapter are limited to those situations where there is a compelling government interest and/or where the directory sign qualifies as a government sign.

"Sign, double-faced" shall mean a sign with copy on two faces, legible from opposite directions.

"Sign, electronic reader board" shall mean a sign that contains a video screen, rows of light bulbs or other type of electronic display, which when activated forms messages, symbols, or graphics. Electronic reader boards do not include outdoor advertising sign structures utilizing digital advertising display pursuant to PMC §17.88.135~~0.E~~.

"Sign, externally illuminated" shall mean any sign constructed to have artificial light shone on the sign face from a lighting source that is external to the sign structure.

"Sign face" shall mean the surface or that portion of a sign upon which the sign copy or message is located that is visible from a single point as generally a flat surface or a single plane.

"Sign, flashing" shall mean the same as "Animated Sign".

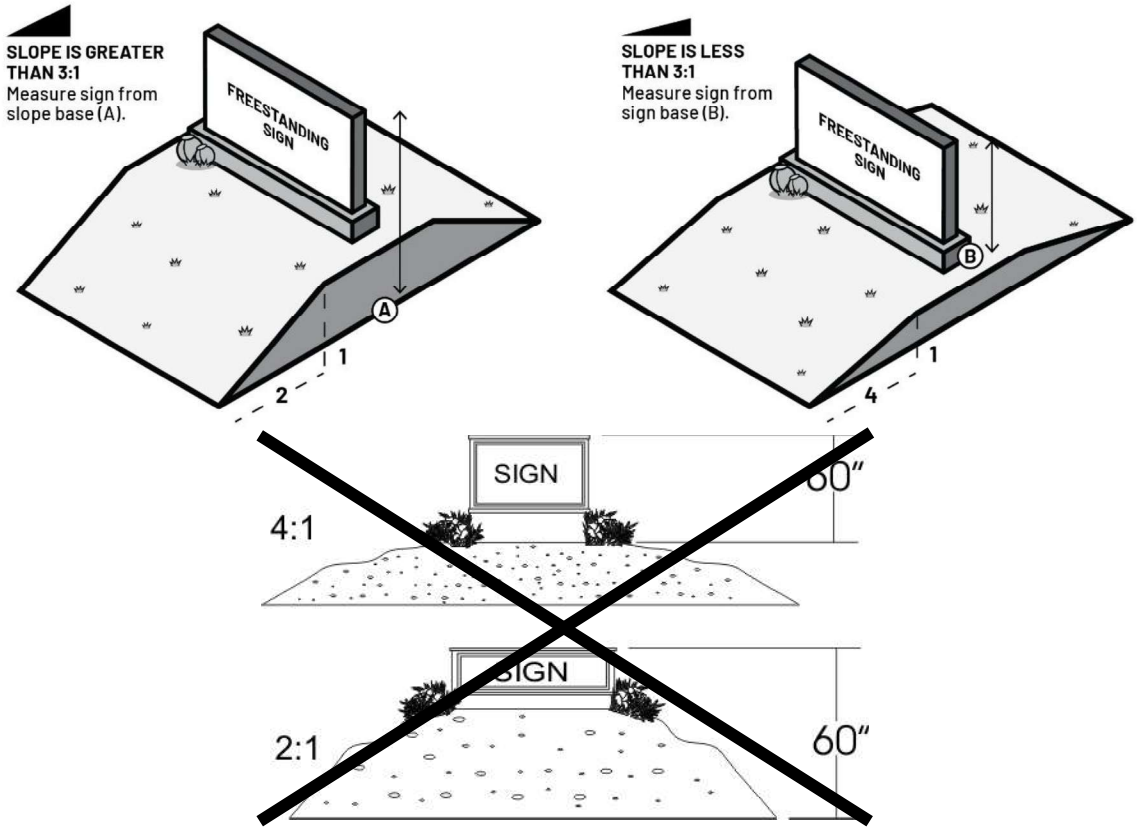
"Sign, freestanding" shall mean any sign supported by structures or supports that are placed on, or anchored in, the ground, which are independent from any building or other structure. ~~This definition may include pole signs, ground signs and monument signs.~~

"Sign, government" shall mean a sign ~~erected and~~ maintained by the City ~~Federal, State, or local government~~, or any other public agency, or third-party designated by a public agency. Government Sign shall also mean a sign that is required to be constructed, placed, or maintained by the Federal, State, County, or local government or any other public agency either directly or to enforce a property owner's rights. Government Sign shall also include a sign erected and maintained by any person authorized by the City pursuant to resolution, license, or agreement, as part of the City kiosk sign program or the government sign section, which may include a digital advertising display or an electronic reader board.

"Sign, halo" shall mean a sign that directs light toward the wall behind the sign or lettering rather than outward creating a halo or negative effect.

"Sign, height of freestanding" shall mean the greatest vertical distance measured from ground surface to the top of the freestanding sign and any accompanying architectural feature of the sign. Intentional changes in the elevation of the ground surface by mounding within landscape areas utilizing more than a 3:1 slope in order to achieve an increased overall height shall be counted in the calculation of sign height.

FIGURE 17.88.030-~~2~~1. FREESTANDING SIGN HEIGHT



"Sign, height of nonfreestanding" shall mean the greatest vertical distance measured from the bottom to the top of the sign area.

"Sign, human" shall mean any person having a visual appearance primarily used for, or having the effect of, attracting attention from the streets, sidewalks, or other outside public areas for identification purposes to convey a commercial message. Noncommercial messages shall not be considered within the definition of human signs.

"Sign, illegal nonconforming" shall mean any sign structure which did not conform to applicable laws and/or was not granted a sign permit when constructed and has not been brought into full conformity by a specific remedy provided in this Title.

~~"Sign, information kiosk" shall mean a freestanding or wall-mounted sign structure, other than an outdoor advertising structure, billboard, or monument sign, that is designed to display a collection of two or more on-site signs or noncommercial signs.~~

"Sign, internally illuminated" shall mean any sign constructed to have artificial light shone on the sign face from a lighting source that is inside the sign structure.

"Sign, legal nonconforming" shall mean any sign that was lawfully erected, with all necessary permits, but due to a change in the law, fails to conform to all applicable standards and limitations of this Title.

"Sign, maintenance" shall mean the repair, restoration or preservation of an existing sign or sign structure to a condition or state similar to, but not larger than, that which was originally installed, erected, or approved by the City.

"Sign, marquee" shall mean a freestanding structure, wall sign or a structure that overhangs the entrance of a building or projects beyond a building facade, on which a changeable copy sign is affixed, including, but not limited to those typically displayed outside theaters, hotels, schools, or churches. Individual letters are changed manually on such signs as opposed to electronically.

"Sign, mobile billboard" shall mean any vehicle, trailer, or wheeled conveyance that carries, displays, or supports a sign and is used for the primary purpose of displaying signage, regardless of message content.

~~"Sign, monument" shall mean a low-profile, ground-mounted freestanding sign that is supported by a solid base as an essential element of the design of the sign.~~

~~"Sign, neon" shall mean a sign constructed of tubing that is illuminated by means of a gas or vapors. Decorative or other architectural elements on buildings consisting of neon tubing are not included in this definition.~~

"Sign, off-site/off-premises ~~commercial~~" shall mean a sign displaying a permanent commercial message that is not located on the site of the business, accommodations, services, or commercial activity served by the sign.

"Sign, official" shall mean signs that help direct pedestrians and motorists away from roadway hazards, toward public services, and informs those persons of the applicability of certain traffic regulations which are required to be erected by the City, the State Department of Transportation, or any other public agency.

"Sign, on-site/on-premises ~~commercial~~" shall mean a sign that is located on the site of the business, accommodations, services, or commercial activity served by the sign.

“Sign, outdoor advertising structure” shall mean a panel or billboard affixed to the ground, enclosed in a rigid frame used to display paid commercial and noncommercial messages or advertisements in outdoor public places, such as alongside highways.

“Sign, painted” shall mean a wall sign painted directly onto the surface of a building or onto a separate flat surface that is attached to the side of a building.

~~“Sign, pole” shall mean a permanent freestanding sign supported by one or more posts, columns or poles that are not enclosed in a solid structure equal in width to at least one-quarter the sign face and where the portion of the unenclosed posts, columns or poles exceeds 18 inches in height. This definition shall not include in whole or in part electronic reader boards or digital advertising displays.~~

"Sign program" shall mean an approved plan by the Director setting forth all signage for an approved commercial, business, or industrial center.

“Sign, projecting” shall mean a sign that is attached to and projects away from the side of a building. Such signs are typically oriented for pedestrian visibility and are viewed perpendicular to the face of the building.

“Sign, reader board” shall have the same definition as the term Electronic Reader Board.

“Sign relocation” shall mean to move a sign from one location to another or to remove a sign from one location and construct a similar sign at another location.

“Sign, roof” shall mean any sign erected upon, against, or directly above a roof, or projecting above the parapet of a building. Signs erected completely below the uppermost roof line on a mansard roof shall not constitute a roof sign.

“Sign, secondary skyline” shall mean a wall sign that is placed below the second floor of a building consisting of three stories or more.

“Sign, skyline” shall mean a wall sign that is placed above the windows of the highest floor of a building consisting of three stories or more.

"Sign structure" shall mean any structure, which supports, has supported, or is capable of supporting a sign, including decorative cover.

“Sign, temporary” shall mean a sign that is displayed for the specific period of time of an event and which is removed immediately after the completion of the event or time period.

“Sign, under-canopy” shall mean signs suspended no lower than eight feet above the public right- of-way or a walkway under a canopy or awning of a building.

"Sign, unlawful" shall mean a sign which was constructed illegally and which violates this Chapter, or which the Director declares to be unlawful because it has become dangerous to public safety.

"Sign, upgrade" shall mean any activity intended to improve the design quality and aesthetic appeal of an existing sign, display, or device by modifying structural elements of, or providing substantial cosmetic enhancements to, such sign, display or device.

"Sign, vehicle" shall mean any sign painted directly upon, magnetically affixed to or ~~permanently~~ affixed to the body or other integral part of an operative vehicle or trailer~~; provided, that the maximum number of such signs is two and the maximum size of each sign is four square feet~~.

"Sign, wall" shall mean a sign attached to, painted, or erected on the exterior wall of a building or structure with the exposed face of the sign in a plane approximately parallel to the plane of the exterior wall.

"Sign, window" shall mean a temporary or permanent sign with a single face of copy that is painted or installed on a glass window or door, or located within 12 inches from inside the window, in a manner which can be viewed from the exterior of a structure. ~~sign constructed of paper, canvas, cardboard or painted with water soluble pigment which is to be displayed on the inside of a glass window surface or painted on the outside of a window.~~ This term does not include merchandise located in a window.

~~"Speech, commercial" shall mean any message, the prevailing thrust of which is to propose a commercial transaction.~~

~~"Speech, noncommercial" shall mean any message that is not determined to be commercial speech as defined herein. Speech that is determined to be obscene shall not be included~~

"Structure, advertising" shall mean a structure existing, erected or maintained to serve exclusively as a stand, frame or background for the support or display of signs.

17.88.040 Sign Permit Requirements and Procedures

Except as otherwise provided in this Chapter, no person shall cause or permit the construction, enlargement, remodeling, or upgrade of any sign without first obtaining a sign permit pursuant to the provisions of this Section, and any other permits required by law. Legally established signs becoming nonconforming as a result of this Chapter shall be subject to amortization pursuant to PMC §17.88.140~~150~~ (Amortization and Abatement of On and Off-Premise Signs, Sign Programs and Outdoor Advertising Sign Structures ~~outdoor advertising sign structures (Billboards)~~). Any person or entity

engaged in the business of constructing or installing signs in the City shall have a valid State contractor's license, as applicable, and a City business license.

In each instance, and pursuant to the same conditions to which this Chapter permits any sign with a commercial message, a sign containing a noncommercial message and constructed to the same physical dimensions, character, and standards shall be allowed.

(A) Application Requirements. An application for a sign permit shall be made on the appropriate form(s) provided by the Director. A processing fee established by resolution of the City Council for new sign permits shall accompany applications. Applications for new sign permits shall contain all of the following information and materials:

1. Project location

   a. Address or nearest cross streets

   b. Assessor's parcel number (for vacant land)

2. Name of business (if applicable);

3. Name, address, and phone number of person and firm preparing application;

4. Applicant or applicant's authorized leasing agent name, signature, and telephone number;

5. Description and number of signs requested~~, including all accessory signs~~;

6. Drawing depicting dimensions, design, colors and materials of the sign or sign structure(s);

7. Construction specifications for method of attachment of the sign to the ground or structure and illumination;

8. Building elevation (for wall signs) depicting the dimensions, color and materials of the building or leaseholder unit where sign is to be attached. A photograph may be used to show the color and material of the building;

9. Site plan (for freestanding signs). Showing the intended location and position of the proposed sign; distance to existing or future structures, parking facilities, any outdoor seating areas, other freestanding signs, property lines, roadways, and driveways on or adjacent to the parcel where the sign is to be located; and

10. Grading Plans (for freestanding signs), demonstrating grade elevation within landscaped areas in relationship to the public right-of-way in immediate proximity of proposed sign structure(s).

(B) Review Process. ~~An application for a sign permit to construct a new sign or to enlarge or upgrade an existing sign for an existing building shall be submitted on the appropriate form(s) provided by the Director and accompanied by a processing fee established by resolution of the City Council.~~ The Director shall approve the sign permit if the Director finds that such application satisfies the standards set forth in Subsection (C) of this Section (Criteria for Approval) of this Section and the provisions of this Chapter. Otherwise, the Director shall deny the sign permit, in which case the applicant shall be notified in writing the reason(s) why the application was denied. All decisions of the Director may be appealed pursuant to PMC §17.20.110 (Appeal Procedures).

(C) Criteria for Approval. The following findings shall be made for approval of any sign permit for a sign or sign structure regulated by this Chapter:

1. The sign complies with the applicable provisions of PMC §17.88.080~~090~~ (General Development Standards), for permanent sign structures regulating the allowable sign area, location, setbacks, orientation, design, construction, materials, colors, and illumination; and,

2. The sign complies with the adopted sign program for the site, which regulates the size, color, lettering, location, and other design elements specified in the sign program (if applicable).

~~**17.88.050 Change of Copy Requirements and Procedures**~~

~~The application for a change of copy on an existing legally established and legally existing sign shall be made on the appropriate form(s) provided by the Director. Any person or entity engaged in the business of constructing signs in the City shall have a valid state contractor's license and a City business license. In each instance, and pursuant to the same conditions to which this Chapter permits any change of copy, a sign containing an ideological, political, religious, or other non-commercial message and constructed to the same physical dimensions, character, and standards shall be allowed.~~

~~(A) Applications for a change of copy shall contain all of the following information and materials:~~

~~1. Project location including address or nearest cross streets, assessor's parcel number (for vacant land), and name of business (if applicable);~~

~~2. Name, address, and phone number of person and firm preparing the application;~~

~~3. Applicant or applicant's authorized leasing agent name, signature, and telephone number;~~

~~4. Description and number of signs for which change of copy is requested; and,~~

~~5. Previously approved sign plans depicting sign area, dimensions, colors, design and materials, and method of illumination of the original sign or sign structure.~~

~~(B) Review Process. An application for a change of copy to upgrade an existing sign shall be reviewed by the Director following submittal of a complete change of copy application. The Director shall either approve the requested change of copy if the Director finds that such application satisfies the standards set forth in Subsection (C) of this Section (Criteria for Approval) and the provisions of this Chapter or the Director shall deny the sign permit, in which case the applicant shall be notified in writing the reason(s) why the application was denied. All decisions of the Director may be appealed pursuant to PMC §17.20.110 (Appeal Procedures).~~

~~(C) Criteria for Approval. The following findings shall be made for approval of any change of copy regulated by this Chapter:~~

~~1. The requested change of copy is to change the face of a legally-established sign structure that was issued all required permits at the time the sign was originally constructed;~~

~~2. The sign structure to which the change of copy is requested is of sufficient integrity and strength to adequately support the sign copy; and,~~

~~3. The requested change of copy does not alter or reconfigure the outside dimensions of the sign, structurally modify the sign, or relocate the sign from its original construction.~~

17.88.0~~5~~60 Sign Program Requirements and Procedures

Anyone wishing to establish a new sign program for the purpose of establishing a coordinated project theme consisting of uniform design elements for multiple tenants and/or for modifying the spacing, location, size, or height requirements for signs may apply for a sign program pursuant to this Section. Elements not specified as a component of the sign program shall comply with all applicable City sign standards as required pursuant to this Chapter. A processing fee established by resolution of the City Council shall accompany applications for new sign programs along with the following:

(A) Application Requirements. An application for a sign program shall be made on the appropriate form(s) provided by the Director. A processing fee established by resolution of the City Council for sign programs shall accompany applications. New applications for sign programs shall contain the following information and materials.

~~(B) Sign Program Specifications. The following shall be submitted in support of an application for a sign program at a minimum. Where appropriate, illustrations shall be included.~~

1. Size and material specifications;

2. Method of attachment;

3. Method of illumination;

4. Architectural design enhancements;

5. Location(s) of signs;

6. Major or other tenant sign specifications, provided total center sign area is not exceeded;

7. Letter style, font, color, and/or height specifications;

8. Spacing standards for signs; ~~and,~~

9. Additional sign restrictions, which may include prohibited signs; and

10. Illustrations, where appropriate.

(B) Review Authority. The Director shall be the review authority for sign programs except as provided below.

1. If the Director determines that the sign program includes free standing signs that are taller than 12 feet that may have significant impacts on the project site or surrounding properties, the Director may defer approval of the sign program to the Planning Commission.

(C) Review Process. Applications for new sign programs shall be submitted on the appropriate form(s) provided by the Director and accompanied by a processing fee established by resolution of the City Council. The ~~Director~~ applicable review authority shall approve the application if ~~the Director~~ it finds that such application satisfies the standards set forth in Subsection (D) of this Section (Criteria for Approval) and conforms to the provisions of this Chapter. Otherwise, the sign program shall be denied and the applicant shall be provided with the reason(s) for the denial in writing from the ~~Director~~ applicable review authority. All decisions ~~of the Director~~ on sign program applications may be appealed pursuant to PMC §17.20.110 (Appeal Procedures).

(D) Criteria for Approval. An application shall be approved so long as it complies with the following criteria:

1. The sign program establishes a coordinated project signage theme or modifies the spacing or location standards within an approved commercial, business, or industrial center; and,

2. The sign program meets all of the provisions contained in this Section.

17.88.060~~070~~ Exemptions to Sign Permit Requirements

The following signs shall be allowed without the requirement of a sign permit in all zones, except as specified herein in which case such signs shall comply with PMC §17.88.040 (Sign Permit Requirements and Procedures). All exempt signs shall be subject to PMC §17.88.080~~090~~ (General Development Standards), and PMC §17.88.160~~180~~ (Administration):

(A) Bus Shelter Signs. Signs located on bus shelters as specifically allowed by resolution of the City Council.

(B) Flags. One flagpole per developed parcel with a maximum of two flags, not to exceed 35 feet in height and 25 square feet in area. One additional flagpole with up to two additional flags may be allowed subject to approval of a sign permit.

~~(C) Information Kiosks. Information kiosks that are allowed by the zone as an accessory use and shall not exceed six feet in height or 16 square feet in area per face (maximum 32 square feet for a multi-sided kiosk). Information kiosks may be located within public property or right-of- way, subject to approval by the Director of Public Works or his/her designee. Wall-mounted signs are not exempt and are subject to the sign standards for the zone.~~

(C~~D~~) Interior Signs. Signs located inside a building~~,~~ or structure~~, or mall~~ provided the sign copy is not visible to the public right-of-way or a parking lot or is not located so as to be conspicuously visible and readable without intentional and deliberate effort from outside the building, structure, or mall.

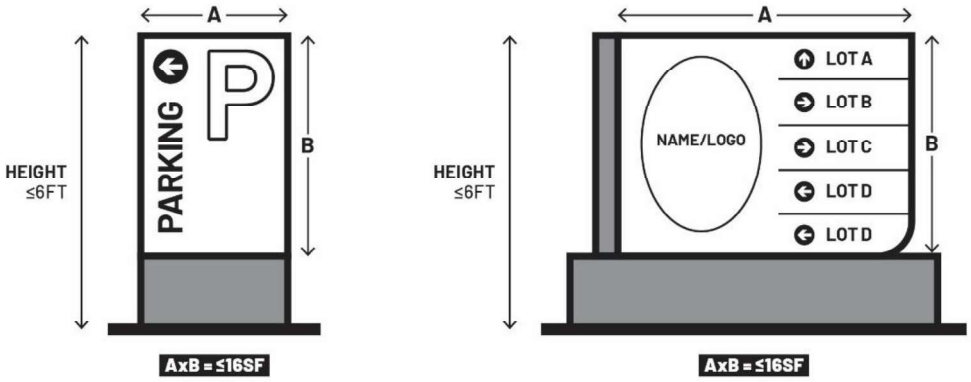
(D~~E~~) Home-based Business Signs. Mandatory signs required by Federal, State, County, or other agencies for home-based businesses.

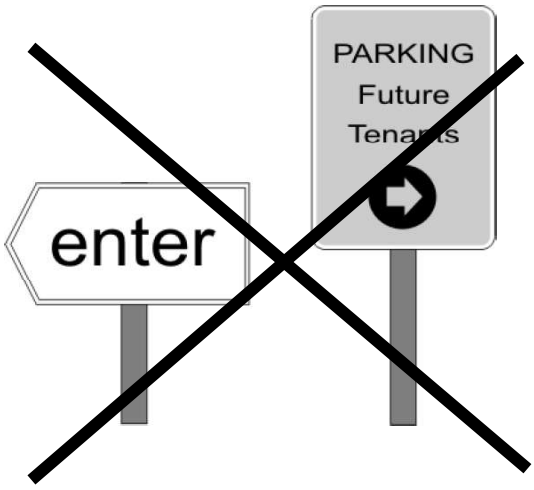
(E~~F~~) Light Pole Banners. Light pole banners as specifically allowed pursuant to PMC §17.88.110~~130~~ (Government Signs).

(F~~G~~) Government Signs. Signs as specifically allowed pursuant to PMC §17.88.110~~130~~ (Government Signs).

(G~~H~~) On-site Directional Signs. On-site directional signs not to exceed six feet in height or 16 square feet in area per face are allowed to provide information for the direction or convenience of the public, such as outlining/assisting vehicle and pedestrian circulation within a site. ~~The City has a compelling interest in ensuring traffic safety, and to directly advance that interest, the City will allow on-site directional signage so as to assist and direct traffic circulation into, out of, and through parking lots on private property. On-site directional signs shall be limited in number to five signs. Developed sites that have more than one frontage shall be allowed four signs per frontage up to eight total signs. The maximum area for such signs shall not exceed six square feet in area per sign and eight feet in height. Up to three times the allowable sign area and an additional four feet in height may be allowed with approval of a sign permit when it can be reasonably justified that due to the subject property or use, visibility constraints exist which justify larger signage.~~

FIGURE 17.88.060~~070~~-1. ON-SITE DIRECTIONAL SIGNS





(H~~I~~) Official Signs. The City has a compelling interest in facilitating traffic safety for pedestrians and motorists. This interest is directly advanced by having official signs that help direct pedestrians and motorists away from roadway hazards, toward public services, and informs those persons of the applicability of certain traffic regulations. To accomplish this compelling purpose, the City finds that it shall allow for such signs to be erected, moved, and changed by governmental officials with minimal regulation from the Economic and Community Development Department. For these reasons, the City hereby exempts the following signs from its sign permit requirements and development standards. Official traffic, fire and police related signs, temporary traffic-control signs used during construction, utility facilities and substructure location and identification signs and markers required to protect said facilities, and other signs and markers required by the City, the State Department of Transportation, or any other public agency.

(I~~J~~) Signs Accompanying the Sale of Personal Property. One sign not exceeding four square feet in area may be placed on residential property where personal property is displayed for sale pursuant to the provisions of this Title.

(J~~K~~)Signs on Vehicles. Vehicle signs, as defined in PMC §17.88.030 (Definitions), in compliance with all of the following: ~~provided that the vehicle is not parked in a required parking space adjacent to a public right-of-way for the primary purpose of advertising.~~

1. The display shall be flush with and painted directly upon, magnetically affixed to, or permanently affixed to the body of an operative vehicle.

2. The maximum number of such signs is two and the maximum size of each sign is four square feet.

3. Illumination and/or animation is prohibited.

4. Changeable and electronic copy is prohibited.

5. Any signage required by state law or local ordinance to be affixed to a vehicle, or vehicle signage required to protect public health, safety, and welfare is also exempt.

6. Vehicles positioned or used for the primary purpose of displaying signage visible from a public right-of-way shall be regulated as mobile billboards pursuant to PMC §17.88.070, regardless of message content

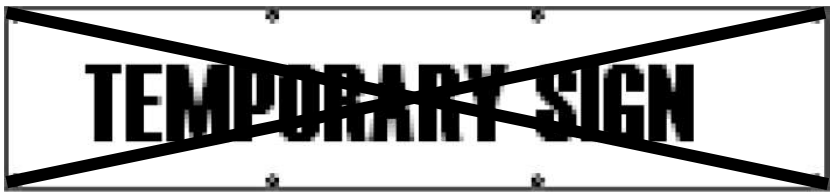
(K~~L~~) Temporary Signs. The City has a compelling interest in making the City attractive to residents, visitors, and business owners. To accomplish this interest, the City finds it necessary to establish standards for temporary signs and to regulate their duration. All temporary signs in the City shall be subject to the following:

1. Number. No more than one temporary sign shall be allowed per authorized use as specified in this Section.

2. Permission. Temporary signs may be placed on private property with the owner's permission. Nothing in this subsection shall prohibit the owner of a piece of property, or his or her authorized representative, from removing a temporary sign from his or her property when the sign has been erected without his or her consent; and provided, further, nothing in this subsection shall prevent the Director, Code Enforcement staff, or other authorized representative of the City from taking action to abate sign violations.

3. Illumination. Temporary signs shall be non-illuminated.

~~FIGURE 17.88.070-2. TEMPORARY SIGN~~



4. Removal. When displayed for a specific event or activity, temporary signs shall be removed within 10 calendar days of the advertised event or activity.

5. Temporary ~~Noncommercial~~ Signs. No person shall remove, destroy, relocate, or otherwise disturb any temporary ~~noncommercial~~ sign, or direct, permit or allow such removal, destruction, relocation, or disturbance, without the permission of the party who erected the sign. It shall be presumed, as to signs for political candidates, that the political candidate or his or her representative is the party who erected the sign. It shall further be presumed that the committee who has registered with the Secretary of State to support a position on a ballot proposition is the party who erected the sign taking the position on the ballot measure.

6. Temporary On-site ~~Commercial~~ Signs. Temporary signs located on the same property as the activity, use, or permit to which they relate may be displayed as follows, regardless of message content: ~~Temporary on-site commercial signs may be displayed as follows:~~

a. Signs Associated With Active Permits. Temporary signs may be displayed during the period that an approved and valid Planning entitlement, Grading Permit, Building Permit, or other City-issued development permit is active for the property. ~~During the period that a valid Grading or Building Permit exists.~~

~~b. For a maximum of 60 calendar days after the issuance of a business license for a new business. A new business may include an existing business under new~~

~~ownership but does not include an existing business under new management. The size of a new business banner utilized pursuant to this Section shall be as allowed under PMC 17.88.100 (Temporary Banner Permit for Commercial and Industrial Properties).~~

b~~c~~. Signs Associated With Seasonal On-Site Sales. Temporary signs may be displayed during seasonal sales of goods or products lawfully produced, offered, or sold on the property. ~~During the seasonal sale of agricultural products lawfully produced on the property.~~

c~~d~~. Signs Associated With Property Availability. One temporary sign per property, or one per commercial center, may be displayed during periods when the property is available for occupancy or use pursuant to a lawful transaction. Temporary banners are not permitted under this subsection. ~~During the period when property is for sale, lease or rent.~~

d~~e~~. Signs Authorized by a Temporary Use Permit or Special Event Permit. Temporary signs may be displayed as part of an approved Temporary Use Permit or Special Event Permit issued pursuant to PMC §17.26.100. The permit number shall be affixed to each temporary sign so as to be readily visible to City inspectors. Any temporary sign not displaying the permit number may be removed by the City. The owner of the sign shall reimburse the City for the actual costs of removing, storing, and disposing of the sign.

e~~d~~. Enforcement. Where written notification has been provided by the City and compliance has not been achieved within 10 days, the City may remove any temporary sign displayed in violation of this Section. The owner of the sign shall reimburse the City for the actual costs of removing, storing, and disposing of the sign.

~~(e)As a part of an approved Temporary Use Permit or Special Event Permit as specified in PMC Section 17.26.100 (Temporary Use and Special Event Permits) for:~~

~~i. Parking lot and sidewalk sales;~~

~~ii. Grand openings and anniversary events;~~

~~iii. Outdoor art and craft shows and exhibits;~~

~~iv. Bazaars, pony rides and festivals;~~

~~v. Mobile health services;~~

~~vi. Christmas tree lots, pumpkin lots, haunted houses, and firework stands; and,~~

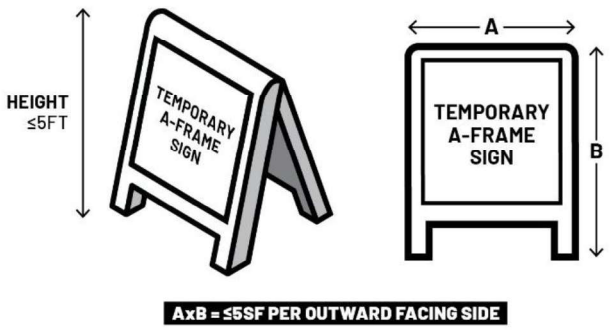
~~vii. Circuses, carnivals, rodeos concerts, shows, or similar enterprises.~~

f~~f~~. Inflatable Displays. Inflatable displays may be approved by the Director for a period of time not to exceed an aggregate total of 45 days per calendar year and 14 consecutive days, and shall only be approved as part of a Special Event or Temporary Use Permit, as provided for in PMC Section 17.26.100 (Temporary Use and Special Event Permits). Inflatable displays shall be securely fastened, ground-mounted and maintained in a good condition. Inflatable displays do not include balloons typically found in retail stores. The permit number of the Temporary Use and Special Event Permit authorizing the use of the inflatable display shall be affixed to the display so as to be readily visible by City inspectors. Any such sign not displaying the permit number shall be removed. Where due written notification has been given by the City and compliance has not been made within 10 days of written notification, the City may cause removal of such signs. The owner of the sign shall reimburse the City for the actual costs of removing, storing, and destroying or otherwise disposing of the sign.

g~~g~~. ~~Temporary on-site commercial signs allowed pursuant to this Section may also display noncommercial messages.~~

7. A-frame Signs. One temporary A-frame or similar impermanent freestanding sign is allowed for any use located within the Mixed-Use ~~z~~Zones and ~~civic center~~ Commercial/Office Zones where pedestrian-oriented use is encouraged. Such signs shall be non-illuminated and not exceed five square feet per side (maximum two sides) and a height of five feet. Signs shall be constructed using a minimum of industrial grade particleboard (or equivalent) and designed with radius edges, unexposed hinges, and feet. Only oil-based paints shall be used for painted signs, which shall be professionally painted. Placement of A-frame signs shall not impede pedestrian or handicap access.

FIGURE 17.88.060~~070~~-2~~3~~. A-FRAME SIGN

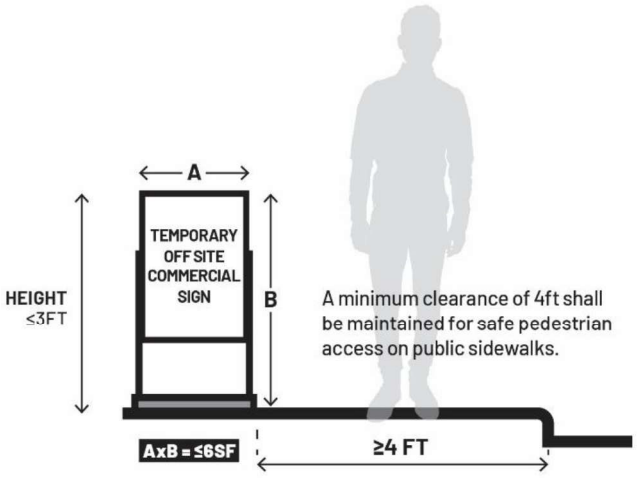


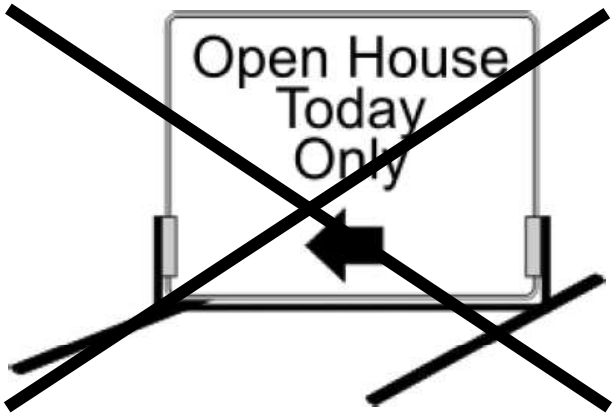


8. Temporary Off-site ~~Commercial~~ Signs. Temporary off-site ~~commercial~~ signs may be displayed in ~~are allowed in the single-family~~ residential zones as follows:

a. Temporary off-site ~~commercial~~ signs shall be freestanding only and shall not be affixed to posts or utility poles or pushed or hammered into the ground. Such signs shall be formed from aluminum or a hard plastic material (or equivalent) pursuant to current industry standards. Cardboard or paper signs are prohibited ~~not allowed~~. Signs shall not exceed six square feet in area and three feet in height. Signs shall be of sufficient weight in order to keep upright and in place. ~~No r~~Reflective paint or day-glo colors shall be prohibited ~~are allowed~~. Signs shall not include balloons, ribbons, pennants, streamers, or other attachments.

FIGURE 17.88.060~~070~~-~~3~~4. TEMPORARY OFF-SITE COMMERCIAL MESSAGE SIGN





~~b. Signs shall not be placed within subdivision landscape easements.~~

b~~c~~. Up to one such sign may be located at any one corner of an intersection provided ~~handicap~~ ADA access is maintained.

c~~d~~. No sign shall be placed upon any private property without first obtaining permission from the owner of such property.

d~~e~~. No sign shall be placed within the public right-of-way without approval of an encroachment permit issued by the City Engineer. A minimum clearance of four feet shall be maintained at all times for safe pedestrian access on public sidewalks. Signs may not be located on center medians or within the public street where vehicles travel. Where the public right-of-way extends into a parkway strip, signs shall be placed so as not to cause damage to landscaping and/or irrigation systems. One or more signs may be approved with an encroachment permit. Signs that do not comply are subject to removal pursuant to PMC §17.88.140~~160~~ (Amortization and Abatement of On and Off-Premise Signs, Sign Programs and Outdoor Advertising Sign Structures).

e~~f~~. Signs may be displayed only during daylight hours on weekends, holidays, and one day during the week.

f~~g~~. Temporary off-site ~~commercial~~ signs allowed pursuant to this Section may also display noncommercial messages.

(L~~M~~)—Window Sign, Permanent. One permanent non-illuminated window sign not exceeding four square feet in area.

~~(N) Window Signs, Temporary. Temporary window signs not exceeding 25 percent of the window area provided visibility into the building is maintained.~~

(M~~O~~) Strand Lights. Strand lights or similar outdoor lighting within areas where people dine or otherwise publicly congregate that is intended as festive ornamentation to be used on a year- round basis.

17.88.070~~080~~ Prohibited Signs

The following signs are prohibited, except as otherwise expressly allowed pursuant to this Chapter:

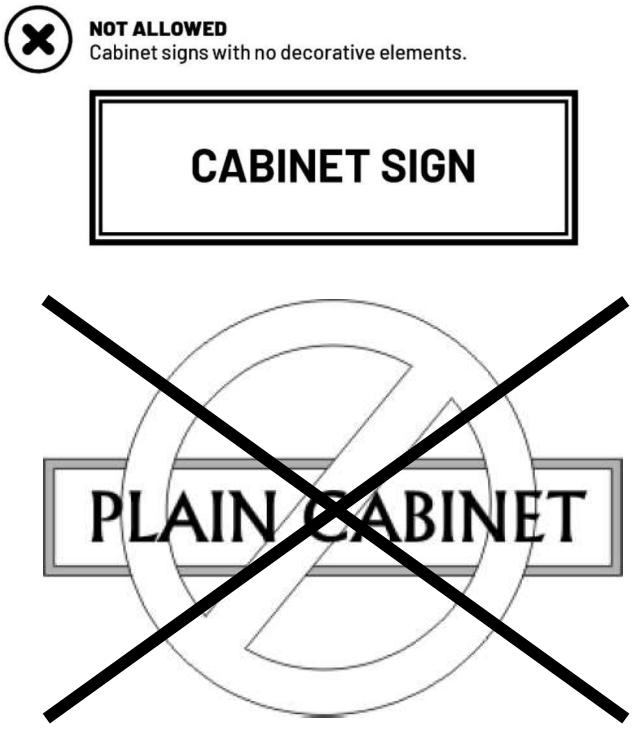
(A) Animated signs.

(B) Balloons or other inflatable, wind activated, or spinning devices that are typically available in retail stores, except as exempted pursuant to PMC §17.88.060~~070~~ (Exemptions to Sign Permit Requirements).

(C) Banner signs as permanent signage; however, temporary banners may be exempt as specified pursuant to PMC §17.88.060~~070~~.K~~L~~.6 (Temporary On-Site ~~Commercial~~ Signs) or allowed pursuant to PMC §17.88.100.A (Temporary Banners ~~Permit for Commercial and Industrial Properties~~).

(D) Cabinet signs with little or no decorative elements.

FIGURE 17.88.070~~080~~-1. PLAIN CABINET SIGN



(E) Paper and c~~C~~ardboard signs exposed to the outdoor elements.

(F) Electronic reader board signs, excluding government signs.

(G) Flags, except as expressly allowed pursuant to this Chapter.

(H) Flashing signs.

(I) Human signs.

(J) Off-site signs, except as exempted pursuant to PMC §17.88.060~~070~~ (Exemptions to Sign Permit Requirements).

~~(K) Paper signs exposed to the outdoor elements.~~

(K~~L~~) Pennants, strings of pennants, or streamers.

(L~~M~~) Portable or A-frame signs, except as allowed pursuant to PMC §17.88.060~~070~~ (Exemptions to Sign Permit Requirements).

(M~~N~~) Revolving signs, excluding barber shop poles.

(N~~O~~) Roof signs.

(O~~P~~) Signs that create a safety hazard by obstructing the clear view of pedestrian and vehicular traffic.

(P~~Q~~) Signs that display a message, graphic representation, or other image that is obscene as that term is defined in Section 311 of the Penal Code.

(Q~~R~~) Signs, which by their color, design, location, or illustration resemble, distract attention from, or conflict with any traffic control device.

(R~~S~~) Signs within the public right-of-way or upon public property (except where approved or required by a government agency and exempted pursuant to PMC §17.88.060~~070~~ (Exemptions to Sign Permit Requirements)), including, but not limited to, any notice, placard, bill, card, poster, sticker, banner, sign, advertising, or other device affixed or attached to or upon any public street, walkway, crosswalk, or other right-of-way, curb, lamp post, hydrant, tree, telephone ~~booth or~~ pole, lighting system, or any fixture of the police or fire alarm system.

(S) Mobile Billboards. Any vehicle, trailer, or wheeled conveyance that carries, displays, or supports a sign and is positioned or used for the primary purpose of displaying signage visible from a public right-of-way is prohibited. This prohibition eliminates mobile billboard advertising within the City to reduce traffic congestion, promote the safe movement of vehicular traffic, to reduce air pollution, and improve the aesthetic appearance of the City. This prohibition does not apply to displays on vehicles

exempted pursuant to PMC §17.88.060 (Exemptions to Sign Permit Requirements), public safety and public transit/public carrier graphics on properly licensed buses, taxicabs, and similar vehicles for hire that legally pass through the City.

(T) Signs Mounted on Vehicles. No person shall park any vehicle on a public right-of-way or in a location on a private property that is visible from a public right-of-way, which has attached thereto or suspended therefrom any sign, except as exempted pursuant to PMC §17.88.060~~070~~ (Exemptions to Sign Permit Requirements). This Section shall not preclude the display of bumper stickers.

17.88.080~~090~~ General Development Standards

The following general provisions are applicable to all signs and sign structures regulated by this Chapter, excluding signs within sign programs or Specific Plans. These general provisions apply in addition to any specific standards in this Chapter.

(A) Sign Area. Unless otherwise specified in this Chapter, the maximum allowed sign area for signs shall be calculated based on the acreage and frontage of a property and/or the length of the building elevation upon which the sign is to be attached. Wall signs for multiple tenant buildings shall be based upon the lineal building frontage occupied by each tenant as specified by the zone.

(B) Locational Criteria. All signs shall be subject to all applicable standards for the zone in which the proposed sign is to be located, pursuant to PMC §17.88.090~~100~~ (Temporary Banner Permit for Commercial and Industrial Properties) through 17.88.100~~120~~ (Signs in ~~Non-Residential and Mixed-Use~~ Zones Other Than Residential Zones). Unless otherwise expressly provided in this Chapter, no sign shall be erected or used for business purposes of any kind, except such sign(s) as shall be located on the site of the place of business, enterprise, or calling which is reasonably related to the products or services available on or within those premises. Sign location shall not obstruct motorists' visibility by considering driveway placement, long-term growth of landscaping, and adjacent and/or future development. No signs may be located in or adjacent to the public right-of-way, or private drive aisle or driveway in such a manner that it obstructs the clear view of pedestrians and/or vehicular traffic or constructed so as to obstruct any window, door, fire escape, or other emergency exit of any building. In addition, the following additional location criteria shall be maintained:

1. Wall-mounted signs shall not project above the parapet, canopy, fascia, wall, or roofline to which they are attached.

2. Freestanding signs shall not block visibility of motorists in order to maintain traffic safety, or from outdoor seating areas to preserve views. Freestanding signs shall not be placed in such a manner that obstructs any portion of a traffic control device as regulated by the California Manual on Uniform Traffic Control Devices, as

viewed by a driver, pedestrian, or bicyclist, as is appropriate for the type of device. Freestanding signs shall be set back and spaced along street frontages as specified in this Chapter.

3. Except where approved or required by a government agency or as otherwise expressly allowed pursuant to this Chapter, no sign may be stuck, glued, painted, pasted, posted, nailed, stapled or otherwise affixed or attached to or upon any public street, walkway, cross walk or other right of way, curb, lamp post, transit bench or shelter, trash receptacle, fire hydrant, tree, telephone ~~booth or~~ pole, lighting system or any fixture of the police or fire alarm system, any existing sign, or upon any other public property.

(C) Setbacks. All freestanding signs shall be set back a minimum of one foot from the public right-of-way

(D) Orientation. On-site signs shall be oriented so as not to create confusion and shall be visible to pedestrians, motorists and/or other passersby from the front, side, or rear of the building to which it is intended~~; however, wall signs located within commercial or industrial zones shall not face directly onto residentially designated property~~.

(E) Methods of Attachment.

1. Wall signs shall be attached to the sides of structures with fasteners that are either concealed from clear view or treated to match the building.

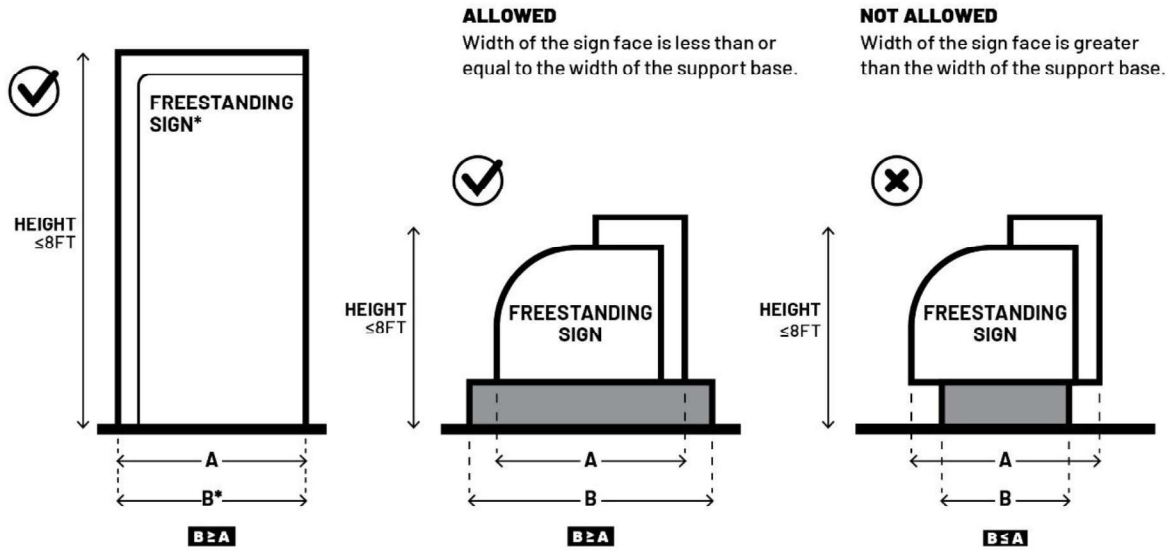
2. Projecting signs shall utilize decorative methods of attachment in instances where their visibility cannot reasonably be concealed.

3. Freestanding signs.

a. Freestanding signs eight feet or less in height shall be secured to the ground utilizing a solid support base that is a minimum width of the sign face and consisting of solid materials such as concrete, block, stone, or brick~~ rather than poles with veneer covers~~.

b. Unless specifically approved under a Sign Program, freestanding signs more than eight feet in height shall be secured to the ground using a support base whose width is at least 1/3 the width of the sign face. The support base may consist of multiple columns; however, the cumulative total width of the columns must equal at least 1/3 the width of the sign face.

FIGURE 17.88.080-1 METHOD OF ATTACHMENT-FREESTANDING SIGN 8 FEET OR LESS IN HEIGHT

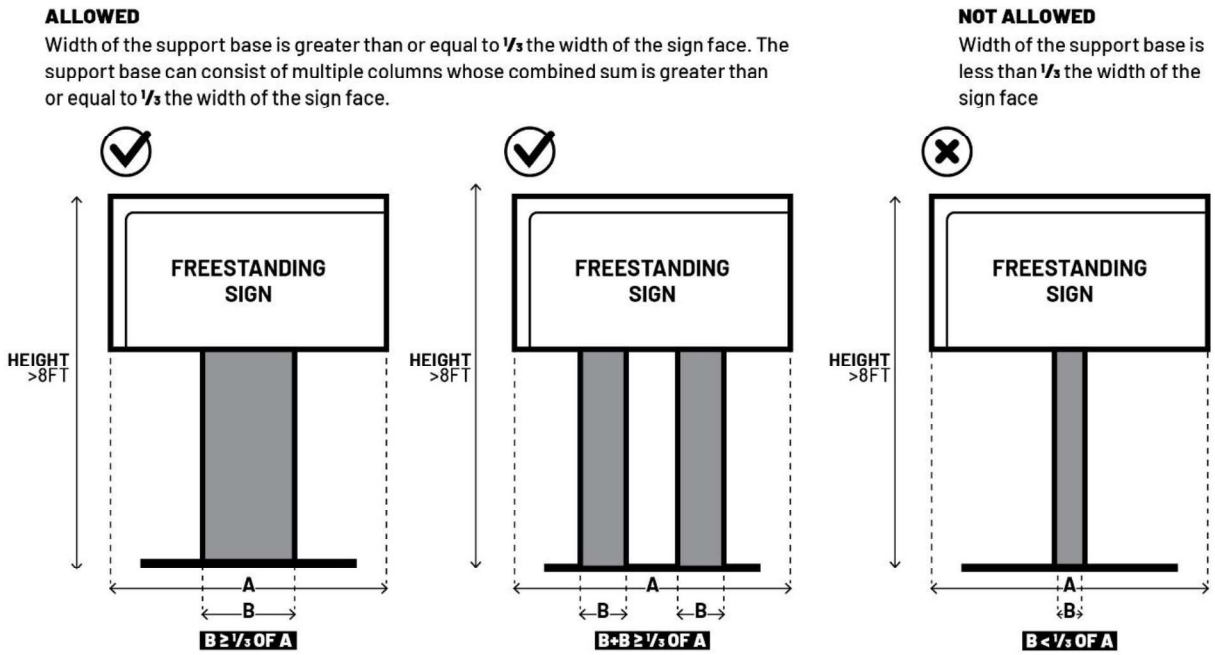


A = width of sign face

B = width of support base

**In this instance the width of the sign face and support base are equal because the support base is integrated into the sign face.*

FIGURE 17.88.080-2 METHOD OF ATTACHMENT-FREESTANDING SIGN MORE THAN 8 FEET IN HEIGHT



A = width of sign face **B = width of support base**

(F) Design. Signs and sign structures shall be professionally designed, pursuant to industry standards, and clearly understood for their intended purpose. Signs shall incorporate a classic style that will not quickly become outdated. On-site freestanding signs adjacent to the roadway shall be designed to include break-away features that are forgiving and crash-worthy. Signs shall not be designed to mimic traffic control devices, traffic warning devices, traffic regulating or directional way-finding signs. In addition, the following additional criteria of design shall be incorporated into new signs:

1. Wall signs

a. Wall signs shall consist of one of the following types of signs:

FIGURE 17.88.080~~090~~-3~~1~~ CHANNEL LETTER SIGN



FIGURE 17.88. 080-4~~090-2~~ CONTOUR SIGN



FIGURE 17.88. 080~~090~~-5~~3~~ CABINET SIGN



FIGURE 17.88. 080~~090~~-6~~4~~ PRINTED SIGN



i. Individual raised letters or symbols (channel letter);

ii. Custom contour enclosure; ~~or~~

iii. Acrylic signs; or

iv. Professionally custom painted.

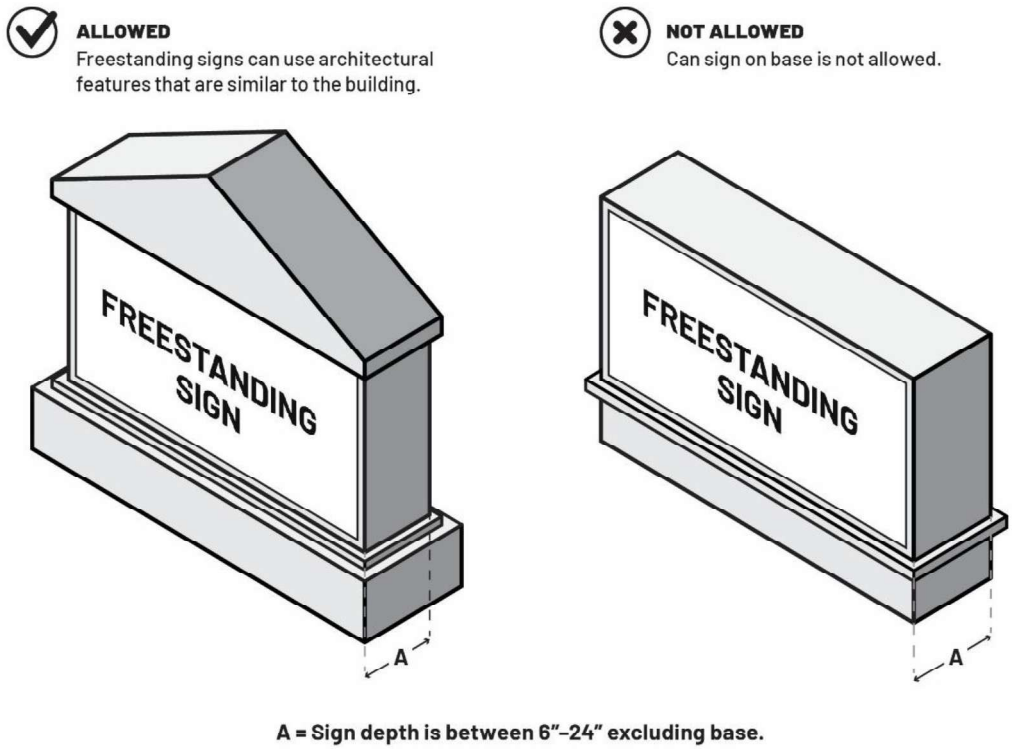
b. Signs attached to buildings shall project no less than one inch and no more than 18 inches from the structure.

2. On-Site Freestanding Sign Structures

a. Signs shall be architecturally integrated into the overall development of the site with respect to color, material, and design~~, except that pole signs may utilize metal for the sign structure regardless of building materials on site~~.

b. Minor architectural features such as cornices, roof pitches and archways, which are similar to those of the building(s) shall be incorporated into the design of the sign structure. Such features may increase the allowable size of structures by 25 percent, exclusive of sign face and base. Freestanding can signs with no architectural features are not allowed.

FIGURE 17.88.080~~090~~-7~~5~~ ARCHITECTURALLY TREATED FREESTANDING SIGN





c. The shape or appearance of freestanding signs shall not depict inanimate objects, animals or human beings.

d. The depth of sign structures shall be a minimum of six (6) inches and a maximum of 24 inches, exclusive of the base. Sign structures exceeding 24 inches in depth may be considered provided the total sign area allowed for a double-faced sign is not exceeded and the sign structure meets all other criteria for approval.

e. Panel inserts for multi-tenant freestanding sign structures shall be uniform in color and typeface.

(G) Substitutions

1. Marquee signs may be substituted for wall or freestanding sign structures pursuant to the definition of a marquee sign pursuant to PMC §17.88.030 (Definitions).

2. Projecting signs may be used in place of wall signs provided they do not exceed one-half of the allowable wall sign area and the sign meets all other provisions in this Section.

3. Canopy/awning signs may be allowed in place of or in addition to wall signs as specified in Subsection (NO) of this Section (Canopy/Awning Signs).

(H) Construction. All signs and sign structures shall be professionally constructed pursuant to industry standards. All parts, portions, units, and materials, comprising all signs, together with the frame, background, supports, or anchorage for all sign structures, shall be manufactured, fabricated, assembled, constructed, and erected pursuant to all applicable Federal, State, County, and City laws and standards.

(I) Materials. Construction materials for all components of signs shall consist of durable, long- lasting materials that hold up to the extremes inherent in Palmdale's desert environment, including heat, cold and wind for long-term durability, as well as damage caused by nesting birds and other environmental constraints of the region. Individual foam letters shall be covered with a solid material to prevent damage by birds, sun, and harsh weather.

(J) Colors. Earth tones and subdued colors such as maroon, brown, tan, gray, peach, cream, or white shall be used for the sign face or sign structure. Primary colors such as red, green, blue, yellow, orange, purple, pink, and black may be used for letters, symbols, graphics, or minor accents; however, except in the case of temporary signs, such colors shall not be used for the sign face or sign structure. Day-glo colors may only be used as minor accents to the overall sign. Reflective paint is not allowed.

(K) Illumination. The City has a compelling interest in promoting traffic safety for pedestrians and motorists. To achieve this interest, it is necessary to minimize excessive lighting of signs that may distract pedestrians and motorists or produce hazardous light and glare into the eyes of motorists, and to do so by conditioning the type and intensity of the lighting and its appropriateness for the planned location and orientation of the sign. In addition, no sign shall be illuminated in such a way that mimics a traffic signal or traffic control device.

The method of illumination for all types of signs is an important design element. However, the intensity or glare of the illumination may cause a visual distraction, safety hazard or public nuisance. The Director shall determine any required measures necessary to reduce possible negative impacts on adjacent structures, roadways, or surrounding land uses. New light fixtures added to the exterior of an existing building for the purpose of sign illumination shall be subject to the specifications of PMC §17.86.030 (Outdoor Lighting). Any sign that requires approval of an electrical building permit shall utilize only approved electrical components that are properly listed and tested by an acceptable testing agency and approved by the City's Building Official. No illuminated sign or lighting device shall

be placed or directed so as to permit or cause glare or reflection which may constitute a traffic or safety hazard or interfere with the use and enjoyment of a public street, walkway, or adjacent properties by having a blinding effect on residents, motorists, or pedestrians, preventing safe illumination of sidewalks, streets, or drive aisles, or by negatively impacting illumination levels on adjacent properties.

(L) Flags. Flags shall consist of fabric or similar flexible material that is designed to hang from a pole and blow in the wind. Plastic or other materials that produce more noise than fabric are prohibited for use as flags. Such flags shall be replaced when ripped, tattered, and/or faded or other wear is evident as determined by the Director.

~~(M) Neon Signs. Neon signs as defined by this Chapter are allowed only in the commercial/office zones, subject to PMC §17.88.040(C) (Criteria for Approval) and Subsection (K) of this Section (Illumination).~~

(M~~N~~) Painted Signs. Painted signs may be allowed as permanent wall signs and shall be professionally painted only. Such signs may be externally illuminated with decorative light fixtures within commercial zones subject to Subsection (K) of this Section (Illumination). As allowed by the zone, signs may be painted directly on structures or on industrial grade particleboard (minimum, or equivalent) with radius edges. Only oil-based paints (or equivalent) shall be utilized for painted signs.

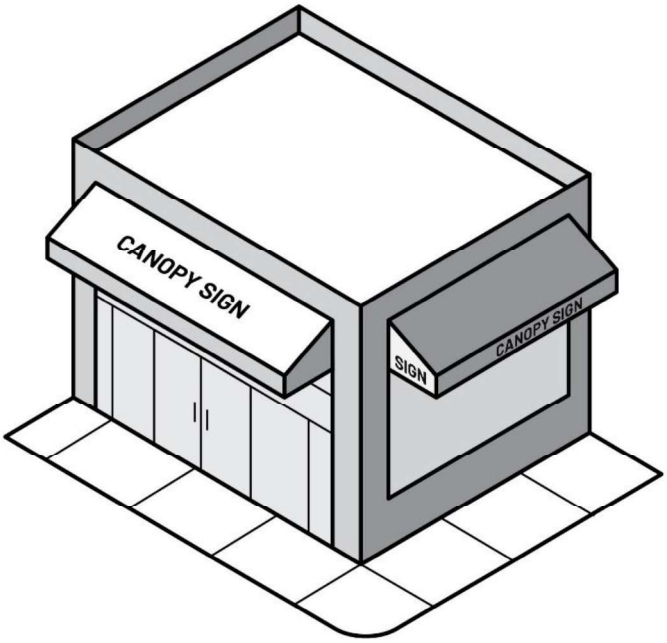
FIGURE 17.88.080~~090~~-8~~6~~. PAINTED SIGNS

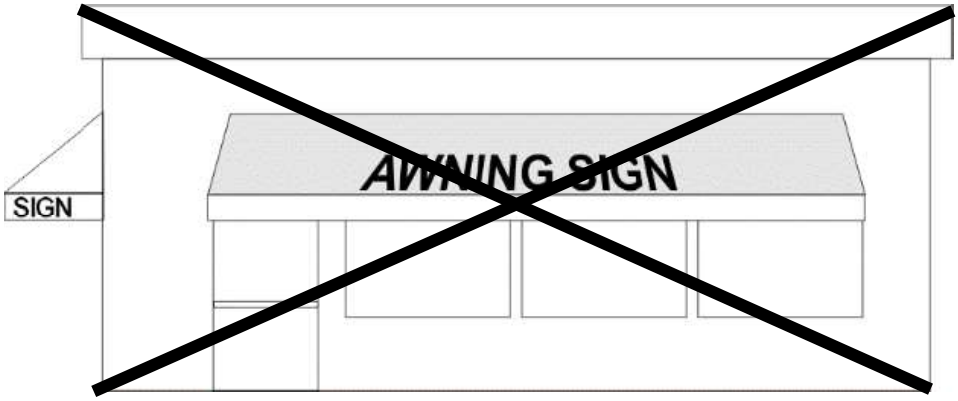




(N~~O~~) Canopy/Awning Signs. Canopy/Awning ~~and awning~~ signs are intended to be visible to pedestrians and/or from nearby parking areas and on-site circulation drives. Canopy/Awning signs are allowed within a shopping center where canopies or awnings are uniformly used within the shopping center or for a single tenant if the tenant is occupying an entire parcel and does not share space in a shopping center, as follows:

FIGURE 17.88.080~~090~~-9~~7~~. CANOPY/AWNING SIGN





1. The total combined area for wall and canopy/awning signs shall not exceed the allowable wall sign area allowed for the face of the building;

2. Canopy/Awning signs may be located on the front or side panels of angled, curved or box canopies or awnings or on the bottom flap (valance) of the canopy or awning;

3. Canopy/Awning signs shall not consist of more than a single line of copy or symbols; and,

4. The size of the sign shall not exceed 75 percent of any one dimension of the canopy or awning.

(O~~P~~) Maintenance. The following maintenance standards shall apply to all signs:

1. Every sign and all parts, portions, units, and materials comprising the same, together with the frame, background, supports, or anchorage thereof, shall be continuously maintained in a safe, structurally sound, neatly painted, graffiti-free, and well-repaired condition; and,

2. Signs illuminated either internally or externally shall be capable of being fully illuminated and legible and the face(s) shall be intact without holes or other exterior facial damage. Illuminated signs that are damaged or have defective lighting elements shall remain unlighted until repaired.

~~**17.88.100 Temporary Banner Permit for Commercial and Industrial Properties**~~

~~The following provisions are applicable to all banners regulated pursuant to this Section. The provisions are intended to permit the greatest flexibility possible in terms of business signage, while maintaining an orderly and attractive business environment within the City's commercial and industrial areas.~~

~~(A) Permit Process and Fees for Temporary Banners~~

1. The applicant shall be responsible for obtaining all required building permits from the Building and Safety Division associated with the installation of the banner.

2. A Temporary Banner Permit shall be obtained for the use of banners at a business location. In evaluating permit applications, staff will review zoning, location, size, method of attachment, and conformance with this Section and any other applicable standards.

3. The Temporary Banner Permit application shall include the applicant's authorized leasing agent name, signature, and telephone number.

4. Applicants shall pay an annual Temporary Banner Permit fee and annual inspection fees as established by the fee resolution approved by the City.

(B) Zones. Banners will be allowed in all commercial/office and industrial zones and commercial/office and industrial designated properties within Specific Plan areas.

1. Use. Banners may be used for all general business purposes, provided that banners may not be utilized as the sole source of business identification. In order to ensure that banners are not used for primary business identification, any business applying for a banner permit shall have permanent signage on the building that has been legally established.

(C) Noncommercial banners shall be allowed pursuant to this Section to the same extent commercial banners are allowed.

(D) Design Standards. The banner shall be constructed of high quality, durable material capable of withstanding the severe local weather conditions. The banner shall be professionally designed and manufactured. No handwriting on blank banners or erasable banner material and design shall be allowed.

(E) Types of Banners

1. Wall-Mounted. Standards for wall-mounted banners are provided within PMC Section 17.88.120 (Signs in Non-Residential and Mixed-Use Zones).

2. Ground-Mounted Banners. Standards for ground-mounted banners are provided within PMC Section 17.88.120 (Signs in Non-Residential and Mixed-Use Zones).

(F) Any banner legally established pursuant to this Section shall be maintained by the applicant. When wear and tear is observed by any employee of the City and upon notification to the applicant, required work to restore or replace the worn banner shall be performed to the satisfaction of the Director within 14 days. Failure to comply with this provision may result in revocation of the permit for the temporary banner.

~~(G) The Director shall give written notice to the applicant regarding any violations of the provisions of this Section. Within 14 days of receipt of the notice, the violation shall be corrected or remedied to the satisfaction of the Director. Failure to pay fees, or noncompliance with the standards, procedures, and conditions set forth in this Section shall be cause for revocation of the temporary banner permit and removal of the banner. Materially inaccurate or erroneous information submitted as a part of a Temporary Banner Permit application may be cause for revocation of the permit.~~

17.88.090~~110~~ Signs in Residential Zones

In addition to temporary signs identified in PMC §17.88.060~~070~~ (Exemptions to Sign Permit Requirements), the following signs are allowed in residential zones subject to approval of a sign permit:

Table 17.88.090~~110~~-1. Allowed Signs in Residential Zones

Sign Type	Maximum Number	Maximum Sign Area	Maximum Height Including Base	Remarks
Wall	No limit: combined area of signs shall not exceed the maximum allowed sign area	1 ½ sf of sign area per lineal foot of building frontage	N/A	Signs may be internally illuminated only, subject to PMC §17.88.080~~090~~.K (Illumination).
~~Monument~~ Freestanding	1 per public entrance, up to 2 signs total	30 sf	5 ft	Signs may be internally illuminated only, subject to PMC §17.88.080~~090~~.K (Illumination).
~~Directional~~	~~1 per public entrance, up to 4 signs total~~	~~16 sf~~	~~5 ft~~	~~Signs shall not be illuminated.~~
Temporary ~~freestanding banner (teardrop, feather, bowhead, etc.)~~	1 freestanding sign per frontage; 2 per model home	60 sf per single face for freestanding signs and 15 sf for flags	10 ft for free-standing signs and 15 ft for flags	Signs shall not be illuminated. Flags shall not be within 50 ft of an occupied residence.

17.88.100~~120~~ Signs in ~~Non-Residential and Mixed-Use~~ Zones Other Than Residential Zones.

In addition to temporary signs identified in PMC §17.88.060~~070~~ (Exemptions to Sign Permit Requirements), the following signs may be allowed in ~~commercial, industrial, mixed-use or public facility~~ zones other than Residential Zones (i.e., Mixed-Use, Commercial/Office, Industrial, and Special Purpose Zones (see Table 17.14.010-1. List of Zones)), subject to approval of a sign permit:

Table 17.88.100~~120~~-1. Allowed Signs in ~~Non-Residential and Mixed-Use~~ Zones Other Than Residential Zones				
Sign Type	**Maximum Number**	**Maximum Sign Area**	**Max. Height[1]**	**Remarks**
Wall signs, secondary skyline signs or canopy/awning signs	No limit: combined area of signs shall not exceed the maximum allowed sign area	1 ½ sf of sign area per lineal foot of building frontage	N/A	Secondary skyline signs are subject to PMC §17.88.120~~140~~ (Skyline Signs); externally lighted signs are subject to PMC §17.88.080~~090~~.K (Illumination); canopy/awning signs are subject to PMC §17.88.080~~090~~.N~~O~~ (Canopy/Awning Signs).
Skyline signs[2]	1 per allowable elevation; up to 2 signs total on opposite sides of the building	1 sf of sign area per lineal foot of building frontage	N/A	Skyline signs subject to PMC §17.88.120~~140~~ (Skyline Signs) are in addition to secondary skyline signs. Shall be compatible with the building surface and shall complement the aesthetics of the development. Shall consist of a single line of copy/symbol unless approved by the Director due to building architecture prohibiting placement of a single line of copy. May be halo sign or internally illuminated.
~~Monument~~ Freestanding signs	1 sign for every 250 feet of street frontage	For industrial zones:		
		< 10 acres: 30 sf	5 ft	
		> 10 acres: 50 sf	8 ft	
		For nonindustrial zones		
		< 10 acres: 50 sf	8 ft	
		> 10 acres: 100 sf	12 ft	

Table 17.88.100~~120~~-1. Allowed Signs in ~~Non-Residential and Mixed-Use~~ Zones Other Than Residential Zones				
Sign Type	**Maximum Number**	**Maximum Sign Area**	**Max. Height[1]**	**Remarks**
	1 sign per development (in addition to the freestanding sign allowance above)	100 sf	30 ft maximum Sign copy shall be located between 10 and 30 feet above the ground.	Only allowed within property designated as Regional Commercial: Minimum 10-foot clearance above walkways and drive aisles. Signs may be internally illuminated only, subject to PMC §17.88.080.K (Illumination). Shall maintain a minimum distance separation of 50 ft from residentially designated property or existing residential development.
Under-canopy signs	1 per tenant	5 sf	N/A	Minimum 8-foot clearance above walkways.
Temporary Wall-mounted ~~banner~~[3]	1 per frontage except facing residential uses	1 sf of area per lineal foot of frontage	N/A	Shall be mounted flat against the wall using permanent anchors. Banners shall not be mounted using wire, rope, cables, bungee cords or similar devices.

Table 17.88.100~~120~~-1. Allowed Signs in ~~Non-Residential and Mixed-Use~~ Zones Other Than Residential Zones				
Sign Type	**Maximum Number**	**Maximum Sign Area**	**Max. Height[1]**	**Remarks**
Temporary Freestanding ~~banner (teardrop, feather, bowhead, etc.)~~	1 per business	42 sf	12 ft	Minimum clearance of 5 ft from edge of right-of-way~~, except when located within the Mixed-Use zones to PMC §17.88.070.L (Temporary Signs)~~. Shall not impede pedestrian or handicap access. Shall not obstruct clear view of pedestrians and/or vehicular traffic. No off-site banners are allowed. Signs shall not be illuminated.
~~Pole signs4~~	~~1 per development~~	~~100 sf~~	~~10-ft minimum clearance height and 30-ft maximum~~	~~Signs may be internally illuminated only, subject to PMC Section17.88.090.K (Illumination). Shall maintain a minimum distance separation of 50 ft from residentially designated property or existing residential development.~~

Notes:

1. Grade changes by mounding within landscape areas less than 3:1 slope shall be counted in calculation of sign height; maximum height includes the base.

2. This applies to buildings with three or more stories, pursuant to PMC §17.88.120~~140~~ (Skyline Signs).

3. Not allowed within 50 feet of an occupied residence.

~~4. Only allowed within the Regional Commercial zone.~~

17.88.110~~130~~ Government Signs

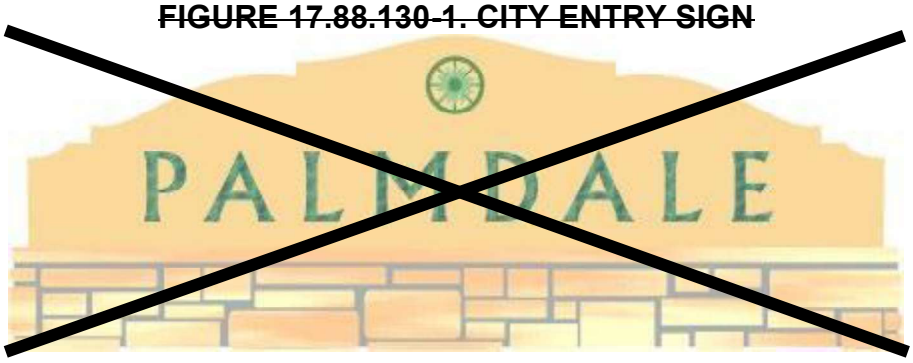
The City has a compelling interest in making the City attractive to residents, visitors, and business owners and in protecting and improving economic vitality, protecting, and enhancing aesthetic character, and promoting traffic safety in, through, and around areas that have a concentration of public facilities and structures. To accomplish these interests, the City finds it necessary to establish certain classes of government signs, to limit their content and to provide a public convenience by directing motorists and pedestrians to various locations throughout the City.

This Government Sign Section consists of signs that are uniform in design, which provide the community with a sense of place and a distinct identity. Signs constructed as a part of this Section shall be allowed without the requirement of a sign permit in all zones, except that electronic reader boards and digital advertising displays are not allowed in residential zones. Government signs shall be erected by the City, a public agency, or by any person authorized by the City ~~resolution~~ to erect such signage. This Section shall be applicable to the following types of signs:

(A) Civic Center Plaza. Roadway signs may be installed on streets leading to the Civic Center and surrounding public parking areas.

(B) City Entry Signs. Freeway and roadway monument signs may be installed on major thoroughfares near City limits in varying size. ~~Such signs shall be constructed of integral concrete monolith and stone base with lettering to be cast into the concrete with color infill.~~

~~**FIGURE 17.88.130-1. CITY ENTRY SIGN**~~



(C) City Roadway/Street Signage. Street name signs may be installed on streets throughout the City.

(D) Light Pole Banners. Banners may be placed on light poles along major thoroughfares and/or surrounding the Civic Center during various seasons of the year or for City-sponsored events.

(E) City Kiosk Signs. City kiosk signs are permissible in all zones except ~~those that are r~~Residential Zones. City kiosk signs are subject to the development standards for ~~monument and on-site~~ freestanding sign structures contained in PMC §17.88.100~~120~~ (Signs in ~~Non-Residential and Mixed-Use~~ Zones Other Than Residential Zones).

(F) Digital Advertising Display (DAD). Government signs that are considered DADs are not required to be installed pursuant to a Billboard Relocation Agreement and are permissible in all zones except residential. Government signage DADs are subject to the following standards:

1. Sign Area. The maximum sign area of a single-face DAD is 675 square feet and 1,350 square feet for a double-face DAD.

2. Sign Height. The maximum sign height is 40 feet; however, a DAD located immediately adjacent to State Route 14 may be modified if it can be demonstrated that compliance with the 40 foot height limit would impair visibility for a portion of the sign face. Increased height shall only be allowed to the extent necessary to allow reasonable view of the sign face.

3. A DAD may only display a series of still images, each of which is displayed for a minimum of six seconds and transitions between images shall not exceed one second. No DAD shall depict or simulate any motion or video, or have flashing, chasing, or twinkling lights.

4. Each DAD shall include a photometric sensor that will adjust the intensity of the sign for daytime and nighttime viewing. The intensity from sunset to sunrise shall be limited to 150 nits. The City may modify or further restrict the intensity of any DAD should the lighting create a distraction to drivers or an adverse effect on nearby residential properties.

5. In addition to complying with the other standards set forth in this Section, any DAD located within 660 feet of a state highway shall also comply with the standards of the California Outdoor Advertising Act (Chapter 2 of Division 3 of the California Business and Professions Code beginning at Section 5400), including, but not limited to, the restrictions on size, height, proximity to interstate and primary highways and landscaped freeways. To the extent any conflict arises between this Section and the Outdoor Advertising Act, the Outdoor Advertising Act shall prevail.

(G) Electronic Reader Boards. Government signs that are considered electronic reader boards are permissible in all zones except residential ~~and are subject to the development standards for monument and on-site freestanding sign structures contained in PMC §17.88.120 (Signs in Non-Residential and Mixed-Use Zones)~~.

(H~~1~~) General Standards for Government Signs

1~~a~~. For purposes of this Section, “street intersection” shall mean where two or more streets or roads cross at the same grade. This shall include all streets and roads with a right-of-way of 100 feet or larger.

2~~b~~. Signs may be constructed on improved or unimproved property along Regional and Crosstown streets provided they are located on private property with the owner’s written permission or within the public right-of-way with approval of an encroachment permit. Regional and Crosstown streets shall consist of those designated on the General Plan Circulation Map.

3~~c~~. Signs shall not obstruct the use of sidewalks, walkways, bike, and hiking trails and shall not obstruct the visibility to motorists and pedestrians of traffic control signs.

4~~d~~. Signs shall be limited to no more than three structures on the same side of the street between major intersections and shall not be located within 100 feet of another freestanding sign structure.

5~~e~~. Sign structure installations shall include “breakaway” design features.

6~~f~~. No signs, pennants, flags or other devices for visual attention or other appurtenances shall be placed on government signs.

7~~g~~. The design of all government signs shall be consistent throughout the City.

8~~h~~. Sign lettering used for identification panels shall be uniform in style and size.

17.88.120~~140~~ Skyline Signs

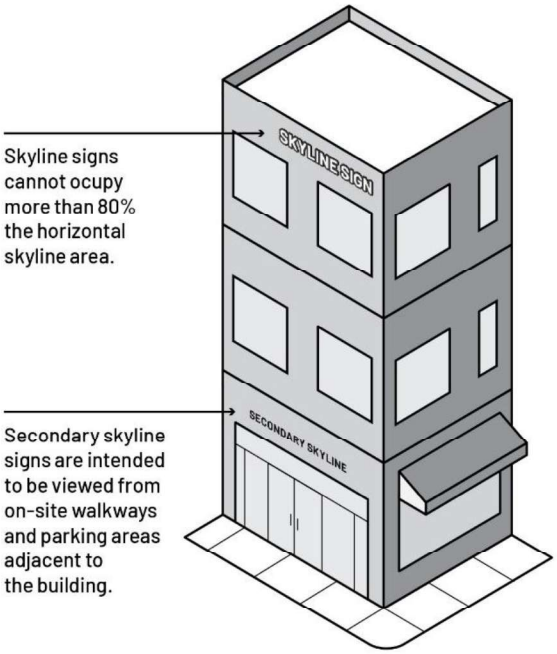
Skyline signs shall consist of wall signs that are placed on structures of three stories or more. Signs on tall buildings can have a significant visual influence upon the community’s environment; therefore, they should be consistent with the architectural style of the building. The approval of skyline signs shall be subject to PMC §17.88.040 (Sign Permit Requirements and Procedures) and to the following standards:

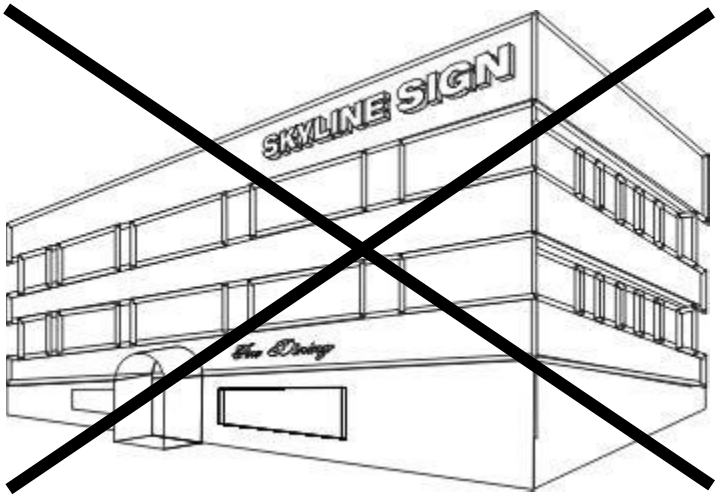
(A) Skyline Signs

1. Placement. Skyline signs shall be placed above the vision glass windows of the highest floor of the building and below the eave line pursuant to the provisions for signs within the zone. In conventional high-rise design, a sizeable area is generally available for signs above the vision glass of the highest floor. Skyline signs shall not be located on any building elevation in vertical (stacked) alignment and shall be separated by a horizontal dimension of not less than 40 percent of the linear

dimension of the subject elevation. For buildings with articulated roofs, a more flexible definition is appropriate. In such cases, signs are to be integrated visually with architectural features such as windows, projections, and articulating elements.

FIGURE 17.88.120~~140~~-1. SKYLINE SIGN PLACEMENT AND PROPORTION





2. Proportion of Sign Area. To avoid the appearance of crowding a sign into a sign area, sign copy shall occupy no more than 80 percent of the horizontal skyline sign area as defined by this Section. Additionally, no part of a sign can be located within the extreme left or right 10 percent of the building elevation.

(B) Secondary Skyline Signs

1. Placement. Secondary skyline signs shall be allowed below the second floor, except that, if the building has a two-story lobby, secondary skyline tenant signs are allowed between the second and third floors above such lobby. An individual tenant may have no more than one sign per building elevation. Secondary skyline signs shall not be located on any building elevation in vertical (stacked) alignment and shall be separated by a horizontal dimension of not less than 15 percent of the linear dimension of the subject elevation.

2. Locational Criteria. Secondary skyline signs are intended to be viewed from on-site walkways and parking areas adjacent to the building.

(C) Retail, Service Business, and Restaurant Uses Located within Structures of Three or More Stories. In addition to secondary skyline signs described in Subsection (B) of this Section (Secondary Skyline Signs), retail uses, service business uses, or restaurants located within an office building containing three or more stories may be allowed signs as specified in this Chapter and may appear on the same building elevation as and be included in the same total sign area calculation and placement as secondary skyline signs. Such signs shall be located at or adjacent to the entrance of the building and individual tenants shall be allowed no more than one sign per elevation.

17.88.130~~150~~ Outdoor Advertising Sign Structures (Billboards)

(A) Permits and Review Process

1. Permits Required

a. No outdoor advertising sign structure shall be constructed, relocated, or upgraded at any location in the City without obtaining a Conditional Use Permit subject to the provisions of this Section, and any other permits required by law.

b. Other Permits. Nothing in this Chapter shall exempt the applicant from obtaining any other required approval including, but not limited to, any permits required by the State of California.

2. Review Process. A Conditional Use Permit shall be required, pursuant to the provisions of this Chapter and PMC Chapter 17.22 (Conditional Use Permits) for any construction, upgrade, or relocation of outdoor advertising sign structures. The Planning Commission shall approve the Conditional Use Permit if the Commission finds that such application satisfies the standards set forth in Subsection (A)(3) of this Section (Findings for Approval), or the Planning Commission shall deny the application, in which case the applicant shall be notified in writing of the reason(s)

why the application was denied. All decisions of the Planning Commission may be appealed pursuant to PMC §17.20.110 (Appeal Procedures).

3. Findings for Approval. No Conditional Use Permit for an outdoor advertising sign structure shall be issued unless the Planning Commission finds that the application satisfies, or with conditions can satisfy, all of the following standards:

a. The proposed sign meets all of the findings for approval of a Conditional Use Permit as set forth in PMC §17.22.050 (Approval Requirements and Conditions);

b. The proposed sign meets the locational criteria for outdoor advertising sign structures, pursuant to Subsection (B) of this Section (Locational Criteria);

c. The proposed outdoor advertising sign structure meets all of the development standards as specified in Subsection (C) (Development Standards) or Subsection (E) (Outdoor Advertising Sign Structures Subject to a Billboard Relocation Agreement) of this Section;

d. The outdoor advertising sign structure is oriented to attract the attention/patronage of the general public, taking into consideration long-term growth of landscaping and future projects; and,

e. The outdoor advertising sign structure is in compliance with all applicable Federal, State, and City laws and regulations pertaining to the construction of outdoor advertising sign structures.

(B) Locational Criteria. Outdoor advertising sign structures shall be limited to placement on improved properties with habitable structures only, subject to the following restrictions:

1. No outdoor advertising sign structure shall be located within the area bounded by 20th Street West to the west, Avenue N to the north, Sierra Highway to the east and Palmdale Boulevard to the south.

2. There shall be no more than four outdoor advertising sign structures, including existing outdoor advertising sign structures, located within the area bounded by the extension of Avenue N-12 to the north, Rancho Vista Boulevard to the south, Sierra Highway to the west and an imaginary line 100 feet of the easterly Southern Pacific property line to the east.

3. No additional outdoor advertising sign structures shall be constructed, relocated, or upgraded except when located in the industrial zones.

4. No additional outdoor advertising sign structures shall be constructed on properties within 660 feet of Palmdale Boulevard.

5. The outdoor advertising sign structure shall be no closer than a radius of 500 feet to any premises designated or zoned for residential purposes, or to any premises containing a school, religious institution, or similar place of worship, historical site or building, cemetery, or similar place of interment, public or private park or outdoor recreational facility.

6. The outdoor advertising sign structure shall be no closer than a radius of 1,500 feet to a previously constructed off-premise outdoor advertising sign structure.

7. An outdoor advertising structure may be approved in a location other than specifically identified or excluded in Subsections (B)(1) through (B)(5) of this Section, including within an adopted Specific Plan area, when a Conditional Use Permit is approved in conjunction with a billboard relocation agreement pursuant to Subsection (D) of this Section (Billboard Relocation Agreement), but in no event shall be located within a residential zone.

(C) Development Standards. All outdoor advertising sign structures shall comply with the following standards:

1. Sign Area. The total area of a single sign face shall not exceed 300 square feet. The total area of a double-faced sign shall not exceed 600 square feet. Not more than five percent of the area of a sign face shall be used for projections.

2. Height. The outdoor advertising sign structure shall not exceed 32 feet in height measured from the ground level.

3. Setbacks. The sign shall comply with all setback standards of the underlying zone. It shall be located no closer than 10 feet to any property line. No materials or structural feature, except poles or pilasters, shall extend into the cross-visibility area between ground level and seven feet above the grade of the nearest street curb. No portion of the sign shall block the view of any on-site advertising sign on the same or adjoining parcels.

4. Construction. The outdoor advertising sign structure shall be built to withstand a minimum wind pressure of 21 pounds per square foot of exposed surface.

5. Design. The outdoor advertising sign structure shall not be supported by more than one supporting post. It shall be architecturally treated so as to screen the frame, support structures and lighting from public view. The outdoor advertising sign structure shall not contain any flashing or blinking material, or mechanically activated

or animated devices. The color and materials shall be subject to the provisions of this Chapter.

6. Sign Copy Area. The message or sign copy area of any relocated or upgraded outdoor advertising sign structure may be no larger than the message copy area of the original outdoor advertising sign structure.

7. Utility Lines. Utility lines providing electrical power to a new or relocated outdoor advertising sign structure shall be placed underground.

8. Maintenance. The sign and structure shall be continuously maintained in an attractive, clean, and safe condition pursuant to PMC §17.88.080~~090~~.O~~P~~ (Maintenance).

9. Traffic Safety. The sign shall not constitute a traffic hazard because of sign shape or its location in relationship to an official public traffic sign or signal.

(D) Billboard Relocation Agreement

1. Purpose. The purpose of the Billboard Relocation Agreement is to reduce the overall number of outdoor advertising sign structures within the City by allowing relocation of billboards in more suitable locations and provide more attractive, aesthetically-pleasing billboard designs and to improve the aesthetic appearance of the City.

2. Authority. Notwithstanding any other provision of this Chapter, and consistent with the California Business and Professions Code Outdoor Advertising provisions, existing outdoor advertising sign structures may be relocated and/or upgraded as part of a Billboard Relocation Agreement entered into between the City Council and a billboard owner and the approval of a Conditional Use Permit for any relocated billboard.

3. Content. Each Billboard Relocation Agreement shall contain, at a minimum, the following information:

a. Identification of the location of the billboards being permanently removed and the location of the relocated billboards; and

b. Conceptual design drawings for the relocated billboards.

4. Review Process and Findings. All Billboard Relocation Agreements shall be reviewed and approved by the City Council. The following findings shall be made by the City Council in order to approve a Billboard Reduction and Relocation Agreement:

a. The proposed agreement is consistent with the goals, objectives, purposes and provisions of the Palmdale General Plan, this Title, and any applicable Specific Plan;

b. The proposed relocation site is compatible with the uses and structures on the site and in the surrounding area;

c. The proposed Billboard Relocation Agreement provides for a net reduction in existing outdoor advertising sign structures within the City;

d. The proposed Billboard Relocation Agreement contributes to the reduction of visual clutter in the City;

e. The proposed billboard would not create a traffic or safety problem with regard to onsite access circulation or visibility;

f. The proposed billboard would not interfere with onsite parking or landscaping required by City ordinance or permit; and,

g. The proposed billboard would not otherwise result in a threat to the general health, safety, and welfare of City residents.

5. Conditional Use Permit. Subsequent to the approval of a Billboard Relocation Agreement by the City Council, the billboard owner shall file a Conditional Use Permit application to relocate or upgrade the outdoor advertising sign structure as authorized by the Billboard Relocation Agreement.

(E) Outdoor Advertising Sign Structures Subject to a Billboard Relocation Agreement. An outdoor advertising sign structure may be upgraded or relocated through the approval of a Conditional Use Permit and a corresponding Relocation Agreement. A relocated or upgraded billboard shall meet the development standards contained within Subsection (C) of this Section (Development Standards). A DAD is permissible in conjunction with the relocation/upgrade of an outdoor advertising sign structure approved pursuant to a Billboard Relocation Agreement, subject to the following standards:

1. Sign Area. A DAD shall be subject to the sign area standards specified in Subsection (C)(1) of this Section (Sign Area); however, given the unique characteristics of DAD's, an applicant may request a modification to the maximum sign area pursuant to the following conditions:

a. The applicant demonstrates, to the satisfaction of the Planning Commission, that the larger size is necessary to provide a readable DAD in a cost-effective manner; and,

b. The maximum sign area of a single-face DAD is 675 square feet and 1,350 square feet for a double-face DAD.

2. Sign Height. A DAD shall be subject to the sign area standards specified in Subsection (C)(2) of this Section (Height); however, a DAD relocated immediately adjacent to State Route 14 may be modified if the applicant can demonstrate that compliance with the 32-foot height limit would impair visibility for a portion of the sign face. Increased height shall only be allowed to the extent necessary to allow reasonable view of the sign face.

3. A DAD may only display a series of still images, each of which is displayed for a minimum of six seconds and transitions between images shall not exceed one second. No DAD shall depict or simulate any motion or video, have flashing, chasing, or twinkling lights.

4. Each DAD shall include a photometric sensor that will adjust the intensity of the sign for daytime and nighttime viewing. The intensity from sunset to sunrise shall be limited to 150 nits. The City may modify or further restrict the intensity of any DAD should the lighting create a distraction to drivers or an adverse effect on nearby residential properties.

5. In addition to complying with the other standards set forth in this Section and any other applicable provisions of this Section, any relocated billboard within 660 feet of a State highway shall also comply with the standards of the California Outdoor Advertising Act (Chapter 2 of Division 3 of the California Business and Professions Code beginning at Section 5400), including, but not limited to, the restrictions on size, height, proximity to interstate and primary highways and landscaped freeways. To the extent any conflict arises between this Section and the Outdoor Advertising Act, the Outdoor Advertising Act will prevail.

17.88.140~~160~~ Amortization and Abatement of On and Off-Premise Signs, Sign Programs, and Outdoor Advertising Sign Structures

(A) On-Premise Signs

1. Inventory of Signs. Within 120 days of the date of adoption of the ordinance codified in this Title the Director shall cause to be performed an inventory of all on-premise signs within the City to identify those that are illegal or abandoned. For the purposes of this Section, the term “illegal” denotes a sign which was erected without compliance with all ordinances and standards in effect at the time of its construction and erection or use, and the term “abandoned” denotes a sign which remains in place or is not maintained for a period of 90 days which no longer advertises or identifies an ongoing business, product, or service available on the business premises where the sign is located.

2. Public Hearing. Upon completion of the required identification and inventory of signs described in Subsection (A)(1) of this Section (Inventory of Signs), the City Council shall consider at a public hearing, with opportunity for public comment, whether there is a continuing need for the provisions of the ordinance that caused the signs to become illegal or abandoned.

3. Abatement. No later than 60 days after the public hearing described in Subsection (A)(2) of this Section (Public Hearing), the City shall commence abatement as provided in this Subsection of the illegal and abandoned on-premises signs identified by the inventory required by Subsection (A)(1) of this Section (Inventory of Signs).

4. Nonconforming Signs Which May Be Abated Without Payment of Compensation. Any sign which does not comply with the standards of this Chapter and which may be abated without the payment of compensation pursuant to Section 5497 or 5498 of the Business and Professions Code shall be brought into compliance with the standards and requirements of this Chapter as soon as may reasonably be accomplished and in no event later than six months after the date of adoption of the ordinance codified in this Title, unless such period is extended by the Planning Commission for good cause shown. Any sign that is not brought into conformance with the standards and requirements of this Chapter within that time shall be subject to abatement as a public nuisance.

5. Other Nonconforming Signs. Any sign which does not conform to the standards and requirements of this Chapter and which may be abated after the expiration of 15 years pursuant to Section 5495 of the Business and Professions Code shall be brought into compliance with the standards and requirements of this Chapter within 15 years of the date of adoption of this Chapter. Any sign that is not brought into conformance with the standards and requirements of this Chapter within that time shall be subject to abatement as a public nuisance.

6. Continuation of Existing Nonconforming Signs. Pursuant to PMC §17.11.080 (Continuation of Existing Nonconforming Uses), a sign that lawfully existed as a nonconforming sign prior to the effective date of the ordinance codified in this Chapter pursuant to Ordinance No. 684 and/or Ordinance No. U-1060 shall be deemed to be continued pursuant to this Title, and in determination of the termination date established by this Title, shall be computed from the original date it became nonconforming pursuant to said Ordinance No. 684 and/or Ordinance No. U-1060. Any sign that is not brought into conformance with the standards and requirements of this Chapter within that time shall be subject to abatement as a public nuisance.

7. Signs with Flashing and Rotating Features. Any sign which contains flashing or rotating features and which is not in compliance with the provisions of this Chapter shall be brought into compliance with the provisions of this Chapter as soon as may reasonably be accomplished and in no event later than six months after the date of

adoption of the ordinance codified in this Title unless such period is extended by the Planning Commission for good cause shown. If such sign is not brought into conformance with the standards and requirements of this Chapter within that time, the flashing or rotating features of the sign shall be deactivated immediately. However, the owner or operator of such sign may be authorized to continue its operation notwithstanding this Section if the Planning Commission determines the sign to be of historical significance.

(B) Off-Site Commercial Signs. All off-site commercial signs that do not comply with the standards and requirements of this Chapter shall be brought into compliance with the standards and requirements of this Chapter as soon as may reasonably be accomplished and in no event later than one year after the date of adoption of the ordinance codified in this Title, unless such period is extended by the Planning Commission for good cause shown. Any sign that is not brought into conformance with the standards and requirements of this Chapter within that time shall be subject to abatement as a public nuisance.

~~(C) Sign Programs. Sign programs approved prior to the effective date of the ordinance codified in this Title shall be automatically subject to the General Development Standards contained in PMC §17.88.090 (General Development Standards). New sign permits requested pursuant to these programs may not exceed the maximum sign area or maximum sign height specified under PMC §17.88.100 (Temporary Banner Permit for Commercial and Industrial Properties) through PMC §17.88.120 (Signs in Non-Residential and Mixed-Use Zones).~~

(C~~D~~) Outdoor Advertising Sign Structures. Any outdoor advertising sign structure which lawfully existed in a residential zone at the time of the adoption of this Chapter or was lawfully constructed pursuant to a permit issued by Los Angeles County and was later annexed to the City, but which is not in conformance with the standards and requirements of this Chapter, and is located within residential zoned property, shall be deemed a legal nonconforming use which shall be maintained, and may be upgraded subject to the restrictions and limitations imposed on nonconforming signs by this Chapter. Such signs shall be removed pursuant to the following amortization schedule.

Table 17.88.140~~160~~-1 Amortization Schedule	
Fair Market Value of Off-Premises Commercial Advertising Signs*	**Years Allowed Before Removal**
Under $1,999	2
$2,000 to $3,999	3
$4,000 to $5,999	4
$6,000 to $7,999	5
$8,000 to $9,999	6
$10,000 and over	7

Notes:

* Fair Market Value of outdoor advertising sign structures on the date of removal requirement.

(D~~E~~) Continuation of Existing Nonconforming Signs. Pursuant to PMC §17.11.080 (Continuation of Existing Nonconforming Uses), nonconforming outdoor advertising sign structures that lawfully existed prior to the effective date of this Chapter ~~pursuant to Ordinance No. 684 and/or Ordinance No. U-1060~~ shall be deemed to be continued pursuant to this Title, and in determination of the termination date established by this Title, shall be computed from the original date it became nonconforming pursuant to said Ordinance ~~No. 684 and/or Ordinance No. U-1060~~. Any sign that is not brought into conformance with the standards and requirements of this Chapter within that time shall be subject to abatement as a public nuisance.

17.88.150~~170~~ Variance and Minor Exceptions

Applicants may apply for a Variance or Minor Exception to the provisions of this Chapter pursuant to PMC Chapter 17.23 (Variances and Minor Exceptions), and shall have the burden of proving that the requested Variance or Minor Exception is in conformance with the required findings.

17.88.160~~180~~ Administration

(A) Duty to Enforce. The ~~Director~~ City Manager or his/her designee shall have the duty to enforce the provisions of this Title.

(B) Violations. It shall be unlawful for any person to violate any provision of this Chapter. It shall also be unlawful for a property owner, tenant, and a proprietor of a sign company to use, occupy, or maintain property in violation of this Chapter. Illegal signs and persons using, occupying, or maintaining property with an illegal sign shall be subject to enforcement procedures as described in the PMC, including but not limited to issuance of a citation, imposition of a fine, and/or arrest. Signs in violation of this Chapter may be summarily removed by the City Manager or his/her designee ~~Superintendent of Maintenance or his/her representative, or any Community Service or Code Enforcement Officer, or any other City employee authorized by the City Manager to remove such sign(s)~~. The sign owner shall be responsible for payment of a fee or fine in the ~~an~~ amount specified in the City's ~~fee resolution~~ Master Schedule of Fees and Penalties for each sign ~~so~~ removed. In cases where a duly authorized representative of the City has direct contact with the violator of these provisions, this person shall be responsible for the payment of the aforementioned fees or fines. A written notice of the removal shall be given to the sign owner stating that the sign may be reclaimed within 10 days and will be returned to the owner upon payment of the fee or fine specified herein, except that no such notice shall be required if the owner is not identified on the sign. In the event the sign is not reclaimed within the

time allowed to do so, the sign may be destroyed or otherwise disposed of by the City Manager or his/her designee ~~Superintendent of Maintenance~~. Unclaimed signs may be sold at a price determined by the City Manager and/or his/her designee ~~Superintendent of Maintenance~~.

(C) Ambiguity. Whenever ambiguity arises as to the interpretation of the provisions of this Title, the applicant for a sign permit may request that the Planning Commission make a determination as to the meaning and application of the ambiguous provisions.

(D) Discontinuance of a Business. Within 91 days of vacancy in the unit or building for which a commercial sign was placed or before a new business occupies the premises, it shall be the responsibility of the applicant or the applicant's authorized leasing agent to remove the message or copy of an abandoned sign and to patch and conceal any and all damage to the structure resulting from removal of the sign in a neat and professional manner. Legally existing abandoned cabinet signs shall be replaced with a blank panel.

(E) Removal of Illegal Signs on Public Property. The City Manager and/or his/her designee ~~Director~~ shall remove or cause to be removed any sign unlawfully placed or located on public property. The City Manager and/or his/her designee ~~Director~~ shall send notification in writing to the owner of such sign, if such owner is known, stating the location where his or her sign is being held and that it will be destroyed if not claimed by the owner within 10 days after the date of such notice. In the event that the owner does not claim such sign within the 10 day period, the City Manager and/or his/her designee ~~Director~~ may destroy or otherwise dispose of such sign. The owner of the sign shall reimburse the City for the actual costs of removing, storing, and destroying or otherwise disposing of the sign.

For purposes of this Section, there shall be a presumption that:

1. The real estate agent, broker, brokerage firm or other person whose name or telephone number appears on the handbill or sign is the person responsible for posting a handbill or sign advertising property for sale, lease or rent;

2. The candidate seeking office is the person responsible for posting a handbill or sign promoting the candidate for public office;

3. The owner, or lessee if the property is leased, of property used for a yard or garage sale is the person responsible for posting a handbill or sign advertising a yard or garage sale;

4. The person whose name, telephone number or address appears as the sponsor for a sporting event, concert, theatrical performance, or similar activity or

event is the person responsible for posting a handbill or sign advertising the subject activity or event; and,

5. The person whose name, telephone number, or address appears as the person to contact on any handbill or sign posted is the person responsible for posting the same. For purposes of this Section, the person presumed to be responsible for posting a handbill or sign on public or utility property may rebut such presumption by declaring under penalty of perjury or swearing under oath that the person did not cause, authorize, allow, or permit the posting of the handbill or sign on public or utility property.

(F) Abatement of Danger. When the City Manager and/or his/her designee ~~Director~~ determines a sign constitutes an imminent danger to the public safety, the City Manager and/or his/her designee ~~Director~~ may take appropriate action to abate the danger. Any sign removed to abate such a threat to the public safety shall become the property of the City and may be disposed of in any appropriate manner. The cost of such emergency abatement shall be charged against the owner of the sign and may be recovered by the City by an appropriate legal action or by assessment against the property, provided that the person assessed shall be granted a hearing before the Planning Commission to contest the amount or propriety of the charge if such person requests a hearing within 30 days of notice from the City. For the purposes of this Section, a sign shall be refutably presumed to be the property of the same person as described in Subsection (E) of this Section (Removal of Illegal Signs on Public Property).

(G) Entitlements Strictly Construed. Because the standards provided by this Chapter are established to protect and promote the public health, safety, and general welfare, any sign entitlement authorized herein shall be strictly construed to further the purposes of this Chapter.

SECTION 2. The Planning Commission hereby finds as follows with respect to the environmental document:

A The proposed Zoning Ordinance Amendment is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3), the Common Sense Exemption, because it can be seen with certainty that there is no possibility that adoption of the proposed amendments to the City's sign regulations will have a significant effect on the environment.

B The custodian of records for the environmental document and all other materials which constitute the record of proceedings upon which the Planning Commission's decision is based is the Planning Manager of the City of Palmdale. These documents are available for public review in the Planning Division of the City of Palmdale located at 38250 Sierra Highway, Palmdale, California 93550, telephone (661) 267-5200.

SECTION 3. Based upon substantial evidence presented to this Commission during the above-referenced October 8, 2026, public hearing, including public testimony, and written and oral staff report, this Commission specifically finds as follows:

A The proposed ZOA conforms with the goals, objectives, and policies of the General Plan.

B The proposed ZOA is necessary to implement the General Plan and to provide public safety, convenience and/or general welfare.

The proposed ZOA updates the City's sign regulations to establish clear and consistent standards that support orderly and attractive development, enhance community character, reduce visual clutter, and clarify enforcement procedures. The amendments also promote public safety and convenience by regulating the location, design, and illumination of signs to minimize impacts to motorists and pedestrians. Therefore, the proposed ZOA is consistent with and implements the goals, objectives, and policies of the General Plan and promotes public safety, convenience, and general welfare.

SECTION 4. Based on the findings and conclusions outlined in paragraphs 1, 2, and 3, this Commission recommends City Council approval of ZOA 26-0001 and finds that the amendment is exempt from environmental review.

SECTION 5. The Deputized Clerk shall certify the adoption of this Resolution.

PASSED, APPROVED, and **ADOPTED** this 8th day of October 2026.

Dean Henderson
Chair, Planning Commission

ATTEST:

Irlanda Ramirez, Deputized Clerk

I, Irlanda Ramirez, Deputized Clerk of Palmdale, California, do hereby certify that the foregoing Resolution was duly approved and adopted by the Planning Commission of the City of Palmdale at a regular meeting of said Commission held on the 8th day of October 2026, by the following roll call vote:

AYES: Chair Henderson, Vice Chair Elize, Commissioners Lujan, Olivarez, and Jones

NOES: None

ABSTAIN: None ABSENT: None

Date: 10/19/2026

Irlanda Ramirez, Deputized Clerk

City Council Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **ECONOMIC AND COMMUNITY DEVELOPMENT DEPARTMENT HOUSING DIVISION**

DISTRICT: **ALL**

SUBJECT: **PUBLIC HEARING TO RECEIVE COMMENTS ON THE DRAFT SUBSTANTIAL AMENDMENTS TO FY 2024-25 AND FY 2026-27 ANNUAL ACTION PLANS; AND ADOPT RESOLUTION NO. CC 2026-066 APPROVING AND AUTHORIZING SUBMITTAL OF THE AMENDMENTS TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)**

RECOMMENDATION

Staff recommend that the City Council:

1. Conduct a public hearing to receive public comments on the Draft Substantial Amendments to FY 2024-25 and FY 2026-27 Annual Action Plans;

2. Adopt Resolution No. CC 2026-066 approving the substantial amendments to HUD; and,

3. Authorize the City Manager or his designee to make changes as instructed by the City Council and submit the substantial amendments to HUD, in accordance with applicable HUD requirements.

BACKGROUND

As a federal entitlement community, the City receives annual Community Development Block Grant (CDBG) funds from HUD for eligible activities that primarily benefit low- and moderate-income residents. The City prepares an Annual Action Plan (AAP) identifying how these funds will be used each program year. Under sections 91.105 and 91.505 of Title 24 of the Code of Federal Regulations (24 CFR), the City must amend its AAP when funding priorities change, or a new activity is added. The City's Citizen Participation Plan defines canceling or adding a project, or reallocating more than $500,000, as a substantial amendment.

HUD also reviews the City's timely use of CDBG funds under 24 CFR 570.902. Reallocating available funds to active projects that can proceed before HUD's next timeliness test in May 2027 supports compliance and reduces the risk of corrective

action, including a potential reduction in future CDBG funding.

HUD Regulatory Compliance

In accordance with federal regulations and the City's Citizen Participation Plan, the Draft Substantial Amendments were made available for a 30-day public review and comment period. Notice was published in the Antelope Valley Press and on the City's website on October 29, 2026. Following the public hearing and consideration of all comments received, staff requests authorization to make any necessary revisions and submit the final amendments and required documentation to HUD.

DISCUSSION

The proposed Substantial Amendments will reallocate available CDBG resources to two active priorities: completion of the Rancho Vista Boulevard Sidewalk Gap Closure Project and completion of roof and HVAC repairs at Summerwood Apartments. These improvements can be funded entirely with existing federal CDBG resources and will not require a contribution from the City's General Fund.

Proposed FY 2024-25 AAP Reallocations – Rancho Vista Boulevard Sidewalk Gap Closure project

The Rancho Vista Boulevard Sidewalk Gap Closure Project will improve accessibility within the public right-of-way. Design adjustments, an expanded scope, and updated engineering estimates require additional funding. The Infrastructure/Affordable Housing activity did not advance to implementation, while work under the ADA Sidewalk Gap Closure and Ramps activity was completed under budget, leaving CDBG funds available for reallocation. In order to complete the Rancho Vista Boulevard Sidewalk Gap Closure Project, staff propose the following adjustments:

Plan Year	CDBG Activity	Available Balance / Current Allocation	Proposed Change	Revised Allocation
FY 2024-25	ADA Sidewalk Gap Closure and Ramps	$650,000	($220,000)	$430,000
FY 2024-25	Infrastructure/Affordable Housing	$452,187	($452,187)	$0
FY 2026-27	Rancho Vista Boulevard Sidewalk Gap Closure Project	$500,000	+$672,187	$1,172,187
	TOTAL REPROGRAMMED		**$672,187**	

Proposed FY 2026-27 AAP Reallocations – Housing Authority Multi-Family Rehab Program

Staff proposes to establish the Housing Authority Multi-Family Housing Rehab Program to address needed capital repairs at Housing Authority-owned multifamily properties. Initial improvements at Summerwood Apartments will include roof and heating ventilation and air conditioning (HVAC) repairs to help preserve the property, maintain safe and

reliable building systems, and support the continued availability of affordable housing for low- and moderate-income households.

The SAVES Public Facility Project required less CDBG funding than anticipated, leaving savings that are not needed to complete its approved scope. Additional prior-year CDBG funds also remain unprogrammed. Reallocating these available funds will allow the Summerwood repairs to move forward without reducing the SAVES project scope. As shown in the table below.

Plan Year	CDBG Activity	Available Balance / Current Allocation	Proposed Change	Revised Allocation
FY 2026-27	SAVES Public Facility Project – Cost Savings	$170,000	($170,000)	$0
Prior Year	Unprogrammed Prior-Year CDBG Funds	$680,154.40	($680,154.40)	$0
FY 2026-27	Housing Authority Multi-Family Housing Rehab Program – Summerwood Apartments	$0	+$850,154.40	$850,154.40
	TOTAL REPROGRAMMED		**$850,154.40**	

FISCAL IMPACT

$0; There is a net-zero fiscal impact. All funding is from CDBG revenues and existing prior-year balances. The total adjustment of $1,522,341.40 across both program years represents a net-zero impact, as it reallocates previously approved and unprogrammed federal grants into active projects.

STRATEGIC PLAN

Goal II: Ensure long-term fiscal health of the City and maintain funding for services.

A. Manage resources, costs, and liabilities to ensure the City's long-term fiscal health.

Prepared by: Megan Taggart, Director of Economic & Community Development
Certified as to availability of Funds: Janelle Samson, Deputy City Manager
Approved by: Salvador Mendez, City Manager
Approved as to form: Taylor Anderson, Deputy City Attorney

ATTACHMENTS

Reso. No. CC 2026-066

CITY COUNCIL
CITY OF PALMDALE, CALIFORNIA
RESOLUTION NO. CC 2026-066

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE, CALIFORNIA, APPROVING THE DRAFT FIRST SUBSTANTIAL AMENDMENTS TO THE FY 2024-25 AND FY 2026-27 ANNUAL ACTION PLANS AND AUTHORIZING SUBMITTAL TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WHEREAS, the City of Palmdale ("City") is a federal entitlement community that receives Community Development Block Grant ("CDBG") funds from the United States Department of Housing and Urban Development ("HUD") to support eligible activities that primarily benefit low- and moderate-income residents; and

WHEREAS, the City prepares an Annual Action Plan identifying the activities to be funded with its annual CDBG allocation, and the City Council adopted the FY 2024-25 Annual Action Plan on May 6, 2025, through Resolution No. CC 2025-035 and the FY 2026-27 Annual Action Plan on May 13, 2026, through Resolution No. CC 2026-027; and

WHEREAS, staff have identified unspent funds within the FY 2024-2025 and FY 2026-2027 program years, consisting of project cost savings, unprogrammed prior year balances, and a project recommended for cancellation, and desires to optimize grant performance by reallocating these resources to active capital improvement and housing rehabilitation needs; and

WHEREAS, reallocating available CDBG funds to activities positioned to proceed will support the City's efforts to meet HUD's CDBG expenditure timeliness requirements; and

WHEREAS, the City's Citizen Participation Plan requires a substantial amendment when an approved activity is cancelled, when a new project is identified, or when more than $500,000 is reallocated within a program year, thereby requiring a formal public notice, a public comment period, a public hearing, and City Council approval by resolution; and

WHEREAS, the Draft Substantial Amendments to the FY 2024-25 and FY 2026-27 Annual Action Plans are attached hereto as Exhibits A and B; and

WHEREAS, on October 29, 2026, the City published notice of the Draft Substantial Amendments in the Antelope Valley Press and on the City's website and made the Draft Substantial Amendments available for a 30-day public review and comment period through December 1, 2026; and

WHEREAS, on December 1, 2026, the City Council conducted a duly noticed public hearing and considered all public comments received regarding the Draft Substantial Amendments.

NOW THEREFORE, BE IT RESOLVED, THE CITY COUNCIL OF THE CITY OF PALMDALE DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

SECTION 1. The foregoing recitals are true and correct and are incorporated herein by this reference.

SECTION 2. As outlined in Exhibit A**,** the City Council approves the Substantial Amendment to the FY 2024-25 Annual Action Plan, substantially in the form presented to the City Council and on file with the City Clerk, to cancel the Infrastructure/Affordable Housing activity in the amount of $452,187 and utilize $220,000 in cost savings from the 3rd Street ADA Improvement project, and reprogram a total of $672,187 to the Rancho Vista Boulevard Sidewalk Gap Closure project, bringing its total consolidated allocation to $1,172,187.

SECTION 3. As outlined in Exhibit B, the City Council approves the Substantial Amendment to the FY 2026-27 Annual Action Plan, substantially in the form presented and on file with the City Clerk. The amendment establishes the $850,154.40 Housing Authority Multi-Family Housing Rehab Program to fund needed roof and HVAC repairs at Summerwood Apartments using $170,000 in SAVES Public Facility Project cost savings and $680,154.40 in unprogrammed prior-year CDBG funds.

SECTION 4. The City Manager, or his designee, is authorized to make any non-substantive or conforming revisions necessary to incorporate direction provided by the City Council or satisfy applicable HUD requirements, and to execute and submit all documents necessary to implement the Substantial Amendments.

SECTION 5. The City Manager, or his designee, is authorized and directed to perform all necessary administrative actions within HUD's Integrated Disbursement and Information System (IDIS) to adjust projects, enter funding allocations, and ensure data synchronization, and submit the final Substantial Amendments and required public participation documentation to HUD.

SECTION 6. The City Council finds that this Resolution is not a "project" within the meaning of the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) ("CEQA") because it involves government funding mechanisms and fiscal activities that do not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment, and is an organizational and administrative activity of government that will not result in direct or indirect physical changes in the environment (CEQA Guidelines § 15378(b)(4), (b)(5)). Additionally, the

Resolution is exempt under CEQA Guidelines § 15061(b)(3) because it can be seen with certainty that there is no possibility the action may have a significant effect on the environment. Each activity funded through the Substantial Amendments shall be subject to separate environmental review, as applicable, prior to implementation.

SECTION 7. The City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED, and ADOPTED by the City Council of the City of Palmdale at a regular meeting held on December 1, 2026.

_____
Eric Ohlsen, Mayor

APPROVED AS TO FORM:

_____
Aleks R. Giragosian
City Attorney

ATTEST:

_____
Rochelle Scott, City Clerk

I, Rochelle Scott, City Clerk of the City of Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the 1st day of December, 2026 by the following roll call vote:

AYES: _____

NOES:_____

ABSTAIN:_____ABSENT:_____

Date: _____ _____
Rochelle Scott, City Clerk

Exhibit A

2024-2025 Annual Action Plan
First Amendment – Substantial

Purpose of the Amendment

This shift in funding constitutes a substantial amendment under the jurisdiction's Citizen Participation Plan because it exceeds the monetary threshold for funding shifts. The primary reason for this substantial amendment is to reallocate unspent funding in the 2024-2025 Program Year. This amendment ensures that available federal resources are maximized to complete a high-priority community development need that requires immediate capital injection.

Summary of Reallocations

The following table illustrates the exact movement of funds. The expansion of the Rancho Vista Boulevard Sidewalk Gap Closure Project is fully funded by cancelling the placeholder 'Infrastructure/Affordable Housing' category ($452,187) and shifting $220,000 in cost savings from the 3rd Street ADA Improvement Project. Total Action Plan funding remains unchanged.

2024 CDBG Activities

Project Name	Original Allocation	Proposed Allocation
3rd Street ADA Improvement Project	$650,000	$430,000
Rancho Vista Blvd. Sidewalk Gap Closure Project	$500,000	$1,172,187
Infrastructure/Affordable Housing	$452,187	$0

Project Descriptions

A. Cancelled or Reduced Activities

Infrastructure/Affordable Housing: This activity was established as a generic placeholder category to reserve CDBG funds for future infrastructure opportunities. Because no specific, eligible project was formally identified under this category during the program year, the city is canceling this placeholder. Reallocating the full balance of $452,187.00 to an active, shovel-ready project directly optimizes expenditure efficiency and supports compliance with HUD timeliness requirements.

3rd Street ADA Improvement Project: This project successfully entered the construction and completion phases well under budget, with actual project costs totaling just under $430,000. Because the project generated $220,000 in total cost savings, the city is sweeping these available, unexpended balances to resolve the

budget deficit on the expanded Rancho Vista Blvd. corridor project.

B. **Expanded Rancho Vista Blvd. Sidewalk Gap Closure Project:** The original $500,000.00 allocation was an initial baseline estimate for general ADA improvement needs along the corridor. Subsequent final design and field engineering revealed substantial infrastructure gaps requiring expanded linear footage of sidewalk to achieve full safety and compliance. Shifting $452,187 from the unallocated placeholder category and $220,000 from the 3rd Street ADA sidewalk project savings allows the city to fully fund the revised $1,172,187 construction budget and proceed with the project.

Consolidated Plan Priority & Strategic Alignment

The Rancho Vista Sidewalk Gap Closure Project directly aligns with the High Priority Need for Public Infrastructure and Facility Improvements identified in both the 2020-2024 and 2025–2029 Consolidated Plans. Shifting these funds allows the City to address an urgent gap in infrastructure that directly impacts the safety, accessibility, and mobility of low- to moderate-income residents. The expanded scope remains strictly consistent with HUD Matrix Code 03L (Sidewalks), ensuring an eligible and compliant use of capital development funds.

Public Participation and Notification

In accordance with the City of Palmdale's Citizen Participation Plan:

- A public notice was published in the Antelope Valley Press on October 29, 2026.
- This document is available for public review online at https://www.cityofpalmdaleca.gov/302/CDBG---HOME-Grants and in person at the City Clerk's Office, 38300 Sierra Hwy, Suite C, Palmdale, CA 93550.
- A 30-day public comment period is open from October 29,2026 through December 1, 2026.
- A public hearing will be held on December 1,2026 at 5 p.m. at City Hall, 38300 Sierra Hwy, Suite C, Palmdale, CA 93550, to receive oral testimony.
- A summary of public comments received and the City's responses will be attached as Appendix A.

Exhibit B

2026-2027 Annual Action Plan
First Amendment – Substantial

Purpose of the Amendment

This action constitutes a substantial amendment under the City of Palmdale's Citizen Participation Plan because it adds a new project not previously approved in the Annual Action Plan. The primary reason for this substantial amendment is to allocate funding to a newly identified, high-priority community development need in the 2026–2027 Program Year. This amendment ensures that available federal resources are maximized to complete a project that requires immediate capital injection. Funding for this new project will be sourced from a combination of surplus project balances from an under-budget FY 2026–2027 activity and unspent, unprogrammed prior-year carryover funds.

Summary of Reallocations

The following table illustrates the exact movement of funds. To fund the Housing Authority Multi-Family Housing Rehab Project, the City will utilize a combination of current-year cost savings and previously unprogrammed prior-year federal resources as follows:

1. Program Year 2026-2027 Project Reallocation: The City will reallocate surplus funds from the FY 2026–2027 *SAVES Public Facility Improvements* project. The bids for this project came in significantly under budget, leaving a cost-savings balance of $170,000 that is no longer required to fulfill its original scope. The SAVES project budget will be reduced from $976,994 to $806,994.

2. Unprogrammed Prior-Year Carryover Funds ($680,154.40): The City will program unspent CDBG resources remaining from prior program years that were not previously identified or committed in the original FY 2026–2027 Annual Action Plan. These funds represent realized program income or unliquidated obligations from closed historic activities.

This budget modification increases the total programmed budget of the FY 2026–2027 Annual Action Plan by the amount of the prior-year carryover. There is zero negative impact on the City’s current-year General Fund or active project delivery schedules.

2026 CDBG Activities

Project /Funding Source	Original FY 2026-27 AAP	Amendment Change	Proposed FY 2026-27 AAP
NEW FUNDING SOURCE			
Prior-Year Unexpended Balances	$0	+$680,154.40	$680,154.40
PROGRAMMED ACTIVITIES			
SAVES Public Facility Improvements	$976,994.00	-$170,000	$806,994.00
Housing Authority Multi-Family Housing Rehab Program	$0	+$850,154.40	$850,154.40
Total for Amended Activities	**$976,994.00**	**+$680,154.40**	**$1,657,148.40**

Project Descriptions

A. Reduced Activity

SAVES Public Facility Improvements: The bids for the SAVES Public Facility Improvements project came in under budget. Consequently, the CDBG funding allocation is reduced by $170,000 to a final reconciled balance of $806,994. When completed, the City estimates that more than 9,000 unduplicated residents per year will benefit from the services provided at this facility.

B. New Activity

Housing Authority Multi-Family Housing Rehab Project: This project will fund capital rehabilitation, deferred maintenance repairs, and modernization upgrades for multi-unit apartment complexes owned by the Palmdale Housing Authority. The goal of this project is to preserve the structural integrity and longevity of the City's existing affordable rental housing stock. All assisted units will remain restricted to low- and moderate-income households at affordable rent levels. The Project will serve up to 291 low- and moderate-income households.

Consolidated Plan Priority & Strategic Alignment

The Housing Authority Multi-Family Housing Rehab Project directly aligns with Goal 1: Expand and Preserve Access to Affordable Housing of the City of Palmdale's FY 2025–2029 Consolidated Plan. The preservation of existing affordable rental housing stock is identified as a High Priority need within the jurisdiction. Market data compiled during the Consolidated Plan needs assessment highlights a severe cost burden among low- and moderate-income (LMI) renters in Palmdale, making the maintenance and retention of

current affordable assets structurally critical to preventing displacement and homelessness.

HUD Strategic Plan Alignment
This project advances federal and local strategic objectives by focusing resources on the physical sustainability of multifamily assets. Rather than allowing affordable housing infrastructure to deteriorate—which risks the loss of restricted units or escalates future displacement costs—this immediate capital injection ensures long-term portfolio stabilization. The activity directly fulfills the following strategic plan criteria:

- **Sustainability:** Improving the living conditions and structural longevity of multi-family rental complexes through the remediation of deferred maintenance and systems modernization.
- **Decent Affordable Housing:** Ensuring that Housing Authority-owned units remain safe, sanitary, and compliant with HUD Housing Quality Standards (HQS) or National Standards for the Physical Inspection of Real Estate (NSPIRE).

HUD National Objective Compliance

The project meets the HUD National Objective of Benefiting Low- and Moderate-Income Persons, specifically through the Low- and Moderate-Income Housing Benefit (LMH) criteria (24 CFR 570.208(a)(3)).

- **Income Targeting:** In accordance with federal guidelines for multi-unit structures, a minimum of 51% of the total units within the rehabilitated apartment complexes will be occupied by households whose incomes do not exceed 80% of the Area Median Income (AMI).
- **Affordability Maintenance:** All assisted units will maintain restricted rents under local Housing Authority covenants to ensure they remain affordable to LMI tenants for the duration of the regulatory compliance period.

Public Participation and Notification
In accordance with the City of Palmdale's Citizen Participation Plan:

- A public notice was published in the Antelope Valley Press on October 29, 2026.
- This document is available for public review online at https://www.cityofpalmdaleca.gov/302/CDBG---HOME-Grants and in person at the City Clerk's Office, 38300 Sierra Hwy, Suite C, Palmdale, CA 93550.

- A 30-day public comment period is open from October 29,2026 through December 1, 2026.
- A public hearing will be held on December 1,2026 at 5 p.m. at City Hall, 38300 Sierra Hwy, Suite C, Palmdale, CA 93550, to receive oral testimony.
- A summary of public comments received and the City's responses will be attached as Appendix A.

City Council Staff Report

DATE: **DECEMBER 1, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **ECONOMIC AND COMMUNITY DEVELOPMENT DEPARTMENT ECONOMIC DEVELOPMENT DIVISION**

DISTRICT: **1**

SUBJECT: **APPROVE PURCHASE AND SALE AGREEMENT WITH BELLDALE LLC TO ACQUIRE 26.19 ACRES OF REAL PROPERTY (APNS: 3009-026-004, 3009-026-011, AND 3009-026-012) LOCATED AT THE SOUTHEAST CORNER OF STATE ROUTE 14 AND PALMDALE BOULEVARD FOR $9,127,392**

RECOMMENDATION

Staff recommend that the City Council:

1. Approve Purchase and Sale Agreement No. A-10177 with Belldale LLC to acquire 26.19 acres of real property (APNS: 3009-026-004, 3009-026-011, and 3009-026-012) located at the southeast corner of State Route 14 and Palmdale Boulevard for $9,127,392;

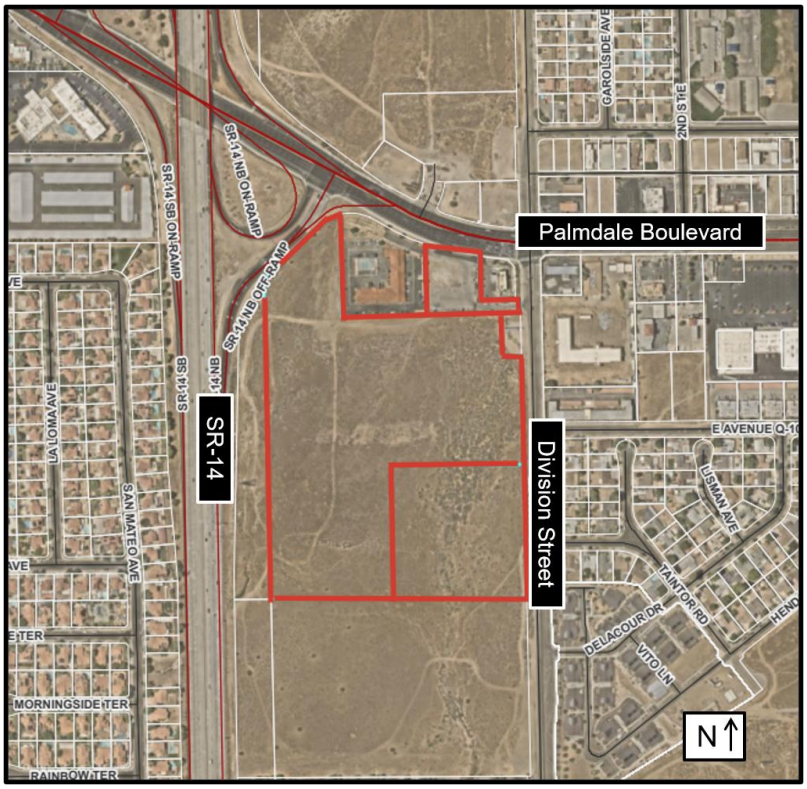
2. Appropriate funds in the amount of $9,653,800 from the General Fund unappropriated fund balance, which includes an agreement amount of $9,127,392 and $526,408 for broker fees and other ancillary costs; and,

3. Authorize the City Manager or his designee to execute the Agreement, including minimal and/or non-substantive changes, and associated documents pertaining to the real estate transaction.

BACKGROUND

Belldale LLC (Property Owner) is a privately held, family-owned real estate investment company with a multigenerational portfolio of commercial properties throughout Southern California. The Property Owner currently owns 26.19 acres of vacant land (Property) located at the southeast corner of State Route 14 (Antelope Valley Freeway) and Palmdale Boulevard, extending toward Division Street in the City of Palmdale. The property consists of Assessor's Parcel Numbers (APNS) 3009-026-004, 3009-026-011, and 3009-026-012.

FIGURE 1 – AERIAL MAP



The Property is situated along one of the City's primary transportation corridors, offering prominent freeway visibility and proximity to established commercial development. Its location along a major commercial corridor and substantial acreage distinguishes it as a significant site within the City's commercial landscape. The site is within the Regional Commercial (RC) General Plan land use designation and zone, which accommodates regional-serving retail and service uses, including restaurants, hotels, and indoor recreation and entertainment.

DISCUSSION

The City has an opportunity to acquire the Property within a highly visible and strategically significant area recognized as the gateway into Palmdale's Civic Center. The prominence of this location, coupled with its potential for future development, presents an opportunity for the City to attract new businesses and encourage private investment along a key commercial corridor.

The City is evaluating several potential uses for the Property, taking into consideration its location, surrounding development, and evolving community needs. Acquisition

would provide the City with the flexibility to further explore these opportunities and determine the most appropriate use of the site. The proposed acquisition is being undertaken pursuant to the City's general authority to acquire real property under California Government Code Section 37350.

The proposed Purchase and Sale Agreement with Belldale LLC establishes a purchase price of $9,127,392, based on independent appraisals of the Property's fair market value. The Agreement provides the City with a due diligence period to evaluate environmental conditions, title, and other matters associated with the acquisition prior to the close of escrow. The proposed acquisition excludes adjacent APNS: 3009-026-005, 3009-026-013, and 3009-026-014, which will remain under the ownership of Belldale LLC.

The Property is designated Regional Commercial (RC) in the Palmdale 2045 General Plan, which accommodates retail and service uses attracting consumers from a regional market area. Acquisition of the Property furthers the goals and policies of the General Plan, including Economic Development Policy ED-4.3 (increase opportunities for entertainment and/or shopping), Policy ED-6.2 (prioritize development that unlocks economic investment around the City), Policy ED-7.3 (expand the City's tax base), and Land Use and Community Design Goal LUD-11 (an activated and attractive Palmdale Boulevard). Any future use or development of the Property will be reviewed for consistency with the General Plan at that time.

FISCAL IMPACT

$9,653,800; plus the customary costs associated with completing the real estate transaction. It is proposed that the Council appropriate funds from the General Fund unappropriated fund balance for the purchase of the property.

STRATEGIC PLAN

Goal II: Ensure long-term fiscal health of the City and maintain funding for services.

A. Management resources, costs, and liabilities to ensure the City's long-term fiscal health.

Prepared by:	Megan Taggart, Director of Economic and Community Development
Certified as to availability of Funds:	Janelle Samson, Deputy City Manager
Approved by:	Salvador Mendez, City Manager
Approved as to form:	Taylor Anderson, Deputy City Attorney

ATTACHMENT

Agrmt No. A-10177 with Belldale LLC

AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS

This AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS (this "**Agreement**") is made and entered into as of this **2nd** day of December 2026 (the "**Effective Date**"), and constitutes an agreement by which Belldale LLC, a Delaware limited liability company ("**Seller**") agrees to sell to the City of Palmdale, a municipal corporation ("**City**"), and City agrees to purchase, on the terms and conditions hereinafter set forth, that certain real property defined and described in this Agreement as the Property.

The terms and conditions of this Agreement are as follows:

1. Property. Seller currently owns fee simple title to the approximately 26.19 acres of real property located in the City of Palmdale, County of Los Angeles and State of California and described in the "Legal Description of Property" attached hereto as Exhibit A and incorporated herein by this reference (the "Property"). For purposes of this Agreement, the Property shall include any improvements, pavement, areas improved with asphalt, concrete or similar materials, located in or on the Property (the "**Improvements**"), and all and singular estates, rights, privileges, easements and appurtenances owned by Seller and belonging or appertaining to the Property to the extent assignable.

2. Acquisition and Purchase Price.

   a. Purchase and Sale. The Seller shall sell to City, and City shall acquire from Seller, fee simple title to the Property upon the terms and conditions set forth in this Agreement.

   b. Purchase Price. The purchase price to be paid by City to Seller for the Property shall be Nine Million One Hundred and Twenty-Seven Thousand Three Hundred and Ninety-Two Dollars ($9,127,392.00) (the "Purchase Price").

The Seller and City acknowledge and agree that the Purchase Price is based on independent and impartial appraisals of the fair market value of the Property prepared by a qualified appraiser in accordance with California Government Code Sections 7267 et seq. **a**nd other applicable law and approved by the City, and that the Purchase Price is at least equal to such appraised fair market value of the Property and the amount established by the City as just compensation for the acquisition of the Property.

3. Payment of Purchase Price. The Purchase Price for the Property shall be payable by City as follows:

   a. Deposits. Within five (5) business days after the Effective Date, City shall deposit by wire transfer of immediately available federal funds a sum equal to one percent (1%) of the Purchase Price with Chicago Title Company (the "**Escrow Holder**") at its offices at 601 S. Figueroa St., Suite 2150, Los Angeles, CA 90017, Attention: Alexandria Singson (Telephone: (213) 612-4191, E-Mail: Alexandria.Singson@ctt.com) into an interest-bearing account (the "**Initial Deposit**"). If this Agreement has not been terminated prior to the expiration of the Due

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Diligence Period, then, within five (5) business days after the expiration of the Due Diligence Period, City shall deposit additional funds with the Escrow Holder such that the total amount deposited equals three percent (3%) of the Purchase Price (the "**Additional Deposit**"). The Initial Deposit and the Additional Deposit, together with all interest earned thereon, are collectively referred to herein as the "**Deposit**". If the Additional Deposit is not delivered within such period as required above, then Seller may terminate this Agreement at any time prior to delivery of the Additional Deposit to Escrow Holder by written notice to the City and Escrow Holder, in which event the Initial Deposit shall be immediately delivered to Seller as liquidated damages, and the obligations of the parties hereunder shall terminate and no party hereto shall have any further obligation in connection herewith except under those provisions that expressly survive a termination of this Agreement. The Initial Deposit and, if applicable, the Additional Deposit shall be delivered to the Escrow Holder by wire transfer of immediately available federal funds or by bank or cashier's check drawn on a national bank reasonably satisfactory to Escrow Holder. All interest earned on the Deposit shall accrue to and become a part of the Deposit. Prior to the expiration of the Due Diligence Period, the Deposit shall be fully refundable to City if City terminates this Agreement in accordance with its terms. From and after the expiration of the Due Diligence Period, the Deposit shall become nonrefundable except in the event of (i) a default by Seller, or (ii) a failure of any condition to closing set forth in Paragraph 7 for the City's benefit that is not waived by the City. If Escrow closes under this Agreement, the Deposit shall be credited to the City against the Purchase Price.

b. Closing Funds. Within two (2) business days prior to the scheduled Closing Date, City shall deposit or cause to be deposited with Escrow Holder by confirmed wire transfer of immediately available funds, the remaining amount of the Purchase Price. City shall also deposit all closing costs required to close the transactions contemplated herein, within two (2) days business days of the scheduled Closing Date in accordance with Paragraphs 11 and 23.f below and a settlement statement of all such charges, fees and expenses approved in writing by City and Seller.

4. Escrow.

a. Opening of Escrow. For purposes of this Agreement, the Escrow for the acquisition of the Property by the City under this Agreement shall be deemed opened on the date Escrow Holder shall have received an executed counterpart of this Agreement from both City and Seller and the Initial Deposit from City (the "**Opening Date**"). Escrow Holder shall notify City and Seller, in writing, of the Opening Date and the "Closing Date," as defined in paragraph 4.b, below. In addition, City and Seller agree to execute, deliver, and be bound by any reasonable or customary supplemental escrow instructions of Escrow Holder, or other instruments as may reasonably be required by Escrow Holder, to consummate the transaction contemplated by this Agreement. Any such supplemental instructions shall not conflict with, amend, or supersede any portion of this Agreement. If there is any inconsistency between such supplemental instructions and this Agreement, then this Agreement shall control.

b. Closing Date (Close of Escrow). For purposes of this Agreement, the close of escrow for the acquisition of the Property by the City under this Agreement shall be referred to as the Closing Date and shall be the date on which the Grant Deed conveying the Property to City

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is recorded in the Official Records of Los Angeles County, California. The Closing Date of Escrow shall occur on or before sixty (60) days after the expiration of the Due Diligence Period, unless otherwise extended in writing by the parties.

c. Due Diligence Period. City shall have until 5:00 pm PT on the date that is sixty (60) days after the Effective Date (the "**Due Diligence Period**") to inspect the Property and the "Due Diligence Materials" as defined below; provided, however, that if City's environmental consultant recommends in writing an ASTM Phase II Environmental Site Assessment or similar analysis ("**Phase II Analysis**"), City may conduct such analysis without Seller's consent, provided City complies with Paragraph 7.a(4), delivers a detailed testing scope and schedule to Seller at least five (5) business days before testing, and limits testing to reasonably necessary sampling by qualified professionals. City shall prevent contamination migration, promptly remove testing waste and restore disturbed areas. Remediation, permanent monitoring wells and testing beyond the disclosed scope require Seller's prior written consent. These limitations shall control over any broader inspection rights under Paragraph 7.a(4). City may extend the Due Diligence Period once by up to sixty (60) days reasonably necessary to complete the Phase II report, upon written notice to Seller and Escrow Holder before the initial period expires, supported by the consultant's completion schedule and the City Manager's written determination of necessity. Notwithstanding the foregoing, City shall have the right, in its sole discretion, to extend the Due Diligence Period for one (1) additional period of thirty (30) days by delivering written notice of such extension to Seller and Escrow Holder prior to the expiration of the initial Due Diligence Period, together with an additional deposit in the amount of Ten Thousand Dollars ($10,000.00) (the "**Extension Deposit**"). The Extension Deposit shall be nonrefundable in any event and shall be immediately released to Seller upon receipt by Escrow Holder. If Escrow closes under this Agreement, the Extension Deposit shall be credited to the City against the Purchase Price. In the event City finds the Property unsatisfactory for any reason, City, at its sole discretion, shall notify Seller and Escrow Holder in writing prior to expiration of the Due Diligence Period (as the same may be extended pursuant to this paragraph), and thereafter, this Agreement shall be terminated and City and Seller shall have no obligation to each other (except under those provisions that expressly survive a termination of this Agreement) and City shall be entitled to the immediate return of the Initial Deposit (but not the Extension Deposit, if applicable). In the event of a cancellation of Escrow, City and Seller shall each bear one-half of any Escrow cancellation fees.

5. Conditions of Title. Within five days after the Effective Date, City shall request that Chicago Title Company ("**Title Company**") promptly deliver a preliminary title report or commitment for title insurance from Title Company (the "**Preliminary Title Report**") covering the Property. It shall be a condition to the close of escrow and a covenant of Seller, that Seller convey good and marketable fee simple title to the Property by the Grant Deed, subject in all events to the Approved Condition of Title, and that, at the Closing, Title Company shall have irrevocably committed to issue the Title Policy (as defined below) at the Closing, subject only to the following conditions of title (the "**Approved Condition of Title**"):

a. Real estate taxes and assessments not yet delinquent.

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b. The printed exceptions, if any, which appear in the form ALTA standard Owner's Policy of Title Insurance issued by Title Company in the State of California.

c. Matters resulting from the acts of City or its consultants, employees, agents or representatives.

d. Matters created by or approved with the written consent of City.

e. Any matter which would be disclosed by an accurate survey of the Property (other than New Title Matters, which will be addressed pursuant to the paragraph below).

f. The exceptions which are disclosed in the Preliminary Title Report Order Number FBSC2606325, dated November 17, 2026, at 07:30 AM, prepared by Chicago Title, a copy of which is attached to this Agreement as Exhibit B.

g. Any New Title Matter approved by the City pursuant to the last paragraph of this Section 5 below.

Notwithstanding anything contained in this Agreement to the contrary, fee title to the Property shall be conveyed from Seller to City free and clear of any easement, liens, mortgages, deeds of trust, right of way and/or any other right whatsoever in Seller or any third party or any rights of any kind to access or use the Property, except for the Approved Conditions of Title.

Seller covenants and agrees that, during the term of this Escrow, Seller shall not cause or consent to the creation of any lien, encumbrance, easement, restriction, condition, covenant or other matter affecting the title to the Property that would materially differ from the Approved Condition of Title described in this Paragraph 5.

Notwithstanding the foregoing, if at any time after the expiration of the Due Diligence Period and prior to the Closing Date, City becomes aware of any lien, encumbrance, easement, restriction, condition, covenant, right, right-of-way, or other matter affecting title to the Property that (i) was not disclosed in the Preliminary Title Report or otherwise known to City prior to the expiration of the Due Diligence Period and (ii) would materially and adversely affect the Property (each, a "**New Title Matter**"), City shall promptly deliver written notice thereof to Seller, specifying the New Title Matter in reasonable detail. Seller shall have ten (10) business days after receipt of such notice (the "**Title Cure Period**") to elect, by written notice to City, either to (a) cure or remove the New Title Matter to City's reasonable satisfaction, or (b) decline to cure such New Title Matter. If Seller elects (or is deemed to have elected by failing to respond within the Title Cure Period) not to cure the New Title Matter, or if Seller elects to cure but fails to do so within the Title Cure Period, then City may, in its sole discretion, by written notice delivered to Seller and Escrow Holder within five (5) business days after the expiration of the Title Cure Period, elect to either (x) waive its objection to the New Title Matter and proceed to Closing, in which case the New Title Matter shall be deemed added to the Approved Condition of Title, or (y)

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terminate this Agreement, in which event the Deposit shall be immediately returned to City and neither party shall have any further obligations hereunder except under those provisions that expressly survive a termination of this Agreement. If the exercise of City's rights under this paragraph would cause the Closing Date to occur after the date otherwise required hereunder, the Closing Date shall be automatically extended for such period as is reasonably necessary to permit the procedures set forth in this paragraph to be completed, but in no event more than thirty (30) days.

6. Title Policy. Title shall be evidenced by the willingness of the Title Company to issue its ALTA Policy of Title Insurance for the benefit of the City (the "**Title Policy**"), in the amount of the Purchase Price showing fee title and possession to the Property vested in City subject only to the Approved Condition of Title, together with such endorsements as the City may reasonably require; provided however that any such additional endorsements required by City shall be paid for by City and the issuance of such endorsements will not be a condition to Closing.

7. Conditions to Close of Escrow.

a. Conditions to City's Obligations. The close of escrow and City's obligation to consummate the transaction contemplated by this Agreement are subject to the satisfaction or written waiver of the following conditions for City's sole benefit on or prior to the dates designated below for the satisfaction of such conditions:

(1) Due Diligence Materials/Title. Within five (5) days of the Opening Date, Seller will deliver to City the following items: (i) a copy of the most recent tax bill relating to the Property; (ii) any and all environmental reports relating to the Property within the possession of the Seller; and (iii) copies of any and all material documents that pertain to the physical and/or economic condition of the Property within the possession of the Seller. All such documents described above are collectively referred to herein as the "**Due Diligence Materials**."

(2) Review and Approval of Documents and Materials. Prior to the expiration of the Due Diligence Period, City shall have the right to review and approve or disapprove, in its sole and absolute discretion, any and all environmental reports, soils inspection, conditions of title, zoning, surveys, all physical inspections of the Property, Due Diligence Materials, and all other reports or inspections as City may deem necessary or appropriate in connection with this Agreement. Any failure of City to give disapproval of the Due Diligence Materials on or before the expiration of the Due Diligence Period shall constitute City's disapproval of all Due Diligence Materials.

(3) Representations, Warranties, and Covenants of Seller. Seller shall have duly performed each and every material agreement to be performed by Seller hereunder and Seller's representations, warranties, and covenants set forth in Paragraph 14 shall be true and correct in all material respects as of the Closing Date.

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(4) Inspections and Studies. Prior to the expiration of the Due Diligence Period, City shall have approved (or disapproved, if appropriate) the results of any and all inspections, investigations, tests and studies (including, without limitation, investigations with regard to zoning, building codes and other governmental regulations, architectural inspections, engineering tests, economic feasibility studies and soils, seismic and geologic reports) with respect to the Property (including all structural and mechanical systems and leased areas) as City may elect to make or obtain. The failure of City to approve or disapprove the results on or prior to the expiration of the Due Diligence Period shall constitute City's disapproval of the results. The cost of any such inspections, tests and studies shall be borne by City. During the term of this Escrow, City, its agents, contractors and subcontractors shall have the right to enter upon the Property, at reasonable times and upon no less than 24-hour prior notice to Seller during ordinary business hours, to make any and all inspections and tests as may be necessary or desirable in City's sole judgment and discretion; provided, however, that City shall not conduct or permit any invasive testing (including, without limitation, a Phase II environmental site assessment) without compliance with the insurance, indemnity and other requirements for site entry and testing set forth in this Paragraph 7.a(4) and 4(c). City shall at all times conduct its due diligence reviews, inspections and examinations (and shall cause its consultants' and other third parties' reviews, inspections and examinations performed for or at the request of City to be conducted) in a manner so as to not cause liability, damage, lien, loss, cost or expense (other than normal and customary costs or expenses incurred by Seller in facilitating City's due diligence investigations in accordance with the terms of this Agreement) to Seller or the Property. City shall maintain, or cause its contractors and agents to maintain, commercial general liability insurance in the amount of not less than Two Million Dollars ($2,000,000) per occurrence and Five Million Dollars ($5,000,000) in the aggregate, naming Seller as an additional insured, prior to entering the Property for any inspections or tests. City shall not permit any liens to be filed against the Property as a result of City's inspections or tests and shall promptly discharge or bond over any such lien that is filed. Upon completion of its inspections, City shall promptly restore the Property to substantially the same condition as existed prior to such inspections. City shall indemnify, defend (with counsel reasonably acceptable to Seller) and hold Seller, its members, partners, employees, managers, officers, directors, shareholders, fiduciaries, attorneys, licensees, contractors, agents, brokers, invitees, tenants and the Property harmless from and against any and all claims, liabilities, losses, damages, costs and expenses (including reasonable attorneys' fees and court costs) arising out of or resulting from the entry upon or inspection of the Property by City or its agents, contractors, subcontractors, consultants or representatives, except to the extent caused by the gross negligence or willful misconduct of Seller or Seller's agents. The foregoing indemnity shall survive the close of escrow or any earlier termination of this Agreement. Upon any termination of this Agreement for any reason, City must, within five (5) business days after such termination, deliver to Seller, at no cost to Seller, copies of all third-party reports, studies, inspections, investigations, tests and surveys relating to the Property obtained by or prepared for City. Any such

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materials received after termination shall be delivered to Seller within five (5) business days after receipt. Such materials are delivered without any representation or warranty by City. Notwithstanding anything to the contrary in this Agreement, the obligations under this paragraph shall survive termination of this Agreement.

(5) Title Policy. Title Company shall be committed to provide to City, subject only to payment of the premium therefor by Seller, the ALTA Title Policy insuring that fee title to the Property is vested in City subject only to the Approved Conditions of Title that were approved (or waived) by City as provided in Paragraph 5 hereof (the "**Title Policy**"). Seller shall have satisfied (or shall satisfy at the Closing Date from the Purchase Price) all Monetary Encumbrances. It is understood that City may request a number of endorsements to the Title Policy. City shall satisfy itself prior to the expiration of the Title Review Period whether Title Company will be willing to issue such endorsements at Closing and the issuance of such endorsements shall not be a condition to Closing.

(6) Possession. Full, sole, vacant and exclusive possession of the Property, subject to no tenancies, leasehold interests, or similar interests, but subject to the Approved Conditions of Title.

b. Conditions Precedents to Seller's Obligation. For the benefit of Seller, the close of escrow shall be conditioned upon the occurrence and satisfaction of each of the following conditions (or Seller's waiver thereof, it being agreed Seller may waive any or all of such conditions):

(1) City's Obligations. City shall have timely performed all of the obligations required by the terms of this Agreement to be performed by City.

(2) City's Representations. All representations and warranties made by City to Seller in this Agreement shall be true and correct in all material respects as of the Closing Date.

8. Exclusion of Parcel APN 3009-026-005; Grant of Easement.

a. Exclusion of Parcel 005. The parties acknowledge that Assessor's Parcel Number 3009-026-005 ("**Parcel 005**") is currently part of the same legal description of record as the Property, together with Assessor's Parcel Numbers 3009-026-004, 3009-026-011 and 3009-026-012, and has not been separately legally described. Notwithstanding anything to the contrary in this Agreement, Parcel 005 is excluded from the Property and shall not be sold, conveyed, or transferred to City under this Agreement. City shall, at its sole cost and expense, cause its licensed surveyor retained by City with the reasonable approval of Seller ("**City's Surveyor**") to prepare and deliver to City, Seller and Title Company, prior to the expiration of the Due Diligence Period, (i) a revised legal description of the Property that excludes Parcel 005 in its entirety, and (ii) a separate legal description of Parcel 005, in each case suitable for use in the Grant Deed and for recording purposes. Upon City's, Seller's and Title Company's reasonable approval of such revised legal descriptions, Exhibit A to this Agreement shall be deemed amended and restated to

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reflect the legal description of the Property excluding Parcel 005, and the Grant Deed shall convey only the Property as so described.

b. Easement for Benefit of Parcels 005; 013 and 014. The parties acknowledge that, following the conveyance of the Property (excluding Parcel 005) to City, Parcel 005 will no longer have access to a public street or right-of-way independent of the Property and will be landlocked. Additionally, Parcel 005 as well as Assessor's Parcel Numbers 3009-026-013 ("**Parcel 013**") and 3009-026-014 ("**Parcel 014**") currently use the driveways currently constructed on Parcel 3009-026-004 ("**Parcel 004**") for ingress and egress. Accordingly, at the Closing, City shall grant, or cause to be granted, to Seller (as the owner of Parcel 005, Parcel 013 and Parcel 014 and for the benefit of Parcel 005, Parcel 013 and Parcel 014 and its successors and assigns) a commercially reasonable non-exclusive easement for ingress, egress, access, and installation, maintenance, repair, and replacement of utilities, over, under, and across the existing roadways located on Parcel 004 as well as the northerly edge of Assessor's Parcel Number 3009-026-012, or in such other location as reasonably approved by City and Seller, for the benefit of and appurtenant to Parcel 005, Parcel 013 and Parcel 014 (the "**Easement**") as prepared by City's Surveyor in coordination with Seller and City prior to the expiration of the Due Diligence Period. The Easement shall provide for the reasonable relocation of such Easement from time to time as reasonably determined by City to accommodate the future use and development of the Property by the City and its successors and assigns, provided that such relocation is at no cost or expense to Seller or its successors and assigns and does not materially alter the use and access rights of Seller or its successors and assigns. The Easement shall be granted by a recordable easement agreement or grant of easement, on commercially reasonable terms and in a form reasonably acceptable to Seller and City, to be executed by City and deposited into Escrow at least one (1) business day prior to the Closing Date, for recordation concurrently with, and immediately following, the Grant Deed. The Easement shall run with the land, be appurtenant to and benefit Parcel 005, and be binding upon and inure to the benefit of the successors and assigns of City and Seller.

c. Right of First Offer. Seller (as the owner of Parcel 005, and for the benefit of the City and its successors and assigns) shall grant to City and its successors and assigns (as the owner of the Property), a Right of First Offer for a term of twenty-five (25) years from the Closing Date, under which (i) Seller shall not during such term sell, convey, transfer, or otherwise dispose of all or any portion of or any interest in Parcel 005 (the "Parcel 005 Transfer") until it shall first have offered Parcel 005 or such portion or interest to City with a minimum of forty-five (45) days written notice to City of such proposed Parcel 005 Transfer (the "Notice") stating (i) Seller's bona fide intention to sell, transfer or otherwise dispose of all or any portion of or any interest in Parcel 005, (ii) the portion or interest proposed to be sold, transferred or otherwise disposed of (the "Offered Interest"), and (iii) the offering price and all other material terms for which Seller proposes to sell, transfer, or otherwise dispose of the Offered Interest; within forty-five (45) days after receipt of the Notice, City or its assignee may accept Seller's offer by delivering to Seller a writing agreeing to purchase the Offered Interest on the terms offered by Seller; and if City accepts Seller's offer to sell the Offered Interest, the parties shall consummate such purchase within sixty (60) days of City's written acceptance in accordance therewith. The Right of First Offer shall be granted by a recordable document, on commercially reasonable terms and in a form consistent with the provisions of this Paragraph 8.c, to be executed by Seller and City and deposited into Escrow on or prior to the Closing Date, for recordation concurrently with, and immediately

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following, the Grant Deed. The Right of First Offer shall run with the land, be appurtenant to the Property and burden Parcel 005, and be binding upon and inure to the benefit of the successors and assigns of City and Seller.

9. Deposits by Seller. At least one (1) business day prior to the Closing Date, Seller shall deposit or cause to be deposited with Escrow Holder the following documents and instruments:

a. Seller's Certificate. A Certificate of Nonforeign Status (Seller's Certificate), duly executed by Seller.

b. Grant Deed. The Grant Deed conveying fee simple title to the Property to City in the condition required by this Agreement, duly executed by Seller, acknowledged and in recordable form, and in a form first reasonably approved in writing by City; and Seller's notarized signature of the Right of First Offer required by Paragraph 8.c above.

10. Deposits by City. City shall deposit, or cause to be deposited with Escrow Holder, (i) the funds which are to be applied toward the payment of the Purchase Price in the amounts and at the times designated in Paragraph 3 above, (ii) a certificate of acceptance for the Grant Deed and the Right of First Offer (iii) the Easement required by Paragraph 8.b above executed by the City in recordable form, in each case executed and acknowledged by City, and (iv) such other documents reasonably requested by Escrow Holder or Title Company in connection with the closing of the transactions contemplated by this Agreement.

11. Costs and Expenses. The Title Policy coverage and the cost of any endorsements to the Title Policy, the escrow fee of Escrow Holder, all documentary transfer taxes, if any, payable in connection with the recordation of the Grant Deed, and Escrow Holder's customary charges to City and Seller for document drafting, recording, and miscellaneous charges, shall be paid by City. City shall pay any amounts attributable to broker's fees payable pursuant to Paragraph 23(f) of this Agreement. Notwithstanding the foregoing, each party shall be responsible for their respective legal fees and costs in connection with this transaction.

12. Prorations. Escrow Holder is instructed to comply with the following tax adjustment procedure:

a. Pay and charge Seller for any unpaid delinquent taxes and/or penalties and interest thereon, and for any delinquent or non-delinquent assessments or bonds against the Property.

b. Any taxes which have been paid by Seller, prior to Opening Date, shall be prorated between City and Seller as of the Closing pursuant to subparagraph c of this Paragraph 12, and to the extent necessary to effectuate this provision, Seller shall have the right, after the Closing Date, to apply to the Los Angeles County Tax Collector for refund. This refund would apply to the period after City's acquisition, pursuant to Revenue & Taxation Code Section 5096.7.

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c. In addition to the foregoing, all non-delinquent real property taxes and assessments, utility charges, and any other expenses of operating and maintaining the Property that are customarily prorated in similar transactions in Los Angeles County, California, shall be prorated between Seller and City as of 12:01 a.m. on the Closing Date, with Seller responsible for the period prior to the Closing Date and City responsible for the period from and after the Closing Date. Such prorations shall be based on the actual number of days in the applicable billing period. To the extent actual figures are not available at the close of escrow, prorations shall be based on the best available estimates.

13. Disbursements and Other Actions by Escrow Holder. Upon the close of escrow, the Escrow holder shall promptly undertake all of the following in the manner indicated:

a. Prorations. Prorate all matters referenced herein for proration, based upon the statement delivered into Escrow signed by the parties.

b. Recording. Cause the Grant Deed and any other documents required by this Agreement or which the parties hereto may mutually direct, to be recorded in the Official Records of Los Angeles County, California.

c. Funds. Apply the Deposit toward the Purchase Price, disburse City's remaining funds to pay the balance of the Purchase Price and all other amounts chargeable to City under this Agreement, and return any excess funds to City.

d. Documents to City. Deliver the Seller's Certificate, the Grant Deed, the Bill of Sale, executed by Seller, and, when issued, the Title Policy to City.

e. Document to Seller. Deliver the Easement, executed by City, to Seller.

f. Document to Both Parties. Deliver the Right of First Offer, executed by Seller and City, to Seller and City.

g. Pay demands of existing lienholders. Pay all demands of lienholders with valid claims as of the Closing Date.

14. Seller's Representations and Warranties. In consideration of City entering into this Agreement, and as an inducement to City to purchase the Property, Seller makes the following representations and warranties, each of which is material and is being relied upon by City (and the continued truth and accuracy of which shall constitute a condition precedent to City's obligations hereunder):

a. Authorization. This Agreement has been duly and validly authorized, executed and delivered by Seller, and no other action is required or necessary for the execution and delivery of this Agreement to Escrow or the Escrow Holder by Seller, and will not as of the Closing Date violate any provisions of any agreement or judicial order to which Seller is a party or to which it is subject.

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b. Threatened Actions. There are no actions, suits or proceedings pending against, or, to the best of Seller's knowledge, threatened or affecting the Property in law or equity.

c. Third Party Consents. No consents or waivers of, or by, any third party are required or necessary to permit the consummation by Seller of the transactions contemplated pursuant to this Agreement.

d. No Violation of Law. Seller has not received written notice of a material violation of law or governmental regulation (including environmental law or regulation) from any governmental agency with respect to the Property which has not been cured.

e. Condemnation. There are no pending, or, to the best of Seller's knowledge, threatened proceedings in eminent domain or otherwise, which would affect the Property or any portion thereof.

f. Compliance with Law. To the best of Seller's knowledge, all material laws, ordinances, rules, and requirements and regulations of every governmental agency, body, or subdivision thereof bearing on the Property have been complied with by Seller in all material respects.

g. Agreements. To the best of Seller's knowledge, there are no agreements (whether oral or written) affecting or relating to the right of any party with respect to possession and/or fee title of the Property in any material respect, or any portion thereof, which are obligations which will affect the Property, or any portion thereof, subsequent to the recordation of the Grant Deed, except as may be reflected in the Approved Condition of Title.

h. Documents. To the best of Seller's knowledge, all Due Diligence Materials delivered to City pursuant to this Agreement are true and complete in all material respects.

i. Occupancy Agreements. There are no leases, subleases, occupancies or tenancies in effect pertaining to the Property. Moreover, Seller has no knowledge of any oral agreements with anyone, including any tenants and/or other third parties, with respect to the occupancy of the Property.

j. Hazardous Materials. To the best of Seller's knowledge, there are no Hazardous Materials on, in or under the Property in violation of any applicable law and/or that would require clean up under any applicable law in each case that would have a material adverse effect on the Property. For purposes of this Agreement, the term "Hazardous Materials" means any substance, material or waste which is regulated as hazardous/contaminating or potentially hazardous/contaminating by the United States government, the State of California, or any local or other governmental authority, including, without limitation, any material, substance or waste which is (i) defined as a "hazardous waste," "acutely hazardous waste," "restricted hazardous waste," or "extremely hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code; (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code; (iii) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the

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California Health and Safety Code; (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code; (v) petroleum; (vi) asbestos; (vii) lead; (viii) a polychlorinated biphenyl; (ix) listed under Article 9 or defined as "hazardous" or "extremely hazardous" pursuant to Article 11 of Title 22 of the California Code of Regulations, Chapter 20; (x) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act (33 U.S.C. Section 1317); (xi) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act (42 U.S.C. Section 6903); (xii) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601); (xiii) any other substance, whether in the form of a solid, liquid, gas or any other form whatsoever, with respect to which any governmental regulations or requirements provide for special handling in its use, transportation, generation, collection, storage, treatment or disposal; (xiv) any substance, product, waste, or other material of any nature whatsoever which may give rise to liability under any of the above statutes or under any statutory or common law theory based on negligence, trespass, intentional tort, nuisance or strict liability or under any reported decisions of a state or federal court; (xv) petroleum or crude oil other than petroleum and petroleum products which are contained within regularly operated motor vehicles; and (xvi) asbestos.

For purposes of this Agreement, "Seller's knowledge," "to the best of Seller's knowledge," and words of similar import mean only the actual knowledge of Lisa Quateman, without any duty of inquiry or investigation, and shall not include constructive or imputed knowledge. No knowledge of any other person shall be imputed to Seller or such individual. Such individual is designated solely for the purpose of defining the scope of Seller's knowledge and shall have no personal liability under this Agreement or in connection with any representation or warranty made by Seller.

Seller's representations and warranties made in this Paragraph 14 shall be continuing and shall be true and correct as of the Closing Date with the same force and effect as if remade by Seller in a separate certificate at that time. The truth and accuracy of Seller's representations and warranties made herein shall survive and shall not merge into, the close of escrow and the recording of the Grant Deed in the Official Records of the Los Angeles County Recorder's Office for a period of 18 months; provided, however, that any claim for breach of any such representation or warranty made during such period, and the representation or warranty to which such claim relates, shall survive until such claim is finally resolved.

15. City's Representations and Warranties. In consideration of Seller entering into this Agreement, and as an inducement to Seller to sell the Property to City, City makes the following representations and warranties, the continued truth and accuracy of which shall constitute a condition precedent to Seller's obligations hereunder:

a. This Agreement and all documents executed by City under this Agreement which are to be delivered to Seller are, or at the time of the Closing Date will be, duly authorized, executed, and delivered by City, and are, or at the close of escrow will be legal, valid, and binding obligations of City, and will not as of the Closing Date violate any provisions of any agreement or judicial order to which City is a party or to which it is subject.

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b. No consents or waivers of, or by, any third party are required or necessary to permit the consummation by City of the transactions contemplated pursuant to this Agreement.

The representations and warranties of City set forth in this Agreement shall be true on and as of the Closing Date as if those representations and warranties were made on and as of such time. The truth and accuracy of City's representations and warranties made herein shall survive and shall not merge into, the close of escrow and the recording of the Grant Deed in the Official Records of the Los Angeles County Recorder's Office.

16. Limitation of Liability.

a. Notwithstanding anything to the contrary contained herein, the direct and indirect shareholders, partners, members, trustees, officers, directors, employees, agents and security holders of the parties are not assuming any, and shall have no, personal liability for any obligations of the parties hereto under this Agreement. Notwithstanding anything stated to the contrary contained herein, in no event shall any party be liable under this Agreement for any consequential, exemplary, special or punitive damages.

b. Notwithstanding anything to the contrary contained herein, if the Closing of the transactions hereunder shall have occurred, Seller shall have no liability to City (and City shall make no claim against Seller) for a breach of any representation or warranty or any other covenant, agreement or obligation of Seller, or for indemnification, under this Agreement or any closing document executed by Seller in connection with this Agreement, unless (a) the valid claims for all such breaches and indemnifications collectively aggregate to more than $12,500 (in which case City shall be entitled to recover all amounts below such "floor"), and (b) the liability of Seller under this Agreement and such documents shall not exceed, in the aggregate, an amount equal to two percent (2%) of the Purchase Price.

c. The limitations of liability contained in this Section are in addition to, and not in limitation of, any limitation on liability provided elsewhere in this Agreement or by laws or by any other contract, agreement or instrument.

17. As-Is Sale; Release.

a. City acknowledges and agrees that, except as expressly set forth in this Agreement, including without limitation Section 5 hereof, and without limiting the representations and warranties of Seller under Paragraph 14.j of this Agreement, Seller has not made, does not make, and specifically disclaims any representations, warranties, promises, covenants, agreements, or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present, or future, of, as to, concerning, or with respect to (i) the nature, quality, or condition of the Property, including, without limitation, the water, soil, and geology, (ii) the suitability of the Property for any and all activities and uses which City may conduct thereon, (iii) the compliance of or by the Property or its operation with any laws, rules, ordinances, or regulations of any applicable governmental authority or body, (iv) the habitability, merchantability, marketability, profitability, or fitness for a particular purpose of the Property, (v) the manner, quality, state of repair, or lack of repair of the Property, (vi) the presence or absence of Hazardous Materials at, on, under, or adjacent to the Property, or (vii) any other matter with respect to the Property. Without limiting the generality of the foregoing, except as expressly set

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forth in this Agreement, and without limiting the representations and warranties of Seller under Paragraph 14.j of this Agreement, Seller makes no representation or warranty as to the truth, accuracy, or completeness of any materials, data, or other information (including, without limitation, the Due Diligence Materials) delivered or made available to City or its representatives in connection with the transaction contemplated by this Agreement. City acknowledges that any such materials, data, and information delivered or made available by Seller or Seller's agents or representatives are provided to City solely as a convenience and that any reliance on or use of such materials, data, or information by City shall be at City's sole risk. City further acknowledges and agrees that, having been given the opportunity to inspect the Property during the Due Diligence Period, City is relying solely on its own investigation of the Property and not on any information provided or to be provided by Seller, except as expressly set forth in this Agreement and without limiting the representations and warranties of Seller under Paragraph 14 of this Agreement.

b. City further acknowledges and agrees that, without limiting the representations and warranties of Seller under Paragraph 14 of this Agreement, (i) the sale of the Property as provided for herein is made on an "AS IS, WHERE IS, WITH ALL FAULTS" basis and (ii) Seller has no obligation to make repairs, replacements, or improvements to the Property, except as may be expressly set forth in this Agreement.

c. Except as expressly set forth in this Agreement and the closing documents (including, without limitation, the Easement, and Right of First Offer), upon the Closing, given the as-is nature of the transaction, each party shall be deemed to have waived, relinquished, and released the other party (and such party's officers, directors, shareholders, members, managers, employees, agents, attorneys, representatives, and affiliates) from and against any and all claims, demands, causes of action (including, without limitation, causes of action in tort), losses, damages, liabilities, costs, and expenses (including reasonable attorneys' fees and court costs) of any and every kind or character, known or unknown, which such party might have asserted or alleged against the other party (or such party's officers, directors, shareholders, members, managers, employees, agents, attorneys, representatives, and affiliates) at any time by reason of or arising out of the physical or environmental condition of the Property and any latent or patent defects or deficiencies in the Property. Each party acknowledges that it is familiar with the provisions of California Civil Code Section 1542, which provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

Each party, having been advised by its attorneys as to the meaning and import of said provision and having been advised of the right afforded to such party thereunder, does hereby knowingly and voluntarily waive the provisions of said Section 1542 of the California Civil Code and all similar provisions or rules of law. The provisions of this Paragraph 17 shall survive the close of escrow and shall not be deemed to be merged into the Grant Deed.

City's Initials: _____

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18. Default; Remedies.

a. Default by City. IN THE EVENT THE CLOSE OF ESCROW AND THE CONSUMMATION OF THE TRANSACTION HEREIN CONTEMPLATED DO NOT OCCUR BY REASON OF ANY DEFAULT BY CITY UNDER THIS AGREEMENT, SELLER SHALL BE ENTITLED, AS SELLER'S SOLE AND EXCLUSIVE REMEDY, TO TERMINATE THIS AGREEMENT AND RETAIN THE DEPOSIT AS LIQUIDATED DAMAGES (AND NOT AS A PENALTY), IT BEING AGREED BETWEEN THE PARTIES THAT THE ACTUAL DAMAGES TO SELLER IN THE EVENT OF SUCH DEFAULT ARE IMPRACTICABLE TO ASCERTAIN AND THAT THE AMOUNT OF THE DEPOSIT REPRESENTS THE PARTIES' REASONABLE ESTIMATE OF SUCH DAMAGES. THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER. SELLER SHALL NOT BE ENTITLED TO SPECIFIC PERFORMANCE OR ANY OTHER REMEDY, WHETHER AT LAW OR IN EQUITY, IN THE EVENT OF A DEFAULT BY CITY. THE PARTIES ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE PROVISIONS OF THIS PARAGRAPH AND BY THEIR INITIALS IMMEDIATELY BELOW AGREE TO BE BOUND BY ITS TERMS.

Lisa Greer Quateman
Nov 25, 2026, 5:00 PM PST

Seller's Initials: _____ City's Initials: _____

b. Default by Seller. In the event the close of escrow and the consummation of the transaction herein contemplated do not occur by reason of any default by Seller under this Agreement, City shall be entitled, as City's sole and exclusive remedy, to either (i) terminate this Agreement, in which event the Deposit (including the Extension Deposit, if applicable) shall be immediately returned to City, together with reimbursement by Seller of all of City's reasonable third-party out-of-pocket costs actually incurred in pursuit of the transaction contemplated by this Agreement, in an amount not to exceed One Hundred Fifty Thousand Dollars ($150,000.00) (the "**Pursuit Costs**"), or (ii) pursue an action for specific performance of this Agreement; provided, however, that any action for specific performance must be filed within forty-five (45) days after the scheduled Closing Date. In no event shall City be entitled to pursue damages against Seller for any default by Seller hereunder, and City hereby waives any right to seek or recover damages from Seller (except for City's right to the return of the Deposit and reimbursement of Pursuit Costs as set forth in clause (i) above).

c. Limitation of Liability. Notwithstanding anything stated to the contrary contained herein, in no event shall any party be liable under this Agreement for any consequential, exemplary, special or punitive damages. The limitations of liability contained in this Paragraph are in addition to, and not in limitation of, any limitation on liability provided elsewhere in this Agreement or by laws or by any other contract, agreement or instrument.

19. Compliance With Acquisition Procedures. City and Seller acknowledge and agree that City has complied with all acquisition procedures required by applicable law, including without limitation California Government Code Sections 7267 through 7267.7, inclusive, and that this Agreement incorporates and constitutes the good faith offer contemplated by applicable law

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and has been entered into following and on the basis of good faith negotiations as required by applicable law.

20. Damage or Condemnation Prior to Closing Date. Seller shall promptly notify City of any knowledge by Seller of casualty to the Property or any condemnation proceeding commenced prior to the close of escrow. If any such damage or proceeding relates to, or may result in, the loss of any material portion of the Property, Seller or City may, at their option, elect either to:

a. Terminate this Agreement, in which event all funds deposited into Escrow by City shall be returned to City and neither party shall have any further rights or obligations hereunder to the other, or

b. Continue the Agreement in effect, in which event upon the close of escrow City shall be entitled to any compensation, awards, or other payments or relief resulting from such casualty or condemnation proceeding.

21. Notices. All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered, sent by registered or certified mail, postage prepaid, return receipt requested, sent by nationally recognized overnight courier service, or sent by email, and shall be deemed received upon the earlier of (a) if personally delivered, the date of delivery to the address of the person to receive such notice, (b) if mailed, four (4) business days after the date of posting by the United States post office, (c) if sent by overnight courier, one (1) business day after deposit with the courier service, or (d) if sent by email, on the date sent if sent during the recipient's normal business hours, or on the next business day if sent after normal business hours:

If to City:

City of Palmdale
38300 North Sierra Highway
Palmdale, California 93550
Attention: Salvador Mendez
Email: smendez@cityofpalmdaleca.gov

With a copy to:

City Attorney's Office
City of Palmdale
38300 North Sierra Highway
Palmdale, California 93550
Attention: Aleks R. Giragosian
Email: agiragosian@chwlaw.us

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And a copy to:

Kane Ballmer & Berkman
515 S. Figueroa Ave., Suite 780
Los Angeles, California 90071
Attention: Murray Kane
Email: mkane@kbblaw.com

If to Seller:

Belldale LLC
2355 Westwood Blvd., Suite 417
Los Angeles, CA 90064
Attention: Lisa Greer Quateman
Email: lquateman@quateman.com

With a copy to:

Sheppard Mullin
350 South Grand Ave., 40th Floor
Los Angeles, CA 90071-3460
Attention: Timothy Reimers & Edward Musharbash
Email: TReimers@sheppard.com
EMusharbash@sheppard.com

Notice of change of address shall be given by written notice in the manner detailed in this paragraph. Rejection or other refusal to accept, or the inability to deliver because of changed address of which no notice was given, shall be deemed to constitute receipt of the notice, demand, request, or communication sent.

22. Legal Fees. In the event either party brings any action or suit against the other party hereunder by reason of any breach of any of the covenants or agreements, or any inaccuracies in or violation of any of the representations and warranties on the part of the other party arising out of this Agreement, then the prevailing party in such action or dispute, whether by final judgment or out of court settlement, shall be entitled to have and recover, of and from the other party, all costs and expenses of suit, including reasonable attorney's fees.

23. Miscellaneous.

a. Survival of Covenants. The covenants, representations and warranties of both City and Seller set forth in this Agreement shall survive the recordation of the Grant Deed and the Closing Date subject to the terms of the last paragraph of Section 14 this Agreement.

b. Required Actions of City and Seller. City and Seller agree to execute such instruments and documents and to diligently undertake such actions as may be required in order to

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consummate the purchase and sale herein contemplated and shall use their best efforts to accomplish the close of escrow in accordance with the provisions hereof.

c. Time of Essence. Time is of the essence of each and every term, condition, obligation, and provision hereof.

d. Counterparts; Electronic Signatures. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument. Counterparts may be delivered by electronic transmission (including by email or through an electronic signature platform such as DocuSign), and any counterpart so delivered shall be deemed to have been duly and validly delivered and shall be valid and effective for all purposes. Each party agrees that the electronic signatures appearing on any such counterpart shall be treated in all respects as having the same force and effect as an original signature.

e. Captions. Any captions to, or headings of, the paragraphs or subparagraphs of this Agreement are solely for the convenience of the parties hereto, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

f. Broker. Seller hereby represents and warrants that it has not engaged any broker, agent, or representative in connection with the sale of the Property or any portion thereof except for CBRE (the "**Seller's Broker**"). Moreover, Seller hereby agrees to indemnify and hold City harmless from any claims, demands or liabilities (including court costs and reasonable attorneys' fees) for and claims for any commissions asserted by any broker, agent or representative (other than Seller's Broker) claiming to have been engaged by Seller in connection with the sale of the Property or any portion thereof. City hereby represents and warrants that it has not engaged any broker, agent, or representative in connection with the sale of the Property or any portion thereof except for Frazier Capital ("City's Broker"). The City agrees that it shall be fully and solely responsible for real estate brokerage fees, commissions, related contractual obligations or any other related costs payable to Seller's Broker (which the parties acknowledge and agree pursuant to that certain letter agreement by and between Seller's Broker and Seller, dated as of April 5, 2021, as amended, is in the amount of 5% of the Purchase Price specified in Section 2.b of this Agreement, which 5% Seller's Broker must share evenly with City's Broker) and any and all broker, agent or representative engaged by City in connection with this Agreement and/or the sale of the Property or any portion thereof (collectively the "**Brokerage Fees**"). Moreover, City hereby agrees to indemnify and hold Seller harmless from any claims, demands or liabilities (including court costs and reasonable attorneys' fees) for the Brokerage Fees of any kind asserted by Seller's Broker and any broker, agent or representative claiming to have been engaged by City in connection with the sale of the Property or any portion thereof.

g. No Obligations to Third Parties. Except as otherwise expressly provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, nor obligate any of the parties hereto, to any person or entity other than the parties hereto.

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h. Exhibits and Schedules. The exhibit(s) attached hereto are hereby incorporated herein by this reference.

i. Amendment to this Agreement. The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

j. Waiver. The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

k. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

l. Fees and Other Expenses. Except as otherwise provided herein, each of the parties shall pay its own fees and expenses in connection with this Agreement.

m. Entire Agreement. This Agreement supersedes any prior agreements, negotiations, and communications, oral or written, and contains the entire agreement between City and Seller as to the subject matter hereof. No subsequent agreement, representation, or promise made by either party hereto, or by or to an employee, officer, agent or representative of either party shall be of any effect unless it is in writing and executed by the party to be bound thereby.

n. Successors and Assigns. City shall not assign this Agreement or any rights or obligations hereunder without the prior written consent of Seller, which consent shall not be unreasonably withheld, conditioned, or delayed; provided, however, that City may assign this Agreement and its rights and obligations hereunder to an instrumentality of City without Seller's consent, provided that City delivers to Seller, at least five (5) business days prior to the Closing Date, written notice of the assignment together with a commercially reasonable assignment and assumption agreement executed by City and the assignee, pursuant to which the assignee expressly assumes all of City's obligations under this Agreement. No assignment, including any assignment to an instrumentality of City, shall release City from any of its obligations under this Agreement, and City shall remain fully liable for the performance of all such obligations unless Seller expressly agrees to such release in writing. Any purported assignment in violation of this Section shall be null and void and of no force or effect. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto.

o. Severability. In the event that any provision of this Agreement or the application thereof becomes or is declared by a court of competent jurisdiction to be illegal, void or unenforceable, the remainder of this Agreement will continue in full force and effect and the application of such provision to other persons or circumstances will be interpreted so as reasonably to effect the intent of the parties hereto. The parties further agree to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of such void or unenforceable provision.

24. Indemnification of Escrow Holder.

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a. If this Agreement or any matter relating hereto shall become the subject of any litigation or controversy, City and Seller agree, jointly and severally, to hold Escrow Holder free and harmless from any loss or expense, including attorney's fees, that may be suffered by it by reason thereof except for losses or expenses as may arise from Escrow Holder's negligent or willful misconduct. If conflicting demands are made or notices served upon Escrow Holder with respect to this Agreement, the parties expressly agree that Escrow Holder shall be entitled to file a suit in interpleader and obtain an order from the court requiring the parties to interplead and litigate their several claims and rights among themselves. Upon the filing of the action in interpleader, Escrow Holder shall be fully released and discharged from any obligations imposed upon it by this Agreement, and

b. Escrow Holder shall not be liable for the sufficiency or correctness as to form, manner, execution, or validity of any instrument deposited with it, nor as to the identity, authority or rights of any person executing such instrument, nor for failure of City or Seller to comply with any of the provisions of any agreement, contract or other instrument filed with Escrow Holder, or referred to herein. Escrow Holder's duties hereunder shall be limited to the safekeeping of all monies, instruments, or other documents received by it as Escrow Holder, and for their disposition in accordance with the terms of this Agreement.

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

"City"

CITY OF PALMDALE, a municipal corporation

Dated: _____

By: _____
Salvador Mendez
City Manager

Megan Taggart
Nov 25, 2026, 4:55 PM PST

ATTEST:

CITY CLERK

By:_____
Rochelle Scott
City Clerk

APPROVED AS TO FORM:

Aleks Giragosian, City Attorney

By: _____
Nov 25, 2026, 4:53 PM PST
Taylor Anderson
Deputy City Attorney

APPROVED AS TO FORM:

KANE, BALLMER & BERKMAN
City Special Counsel

Murray Kane
By: _____
Nov 25, 2026, 4:52 PM PST
Murray O. Kane
Of Counsel

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"Seller"

BELLDALE LLC,
a Delaware limited liability company

By: its Manager, Voyager Advisors LLC

Lisa Greer Quateman
Nov 25, 2026, 5:00 PM PST

By: _____
Name: Lisa Quateman
Title: Manager

ACCEPTANCE BY ESCROW HOLDER:

I, Chicago Title Company hereby acknowledge that _____ has received a fully executed counterpart of the foregoing Agreement of Purchase and Sale and Joint Escrow Instructions and agrees to act as Escrow Holder thereunder and to be bound by and perform the terms thereof as such terms apply to Escrow.

Dated: _____

By: _____
Name: _____
Its: _____

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EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF PALMDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

[LEGAL DESCRIPTION TO BE PROVIDED BY CITY'S SURVEYOR AFTER THE EFFECTIVE DATE AND PRIOR TO THE EXPIRATION OF THE DUE DILIGENCE PERIOD]

ASSESSOR'S PARCEL NUMBERS: 3009-026-004, 3009-026-011, AND 3009-026-012

EXHIBIT B

TITLE REPORT

(*Note*, the attached Title Report included parcels 3009-026-005, 3009-026-013 which parcels are not subject to this transaction)

Record of Signing

For mkane@kbblaw.com
Name Murray Kane
Title



Signed on Nov 25, 2026 4:52 PM PST

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DocumentID: 03540QNawW16B1grJ4uB8R
SigningID: 03540QNaSISXS38YP9ajPU
UTC Signing time: 2026-11-26 00:52:13 UTC
IP Address: 98.152.129.110
Email: mkane@kbblaw.com

For City of Palmdale
Name Taylor Anderson
Title Deputy City Attorney



Signed on Nov 25, 2026 4:53 PM PST

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DocumentID: 03540QNawW16B1grJ4uB8R
SigningID: 03540SskfaOAoWduSnlV7R
UTC Signing time: 2026-11-26 00:53:51 UTC
IP Address: 20.237.142.185
Email: tanderson@chwlaw.us

For City of Palmdale
Name Megan Taggart
Title



Signed on Nov 25, 2026 4:55 PM PST

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DocumentID: 03540QNawW16B1grJ4uB8R
SigningID: 03540VORRUeHNgd4RAYZ0o
UTC Signing time: 2026-11-26 00:55:30 UTC
IP Address: 45.62.177.244
Email: mtaggart@cityofpalmdaleca.gov

For Lisa Greer Quateman
Name Lisa Greer Quateman
Title lquateman@quateman.com



Signed on Nov 25, 2026 5:00 PM PST

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DocumentID: 03540QNawW16B1grJ4uB8R
SigningID: 03540d0Amz3gQ4BwacL40y
UTC Signing time: 2026-11-26 01:00:30 UTC
IP Address: 104.173.139.32
Email: lquateman@quateman.com

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