PALMDALE

a place to call home

CITY COUNCIL MEETING
SUCCESSOR AGENCY
CITY COUNCIL CHAMBERS
38300 SIERRA HIGHWAY
SUITE B
PALMDALE, CA 93550
TUESDAY, OCTOBER 5, 2021
5:00 PM CC
7:00 PM CC/SA
www.cityofpalmdale.org

WELCOME

In accordance with the current guidance from the California Department of Public Health and the County of Los Angeles Department of Public Health, the Council Chamber is open for in-person public comment and seating. Masks are required to be worn by all persons in attendance. It is recommended that all citizens practice social distancing to the extent possible while in attendance. Councilmembers may choose to participate via conference call.

How to observe the meeting virtually:

1. Spectrum local access Channel 27
2. Online live webcast at www.cityofpalmdale.org.

How to Submit Public Comments:

VERBAL PUBLIC COMMENT DURING THE MEETING – (ZOOM Number: US: +1 669 900 9128 Webinar ID: 829 3548 2206 Passcode: 959732 Webinar attendee link https://us06web.zoom.us/j/82935482206?pwd=S3NVMnIxS3NTaDFnL29BM0UvT2RQZz09. Verbal comments must be limited to 3 minutes. Public comments submitted will become part of the official meeting record.

The safety and well-being of employees and the public remains the City's top priority. The

City of Palmdale appreciates your patience and understanding during these challenging times.

The City Council is making every effort to follow the spirit and intent of the Brown Act and other applicable laws regulating the conduct of public meetings in order to maximize transparency and public access.

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 72 hours prior to the meeting.

If you require oral Spanish translation, please contact the City Clerk's Office at (661) 267-5151 at least 72 hours prior to the meeting.

"Your courtesy is requested to help our meetings run smoothly. If you'll be kind enough to follow these simple rules, we can make the best possible use of your time and ours:

- Please refrain from public displays or outbursts, such as unsolicited applause, comments, cheering, foul language or obscenities.
- Any disruptive activities that substantially interfere with the ability of the City Council to carry out its meeting will not be permitted and offenders will be asked to leave the meeting.
- Please turn off/mute your cell phones and mobile devices.

1. **5:00 P.M.**

2. **MAYOR TO CALL MEETINGS TO ORDER**

3. **ROLL CALL**
   MAYOR/CHAIR HOFBAUER, MAYOR PRO TEM/VICE CHAIR BETTENCOURT, COUNCILMEMBERS/DIRECTORS CARRILLO, LOA, BISHOP

4. **PUBLIC COMMENTS**
   Now is the time for public participation for any person wishing to speak to the City Council on matters listed or not listed on the agenda, within the jurisdiction of the City Council. If you are attending the meeting by phone, please press *9 to "raise your hand." If attending by personal computer, please click the "raise your hand" button. Press *6 to un-mute yourself, state your name and begin speaking. PLEASE NOTE: A three-minute limit is imposed on each speaker.

5. **PRESENTATION BY CITY ATTORNEY**

5.1 PUBLIC EMPLOYEE PERFORMANCE EVALUATION (ANNUAL EVALUATION)

Title: City Attorney
Name: Christopher Beck

This closed session is being held pursuant to the the authority of California Government Code Section 54957.

5.2 CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: One case.

A point has been reached where, in the opinion of the City on advice of the City Attorney, based on existing facts and circumstances, there is a significant exposure to litigation against the City. The City believes that if the facts and circumstances that might result in litigation against the City are not yet know to a potential plaintiff or plaintiffs.

5.3 CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

CV Communities, et al. v. Antelope Valley-East Kern Water Agency, et al.
Los Angeles County Superior Court Case No. 20STCV10953

This closed session is being held pursuant to the authority of California Government Code Sections 54956.9(d)(1).

5.4 CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: One case.

A point has been reached where, in the opinion of the City on the advice of the City Attorney, based on existing facts and circumstances, there is a significant exposure to litigation against the City. The City believes that the facts and circumstances that might result in litigation against the City are not yet known to a potential plaintiff or plaintiffs.

5.5 CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: Number of cases – One.

5.6 CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

Special District Risk Management Authority v. City of Palmdale, et al.
Sacramento County Superior Court
Case No. 34-2020-00280343

This closed session is being held pursuant to the authority of California Government Code Sections 54956.9(a) and 54956.9(d)(1).

5.7 CONFERENCE WITH LABOR NEGOTIATORS
City Representatives: City Attorney
Unrepresented Employee: City Manager

The City Council will confer with the City Attorney in connection with possible changes to contract terms and compensation (including fringe benefits) in the existing Employment Agreement between the City and the City Manager. This Closed Session is being held pursuant to the authority of California Government Code Section 54957.6

6. **ANNOUNCEMENT BY CITY ATTORNEY**

7. **ADJOURN CLOSED SESSION MEETING**

8. **7:00 P.M.**

9. **PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE IN HONOR OF OUR TROOPS**

10. **PRESENTATIONS**

10.1 Presentation of Proclamations by Mayor and Council designating October as National Domestic Violence, National Crime Prevention, and Bullying Prevention Awareness Month in the City of Palmdale.

10.2 Presentation of a Proclamation by Mayor and Council declaring Breast Cancer Awareness Month in the City of Palmdale.

10.3 Presentation of a Proclamation by Mayor and Council declaring Dyslexia Awareness Month in the City of Palmdale.

10.4 Presentation of a Proclamation by Mayor and Council declaring Cybersecurity Prevention Month in the City of Palmdale.

10.5 Presentation of a cute critter available for adoption at the Palmdale Animal Care Center.

11. **WAIVER OF FULL READING OF RESOLUTION(S) and ORDINANCE(S)**
Staff Recommendation: Move to waive full reading of the Resolution (s) and/or Ordinance(s) to be considered and voted on at this meeting. (Voice Vote - Requires a majority to waive.)

12. **PUBLIC COMMENTS**
Now is the time for public participation for any person wishing to speak to the City Council on matters listed or not listed on the agenda, within the jurisdiction of the City Council. If you are attending the meeting by phone, please press *9 to "raise your hand." If attending by personal computer, please click the "raise your hand" button. Press *6 to un-mute yourself, state your name and begin speaking. PLEASE NOTE: A three-minute limit is imposed on each speaker.

13. **CONSENT CALENDAR**
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 Calendar and will be considered separately following this portion of the Agenda.

13.1 Receive and File the Monthly Investment Activity Reports for August 2021. (Staff Reference: Finance Manager Kang)

13.2 Adopt Resolution No. CC 2021-100, 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. (Staff Reference: Finance Manager Kang)

13.3 Adopt Resolution No. SA 2021-006, a Resolution of the Successor Agency to the Community Redevelopment Agency of the City of Palmdale designating, by title and name, those officials who are authorized to sign checks and warrants, and repealing Resolution No. SA 2020-007. (Staff Reference: Finance Manager Kang)

13.4 Approve Agreement with Granicus, Inc. to continue providing Government

Transparency Services for 3-years, in the amount of $170,367.00. (Staff Reference: City Clerk Smith)

13.5 Adopt Resolution No. CC 2021-101, a Resolution of the City Council of the City of Palmdale amending the Classification and Pay Plan for General positions. (Staff Reference: Human Resources Manager Nevarez)

13.6 Approve Agreement with Phoenix Group Information Systems for Citation Processing and Payment Services for a term of 5 years with the amount not to exceed $600,000 and authorize the City Manager or his designee to execute all necessary documents. (Staff Reference: Director of Neighborhood Services Miller - Presented by Community Compliance Specialist Villa)

13.7 Approve Agreement with G4S Secure Integration, LLC. in association for the performance of a Citywide security assessment, in the amount of $183,921. (Staff Reference: Information Technology Manager Thompson)

13.8 Approve Consultant Services Agreement with Schneider Electric in the amount of $95,000, for a term of one (1) year with an option to extend an additional year, in association with energy service contractor services for the City's proposed energy efficiency projects. (Staff Reference: Director of Public Works Heffernan - Presented by Deputy Director of Public Works Glidden)

13.9 Approve Amendment No. 4 for PN 722, Avenue R ITS Signal Synchronization Project with Transportation & Energy Solutions, Inc. in the amount of $16,270. (Staff Reference: Director of Public Works Heffernan - Presented by Deputy Director of Public Works Glidden)

13.10 Notice of Completion - Accept Public Improvements for the ARCO AM/PM Gas Station located at the southwest corner of 10th Street West and Avenue N. (Staff Reference: Director of Public Works Heffernan)

13.11 Notice of Completion - Accept Public Improvements for Tract 53221 located at the southeast corner of 40th Street East and Avenue R. (Staff Reference: Director of Public Works Heffernan)

13.12 Approve Final Parcel Map No. 82361 located at the southwest corner of Avenue Q and Corporate Court. (Staff Reference: Director of Public Works Heffernan)

13.13 Approve Supplemental Agreement No. 2 with Manhole Adjusting, Inc. in association with PN 806, 2021 Local Streets Cape Seal Project, in the amount of

$1,046,773. (Staff Reference: Director of Public Works Heffernan - Presented by Deputy Director of Public Works Glidden)

13.14 Approve the minutes from the previous meetings. (Staff Reference: City Clerk/Agency Secretary Smith)

CC - August 26, 2021 (6:00 p.m.)
CC - September 7, 2021 (5:00 p.m. & 7:00 p.m.)
SA - September 7, 2021 (7:00 p.m.)

14. PUBLIC HEARING

14.1 Public Hearing and Review of Proposed Resolution No. CC 2021-096 for adoption. (Staff Reference: Director of Economic & Community Development Garibay - Presented by Economic Development Coordinator Gonzalez)

Resolution No. CC 2021-096, a Resolution of the City Council of the City of Palmdale declaring results of majority protest proceedings and establishing the Palmdale Tourism Improvement District.

14.2 Approve Purchase and Sale Agreement with Covington Investments, LLC for the sale of 96 acres of City owned land located at the southeast corner of Sierra Highway and Avenue M. (Staff Reference: Director of Economic and Community Development Garibay - Presented by Management Analyst II Schuler)

14.3 Public Hearing and Review of Proposed Ordinance No. 1570 for adoption. (Staff Reference: City Attorney Beck)

ORDINANCE NO. 1570, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PALMDALE AMENDING THE PALMDALE MUNICIPAL CODE SECTION 2.04.100 REGARDING PROCEDURE FOR REMOVAL OF THE CITY MANAGER.

Staff Recommendation: Adopt Ordinance No. 1570 Amending the Palmdale Municipal Code Section 2.04.100 regarding removal of the City Manager.

15. INFORMATIONAL REPORT FROM MAYOR AND / OR COUNCILMEMBERS ON THEIR VARIOUS COMMITTEE MEMBERSHIPS AND MEETINGS ATTENDED AT PUBLIC EXPENSE

15.1 COMMITTEE MEMBERSHIPS.

- ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
- ANTELOPE VALLEY TRANSIT AUTHORITY
- CALIFORNIA CONTRACT CITIES ASSOCIATION
- CITY OF PALMDALE AUDIT COMMITTEE
- CITY OF PALMDALE INVESTMENT OVERSIGHT COMMITTEE
- HIGH DESERT CORRIDOR JOINT POWERS AUTHORITY
- LEAGUE OF CALIFORNIA CITIES
- LOS ANGELES COUNTY SANITATION DISTRICT
- NORTH LOS ANGELES COUNTY TRANSPORTATION COALITION
- PALMDALE RECYCLED WATER AUTHORITY
- SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS REGIONAL COUNCIL
- UNITED STATES/MEXICO SISTER CITIES ASSOCIATION
- CALIFORNIA STATE PRISON – LOS ANGELES COUNTY, CITIZENS ADVISORY COMMITTEE

15.2 MEETINGS ATTENDED AT PUBLIC EXPENSE

16. **CITY MANAGER'S REPORT**

17. **CITY COUNCIL REQUESTS FOR NEW AGENDA ITEMS**

18. **Adjourn** meeting to October 20, 2021 at 7:00 p.m. in the City Hall Council Chamber located at 38300 Sierra Highway, Suite B, Palmdale, California.

City Council Staff Report

DATE: **OCTOBER 5, 2021**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **CITY MANAGER'S OFFICE – FINANCE DIVISION**

DISTRICT: **ALL**

SUBJECT: **RECEIVE AND FILE THE MONTHLY INVESTMENT ACTIVITY REPORTS FOR AUGUST 2021.**

ISSUE

Receive and file the monthly investment activity reports for August 2021.

RECOMMENDATION

Staff recommends that the City Council accept the monthly investment activity reports for City of Palmdale and Successor Agency for August 2021.

BACKGROUND

Pursuant to Section 16 of the City of Palmdale and Successor Agency Investment Policy, the City Treasurer shall prepare and present monthly and quarterly reports on investments to the City Manager/Executive Director and the City Council/Directors. The reports shall detail the type of investment, name of the issuer, purchase date, date of maturity, amount of deposit, and rate of interest. This information shall be provided for all City and Successor Agency pooled investments, as well as for Certificates of Participation, Revenue Bonds, Tax Allocation Bonds, Assessment Districts and Community Facilities District accounts which are managed by outside Fiscal Agents.

The monthly and quarterly reports provide a synopsis of the investment activity for the City of Palmdale and Successor Agency. The reports provide information on assets, allocations, average maturities, yields, and book valuations.

The interest rates presented are the most current rates available as of the date of this report.

The market values presented for pooled City and Successor Agency investments are based on closing prices for the related investment as of the date of this report. This information was obtained from the Wall Street Journal, Bloomberg Financial Markets, Capital Market Finances, or other reliable source of market prices.

DISCUSSION

Compliance with Investment Policy

For August, the invested portfolio amount for the City of Palmdale totaled $218,330,347, a decrease of $17,862,406 from the previous month and $34,259,866 increase in comparison to last year. The decrease in overall portfolio balance from the previous month is a result of transfers out of LAIF account during the month in the amount of $17.9 million.

The par value of Successor Agency's portfolio as of August was $11,437,225. The balance decreased by $1,373,575 from the prior month due to debt service payments made during the month.

All investments meet criteria appropriate to Section 8 of the Investment Policy. The portfolios are based on a combination of various investments, including CDs, Corporate Notes, U.S. Treasury Securities and Government Agency Paper, each adhering to portfolio percentage limitations.

The Finance Division is the custodian for the City and Successor Agency's investment portfolio and follows the three main principles of both entity's investment policy to 1.) Investment in financial instruments that mitigate the risk of monetary losses stemming from market fluctuations, 2.) Establish and maintain a portfolio that has sufficient liquidity to allow the City and Successor Agency to meet all anticipated cash requirements, and 3.) Seek out investment instruments that provide a competitive market rate of return.

Liquidity

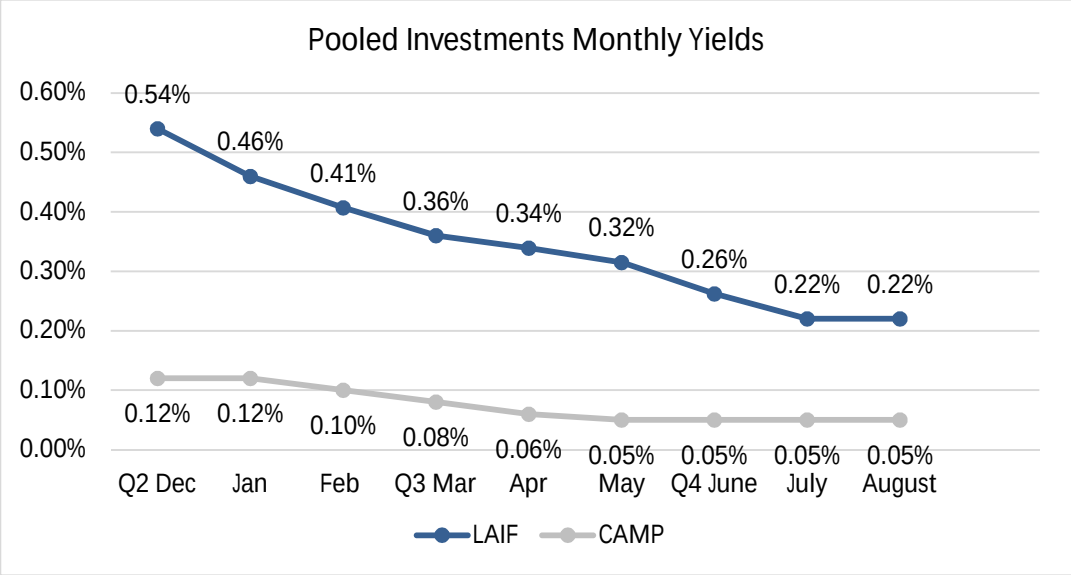
One core approach the Finance Division focuses on, is providing liquidity to measure up to the City and Successor Agency's operational requirements. Thus, the Finance Department is currently investing in two pooled funds, LAIF and CAMP. These are intended for the daily operational activities, used for economic uncertainties and maintenance needs. The pooled funds provide a higher liquidity ratio to ensure the City and Successor Agency meet cash flow requirements.

Total LAIF balance for the City of Palmdale is $119,186,958 compared to July's balance of $137,086,958. The decrease in balance is due to the use of LAIF funds to cover debt service and operating expenditures during the month, as well as a transfer of $17.9 million out of LAIF to be invested separately in accordance with the American Rescue Plan Act guidance. This amount represents the first of two American Rescue Plan Act disbursements.

Successor Agency LAIF balance at the end of August was $5,191,913, no change from the prior month.

CAMP's balance for City of Palmdale is $248,693, compared to July's balance of $248,683. The slight increase is due to interest received during the month.

The interest rates presented are the most current rates available as of the date of this report. As of August 31, 2021, the interest rates for LAIF and CAMP investments were at .22 percent and .05 percent, respectively. By comparison, the LAIF and CAMP interest rates at the end of June were at .26 percent and .05 percent. Both rates have been steadily declining. This time last year, LAIF and CAMP rates were at 0.78 percent and 0.30, respectively.



The chart above shows both the Local Agency Investment Fund and California Management Program's average monthly yields from December 2020 through August 2021, the graph depicts the prolonged period of declining rates.

We anticipate a further decrease in the upcoming months, considering the economic impacts of COVID. Overall, LAIF shows better performance than CAMP in interest rates. The difference between the performance of the two funds is partly due to the varying pool characteristics. CAMP's portfolio composition is much more subject to market volatility, resulting in performance variation.

Diversity

The Finance Division aims to diversify the investment portfolios to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions.

City of Palmdale and Successor Agency's investment portfolios remain strongly diversified. The monthly reports include all investments held by both entities and current book values as of August 31, 2021.

In August, there were not, and investments purchased, and no securities were called or matured during the month.

It is anticipated that both the City of Palmdale and Successor Agency will have sufficient moneys to meet its expenditure requirements for the next six months as we continue to monitor any financial impact due to the Coronavirus pandemic.

Attached are summaries of the investments on the City of Palmdale and Successor Agency's books as of August 31, 2021.

FISCAL IMPACT

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.

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, Assistant Finance Manager
Certified as to availability of Funds:	Keith Kang, Finance Manager
Approved by:	J.J. Murphy, ICMA-CM, City Manager
Approved as to form:	Christopher Beck, City Attorney

ATTACHMENTS

1. Monthly Report on City of Palmdale Investments and Successor Agency Investments

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
August 31, 2021
CITY OF PALMDALE INVESTMENTS

PURCHASE DATE	MATURITY DATE	FUND	ACCOUNT/ INSTITUTION	FDIC Number	INTEREST RATE	PAR AMOUNT	PURCHASE AMOUNT	INVESTED AMOUNT
U.S. TREASURY SECURITIES					Yield			
05-31-19	04-30-24	CITY	9128286R6 U.S. Treasury Note		2.03	5,000,000.00	5,051,650.00	5,256,640.00
01-19-21	05-31-23	CITY	9128284S6 U.S. Treasury Note		2.75	2,815,000.00	2,985,994.41	2,950,035.55
03-19-21	12-31-25	CITY	9128285T3 U.S. Treasury Note		2.63	3,000,000.00	3,260,634.36	3,244,110.00
05-11-21	02-28-26	CITY	9128286F2 U.S. Treasury Note		0.66	3,000,000.00	3,261,331.50	3,231,330.00
05-11-21	12-31-24	CITY	9128283P3 U.S. Treasury Note		0.40	3,000,000.00	3,200,040.56	3,175,080.00
06-04-21	12-31-22	CITY	912828N30 U.S. Treasury Note		0.05	3,000,000.00	3,097,665.56	3,087,420.00
06-04-21	12-31-23	CITY	912828V23 U.S. Treasury Note		0.20	4,000,000.00	4,210,026.50	4,188,600.00
07-12-21	12-31-23	CITY	9128285U0 U.S. Treasury Note		2.63	5,000,000.00	5,294,239.83	5,294,239.83
07-12-21	12-31-25	CITY	9128285T3 U.S. Treasury Note		2.63	5,000,000.00	5,456,238.24	5,456,238.24
07-12-21	12-31-23	CITY	912828V23 U.S. Treasury Note		2.25	5,000,000.00	5,247,829.98	5,247,829.98
			TOTAL U.S. TREASURY SECURITIES			$ 38,815,000.00	$ 41,065,650.94	$ 41,131,523.60
GOVERNMENT AGENCY PAPER								
06-05-19	06-05-23	CITY	3133EKPT7 Fed Farm Credit Bk		2.13	5,000,000.00	5,008,600.00	5,178,913.05
06-10-20	06-16-25	CITY	3133ELK37 Federal Farm Credit		0.78	5,000,000.00	5,000,000.00	5,000,332.40
08-07-20	05-06-24	CITY	3133EL2X1 Federal Farm Credit		0.42	2,000,000.00	2,000,000.00	1,985,613.10
08-27-20	11-27-24	CITY	3134GWNG7 Freddie Mac Domestic		0.50	2,000,000.00	2,000,000.00	1,998,606.02
04-01-21	04-01-25	CITY	3133EMUP5 Fed Farm Credit		0.71	5,000,000.00	5,000,000.00	5,001,585.95
05-11-21	09-04-25	CITY	3133EJYM5 FFCB Bond		0.59	1,000,000.00	1,103,275.25	1,094,660.00
05-11-21	09-04-25	CITY	3133EJYM5 FFCB Bond 0.57		0.57	2,000,000.00	2,208,460.00	2,189,320.00
06-04-21	11-07-25	CITY	3135G06G3 Fannie Mae		0.55	3,000,000.00	2,993,675.25	2,967,390.00
06-04-21	08-01-24	CITY	3130AMHH8 FHLB NOTE		0.41	4,000,000.00	4,000,000.00	3,979,555.16
06-07-21	06-07-24	CITY	3130AMQR6 FHLB NOTE		0.35	3,000,000.00	3,000,000.00	2,986,755.36
06-30-21	12-30-25	CITY	3130AMRQ7 FHLB NOTE		0.88	3,000,000.00	3,000,000.00	2,981,324.28
07-29-21	04-29-26	CITY	3130AN5C0 FHLB NOTE		1.05	4,000,000.00	4,010,455.13	4,010,455.13
	c = callable							
			TOTAL GOVERNMENT AGENCY PAPER			$ 39,000,000.00	$ 39,324,465.63	$ 39,374,510.45
CERTIFICATES OF DEPOSIT								
05-11-18	05-11-22	CITY	05580AMR2 Bmw Bank North America	35141	2.95	245,000.00	245,000.00	251,143.62
05-15-18	05-16-22	CITY	86063QAN5 Stifel Bank & Trust	57311	2.85	245,000.00	245,000.00	250,964.53
05-18-18	05-18-22	CITY	29278TBF6 Enerbank Usa	57293	2.95	245,000.00	245,000.00	251,216.88
05-31-17	05-31-22	CITY	02587CFM7 American Express Bk	35328	2.40	245,000.00	245,000.00	250,250.84
06-01-17	05-31-22	CITY	51210SMT1 Lakeside Bank	19573	2.00	245,000.00	245,026.85	249,319.60
05-10-18	05-10-23	CITY	61747MX30 Morgan Stanley Bank Na	32992	3.15	245,000.00	245,000.00	258,447.32
05-11-18	05-11-23	CITY	87164WWF1 Synchrony Bank	27314	3.15	245,000.00	245,000.00	258,465.69
05-11-18	05-11-23	CITY	17312QL23 Citibank Na	7213	3.15	245,000.00	245,000.00	258,465.69
05-15-18	05-15-23	CITY	20033AYE0 Comenity Capital Bank	57570	3.10	245,000.00	245,000.00	258,255.73
			TOTAL CERTIFICATES OF DEPOSIT			$ 2,205,000.00	$ 2,205,026.85	$ 2,286,529.90

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
August 31, 2021

CORPORATE NOTES

03-10-20	03-01-23	CITY	30231GAR3 Exxon Mobil	2.73	1,000,000.00	1,045,330.00	1,035,276.25
03-10-20	05-13-22	CITY	037833BF6 Apple Inc	2.70	1,000,000.00	1,039,820.00	1,021,372.65
03-10-20	11-03-22	CITY	594918BH6 Microsoft Corp	2.65	1,000,000.00	1,047,870.00	1,028,648.84
03-10-20	01-13-23	CITY	037833DE7 Apple Inc	2.40	1,000,000.00	1,041,800.00	1,032,294.50
03-10-20	12-14-22	CITY	92826CAC6 VISA Inc	2.80	1,500,000.00	1,572,135.00	1,549,706.22
06-10-20	04-15-23	CITY	30231GBL5 Exxon Mobil Corp	1.75	5,000,000.00	5,000,000.00	5,110,650.00
06-10-20	05-11-23	CITY	166764BV1 Chevron Corp	1.14	2,075,000.00	2,075,000.00	2,105,595.85
08-14-20	08-14-23	CITY	94988J5R4 Wells Fargo Bank	3.55	3,000,000.00	3,000,000.00	3,193,443.66
			TOTAL CORPORATE BONDS		$ 15,575,000.00	$ 15,821,955.00	$ 16,076,987.97

STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND

09-01-84	n/a	CITY ACCOUNT	98-19-620	0.78	67,018,501.90	67,018,501.90	67,018,501.90
06/23/08	n/a	PCA ACCOUNT	40-19-060	0.78	52,156,016.34	52,156,016.34	52,156,016.34
			TOTAL LAIF ACCOUNTS		$ 119,174,518.24	$ 119,174,518.24	$ 119,174,518.24

CAMP- CALIFORNIA ASSET MANAGEMENT PROGRAM

6080-01	n/a	CITY ACCOUNT	6080-01	0.30	248,693.96	248,693.96	248,693.96
			TOTAL CAMP ACCOUNTS		$ 248,693.96	$ 248,693.96	$ 248,693.96

UBS FINANCIAL SERVICES

n/a	n/a	CITY ACCOUNT		0.00	37,583.00	37,583.00	37,583.00
			TOTAL UBS FINANCIAL SERVICES ACCOUNTS		$ 37,583.00	$ 37,583.00	$ 37,583.00

			TOTAL CITY INVESTMENTS		$ 215,055,795.20	$ 217,877,893.62	$ 218,330,347.12

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
August 31, 2021

LIBRARY INVESTMENTS

PURCHASE DATE	MATURITY DATE	FUND	ACCOUNT NUMBER	INTEREST RATE	INVESTED AMOUNT
STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND					
11-20-84	n/a	LIBRARY	16-19-012	0.78	12,439.26
		TOTAL LIBRARY INVESTMENTS			$ 12,439.26

FISCAL AGENT CASH

PURCHASE DATE	MATURITY DATE	FUND	ACCOUNT NUMBER	INTEREST RATE	INVESTED AMOUNT
BOND PROCEEDS					
SIERRA GATEWAY COMMUNITY FACILITIES DISTRICT 91-1					
Fiscal Agent: U.S. Bank National Association (fka First Trust)					
05-10-95	n/a	BOND	95421220	0.01	106.62
05-10-95	n/a	IMPROVEMENT	95421222	0.01	154,933.08
City Held Cash	(Fund 736-114000)	($255,885.63)			
		TOTAL SIERRA GATEWAY COMMUNITY FACILITIES DISTRICT 91-1			$ 155,039.70
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	0.00
04-06-95	n/a	IMPV-ACQUI	95420884	0.01	2,585,278.66
04-06-95	n/a	BOND	95420887	0.00	0.15
City Held Cash	(Fund 738-114000)	($1,000,675.82)			
		TOTAL RITTER RANCH COMMUNITY FACILITIES DISTRICT 93-1			$ 2,585,278.81
BOND PROCEEDS					
ANAVERDE COMMUNITY FACILITIES DISTRICT 2003-1					
Fiscal Agent: U.S. Bank National Association (fka First Trust)					
08-01-19	n/a	RESERVE	242969003	0.00	1,447,000.00
08-01-19	n/a	SP TAX - REFUNDING BC	242969004	0.01	15,148.85
08-01-19	n/a	SP TAX - REFUNDING BC	242969005	0.01	300.42
City Held Cash	(Fund 734-114000)	$900,917.97			
		TOTAL ANAVERDE COMMUNITY FACILITIES DISTRICT 2003-1			$ 1,462,449.27

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
August 31, 2021

BOND PROCEEDS
2005 $7.2M COMMUNITY FACILITIES DISTRICT 05-1 (TRADE AND COMMERCE CENTER)
Fiscal Agent: U.S. Bank National Association (fka First Trust)

08-02-05	n/a	SPEC TRB SER A/B	790330000	0.01	0.00
08-02-05	n/a	RESERVE FUND	790330002	0.01	7.31

City Held Cash (Fund 735-114000) $744,688.56

TOTAL 2005 $7.2M COMMUNITY FACILITIES DISTRICT 05-1 (TRADE AND COMMERCE CENTER) $ 7.31

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	712,774.94
	n/a	RESERVE FUND	251009001	0.01	639,057.15

City Held Cash

TOTAL 2005 $7.2M COMMUNITY FACILITIES DISTRICT 05-1 (TRADE AND COMMERCE CENTER) REFUNDED 2021 $ 1,351,832.09

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	195,678.09
11-08-06	n/a	ADM EXP	106844002	0.01	1,594.33
11-08-06	n/a	RESERVE FUND	106844003	0.01	107,260.89

City Held Cash (Fund 739-114000) $127,799.09

TOTAL 2006-1 Godde Hill Estate Sewer Improvements LOIB $ 304,533.31

BOND PROCEEDS
2007 $19.9M COP Power Plant Land Acquisition
Fiscal Agent: U.S. Bank National Association (fka First Trust)

04-12-07	n/a	LEASE PAYMENT	112055000	0.01	0.00
04-12-07	n/a	RESERVE FUND	112055001	0.00	0.00

TOTAL 2007 $19.9M COP Power Plant Land Acquisition $ -

BOND PROCEEDS
2007 $6.5M COMMUNITY FACILITIES DISTRICT 05-1 (TRADE AND COMMERCE CENTER)
Fiscal Agent: U.S. Bank National Association (fka First Trust)

08-23-07	n/a	BOND FUND	117856000	0.01	0.00
08-23-07	n/a	RESERVE FUND	117856002	0.01	6.55

TOTAL 2007 $6.5M COMMUNITY FACILITIES DISTRICT 05-1 (TRADE AND COMMERCE CENTER) $ 6.55

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
August 31, 2021
FISCAL AGENT CASH

PURCHASE DATE	MATURITY DATE	FUND	ACCOUNT NUMBER	INTEREST RATE	INVESTED AMOUNT
BOND PROCEEDS					
2012 PFA $8.7M LEASE REVENUE BONDS					
Fiscal Agent: U.S. Bank National Association (fka First Trust)					
12-19-12	n/a	REVENUE FD	201546000	0.00	659,867.51
12-19-12	n/a	INTEREST ACCOUNT	201546001	n/a	0.00
12-19-12	n/a	PRINCIPAL ACCOUNT	201546002	n/a	0.00
		TOTAL 2012 PFA $8.7M LEASE REVENUE BONDS			$ 659,867.51
2013 HA PALMDALE TRANSIT VILLAGE HOMES LLC ESCROW					
Fiscal Agent: U.S. Bank National Association (fka First Trust)					
10-11-13	n/a	ESCROW FUND	206455000	0.00	2,979,512.65
		TOTAL 2013 HA TRANSIT VILLAGE HOMES ESCROW			$ 2,979,512.65
2015 HA DEBT SERVICE RESERVE					
Fiscal Agent: Bank of America					
11-19-15	n/a	DEBT SVC RESERVE	1257964992	0.08	39,094.26
		TOTAL 2015 HA DEBT SERVICE RESERVE			$ 39,094.26
PARS RESTRICTED CASH FOR PENSION STABILIZATION TRUST FUND					
05-23-18	n/a	CITY	104790895775 Public Agency Retirement Services	2.60	7,191,686.07
		TOTAL PARS PENSION TRUST FUND			$ 7,191,686.07
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	75,676.20
09-03-15	n/a	INTEREST ACCT	277067001	0.01	6.95
09-03-15	n/a	BOND RESERVE	277067003	0.00	281,018.53
09-03-15	n/a	REPAIR & REPLACE FUN	277067004	0.00	1,056,506.64
		TOTAL 2015 HA $4.3M MULTIFAMILY HOUSING REVENUE BONDS			$ 1,413,208.32

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
August 31, 2021

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	0.44
04-05-17	n/a	PRINCIPAL ACCT	271128002	n/a	0.00

TOTAL 2017 PFA $17.4M LEASE REVENUE BONDS $ 0.44

Total City Held Cash (XXX-114000) $516,844.17

GRAND TOTAL - FISCAL AGENT CASH $ 16,790,684.20

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
August 31, 2021
SUMMARY OF CASH AND INVESTMENTS

Cash on Hand			$ 22,848,342
			($2,374,351)
Pooled Cash Investments			($5,592,165)
			$6,415,372
City:	$	212,990,672	$0
Insur Fund:		$5,339,675	$ 218,330,347
Library Investments			$12,439
Subtotal			$ 239,639,984
City/AD/CFD/PCA/PFA/HA Fiscal Agent Cash			$ 16,790,684 *
Grand total			$ 256,430,668

The interest rate quoted on LAIF, AIM, and Fiscal Agent/Trustee accounts is the most current rate available.
LAIF & AIM interest rates are as of August 31, 2021.

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS

POOLED CASH - LOCAL AGENCY INVESTMENT FUND (LAIF), CALIFORNIA ASSET MANAGEMENT PROGRAM (CAMP), & UBS FINANCIAL SERVICES
August 31, 2021

TRANSACTION DATE	DEPOSIT	WITHDRAWAL	INTEREST RECEIVED	BALANCE
CITY ACCOUNT 98-19-620				
Beginning Balance				$ 67,018,501.90
Subtotal	$ -	$ -	$ -	$ 67,018,501.90
PCA ACCOUNT 40-19-060				
Beginning Balance				$ 70,056,016.34
08/25/21		$ (17,900,000.00)		
Subtotal	$ -	$ (17,900,000.00)	$ -	$ 52,156,016.34
LIBRARY ACCOUNT 16-19-012				
Beginning Balance				$ 12,439.26
Subtotal	$ -	$ -	$ -	$ 12,439.26
CAMP - CALIFORNIA ASSET MANAGEMENT PROGRAM				
Beginning Balance				$ 248,683.01
08/31/21			$ 10.95	
Subtotal	$ -	$ -	$ 10.95	$ 248,693.96
UBS Financial Services				
Beginning Balance				$ -
08/06/21			$ 37,500.00	
08/31/21			$ 83.00	
Subtotal	$ -	$ -	$ 37,583.00	$ 37,583.00
Total	$ -	$ (17,900,000.00)	$ 37,593.95	$ 119,473,234.46

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS

POOLED CASH - INVESTMENTS MATURED OR CALLED
August 31, 2021

TN = US Treasury
FP = Federal Paper
CD = Certificate of Deposit
C = Call
M = Maturity
CB = Corporate Bond

ISSUER	PURCHASE DATE	MATURITY DATE	REDEMPTION DATE	FACE VALUE REDEEMED	INTEREST RECEIVED	NET FUNDS	INVESTED AMOUNT	GAIN/ (LOSS)
						$ -		$0.00
						$ -		$0.00
				$ -	$ -	$ -	$ -	$ -

Total Number of Transactions: 0

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS

POOLED CASH - INVESTMENTS PURCHASED
August 31, 2021

TN = US Treasury
FP = Federal Paper
CD = Certificate of Deposit
CN = Corporate Notes

ISSUER	PURCHASE DATE	MATURITY DATE	FACE VALUE	PREMIUM / (DISCOUNT)	PURCHASE PRICE	ACCRUED INTEREST PURCHASED	NET PURCHASE	Yield
				$ -	$ -			
				$ -	$ -			
				$ -	$ -			
				$ -	$ -			
			$ -	$ -	$ -	$ -	$ -	

Total Number of Transactions: 0

SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
August 31, 2021

SUCCESSOR AGENCY POOLED CASH INVESTMENTS

PURCHASE DATE	MATURITY DATE	FUND	ACCOUNT/ INSTITUTION	INTEREST RATE	INVESTED AMOUNT	TOTAL
STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND						
09-01-84	n/a	SA ACCOUNT	65-19-035	0.78	5,191,912.80	
TOTAL LAIF ACCOUNTS						$ 5,191,912.80

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	0.01	527,740.04	
08-20-02	n/a	INTEREST ACCT	94460701	0.01	191,326.38	
08-20-02	n/a	PRINCIPAL ACCT	94460702	0.01	7,047.86	
TOTAL CRA - 2002 Sub Lien Tax Allocation Bonds $5.3M ($5,329,748.25)						$ 726,114.28
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	5,161,325.00	
04-26-16	n/a	INTEREST ACCT	245113001	N/A	0.00	
TOTAL 2016 SA $31.5M Tax Allocation Refunding Bonds Series A						$ 5,161,325.00
GRAND TOTAL - FISCAL AGENT CASH						$5,887,439

SUMMARY OF CASH AND INVESTMENTS

Cash on Hand	$ 357,873
Pooled Cash Investments	$ 5,191,913
Successor Agency Fiscal Agent Cash	$5,887,439
Grand total	$ 11,437,225

* The interest rate quoted on LAIF and Fiscal Agent/Trustee accounts is the most current rate available. LAIF interest rates are as of August 31, 2021.

SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS

POOLED CASH - LOCAL AGENCY INVESTMENT FUND (LAIF)
August 31, 2021

TRANSACTION DATE	DEPOSIT	WITHDRAWAL	INTEREST RECEIVED	BALANCE
SA ACCOUNT 65-19-035				
Beginning Balance				$ 5,191,912.80
Subtotal	$ -	$ -	$ -	$ 5,191,912.80

City Council Staff Report

DATE: **OCTOBER 5, 2021**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **CITY MANAGER'S OFFICE – FINANCE DIVISION**

DISTRICT: **ALL**

SUBJECT: **ADOPT RESOLUTION NO. CC 2021-100, 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**

ISSUE

Adopt Resolution No. CC 2021-100, 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.

RECOMMENDATION

Staff recommends that the City Council adopt Resolution No. CC 2021-100, 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.

BACKGROUND

Section 50050-50057 of the California Government Code states that "Except as otherwise provided by law, money, excluding restitution to victims, that is not the property of a local agency that remains unclaimed in its treasury or in the official custody of its officers for three years is the property of the local agency after notice if not claimed or if no verified complaint is filed and served. At any time after the expiration of the three-year period, the treasurer of the local agency may cause a notice to be published once a week for two successive weeks in a newspaper of general circulation published in the local agency. At the expiration of the three-year period, money representing restitution collected on behalf of victims shall be deposited into the Restitution Fund or used by the local agency for purposes of victim services. allows the City to transfer for allows for the transfer of unclaimed funds to the General Fund from other Special Funds…."

DISCUSSION

The City Treasurer desires to follow the guidelines set by California Government Code Section 50053 and the policy set forth by this department in relation to this section. Section 50053 states "When any such money becomes the property of a local agency and is in a special fund, the legislative body may transfer it to the general fund." The total combined number of unclaimed checks for the three-year period ending June 30, 2021, is $7,969.54.

FISCAL IMPACT

The total combined number of unclaimed checks for the three-year period ending June 30, 2021, is $7,969.54. This is the maximum amount that can be transferred to the General Fund.

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, Assistant Finance Manager
Certified as to availability of Funds:	Keith Kang, Finance Manager
Approved by:	J.J. Murphy, ICMA-CM, City Manager
Approved as to form:	Christopher Beck, City Attorney

ATTACHMENTS

1. Resolution No. CC 2021-100
2. Public Notice - List of Unclaimed Checks

CITY COUNCIL
CITY OF PALMDALE, CALIFORNIA
RESOLUTION NO. CC 2021-100

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.

WHEREAS, the attached list of checks has been outstanding and unclaimed in Special Funds for more than three years.

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

SECTION 1. In accordance with California Government Code Section 50050-50057, the unclaimed checks on the attached list in the total amount of $7,969.54, shall be transferred from the respective funds to the General Fund's cash account.

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

PASSED, **APPROVED** and **ADOPTED** this 5th day of October 2021.

APPROVED AS TO FORM:

_____
Christopher Beck
City Attorney

_____
Steven D. Hofbauer, Mayor

ATTEST:

_____
Shanae S. Smith, City Clerk

I, Shanae Smith, 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 5th day of October 2021 by the following roll call vote:

AYES: _____

NOES:_____

ABSTAIN:_____ABSENT:_____

Date: _____

_____
Shanae S. Smith, City Clerk

CITY OF PALMDALE
38300 N. Sierra Highway
Palmdale, CA 93550

Notice is hereby given that the City of Palmdale is holding funds for the following persons. If said funds are not claimed by October 5, 2021, forty-five (45) days hence, these funds will become the property of the City of Palmdale in accordance with California Government Code Section 50050-52.

The said funds may be released to the depositor, their heir, beneficiary, or duly appointed representative provided a claim form has been completed with the necessary information. The information needed is as follows:

- Name, address, telephone number, and social security number (or FEIN).
- Amount of claim.
- Proof of identity such as copy of driver's license, social security card or birth certificate.
- Grounds on which claim is founded.

The Unclaimed Money Claim Form is available at the City of Palmdale Finance Department, located at 38300 North Sierra Highway, Suite D, Palmdale, California.

Persons with funds on deposit for over three (3) years are:

NAME	AMOUNT	FUND
PALMDALE HIGH SWIM BOOSTER	$ 100.00	General
AICPA	$ 245.00	General
ASIF G. SHAIKH	$ 466.95	General
ANGIE ROSS	$ 13.00	General
FIRE STARTER VIDEOS	$ 181.00	General
WEST COAST EQUIPMENT INC	$ 91.56	General
ALICIA DLODUN	$ 50.00	General
SOLORCITY	$ 50.00	General
VIVINT SOLAR	$ 291.61	General
MARTIN MILLER	$ 797.37	General
I M MASONRY CONSTRUCTION INC	$ 173.16	General
HOWARD JOHNSON	$ 37.49	General
PHANTOM	$ 500.00	General
MARIA SERRATO HERNANDEZ	$ 30.00	General
JEFF NEWMAN	$ 40.00	General
LYDIA WANDERS	$ 438.00	General
OASIS CHRISTIAN CHURCH OF A.V.	$ 100.00	General

PALMDALE REPERTORY THEATER	$	100.00	General
ACROPRINT	$	313.00	General
CHRISTOPHER FOLCK	$	25.00	General
ACROPRINT	$	440.00	General
ASSIST TECHNOLOGY EDUCATION TECHNOLOGY	$	574.37	General
ROXANA MARTINEZ	$	125.32	General
JUAN CARRILLO VENTURA	$	120.59	General
LOS ANGELES COUNTY CLERK	$	75.00	General
ANTELOPE VALLEY YOUTHBUILD	$	80.00	General
KRISTIN HOLLOWAY	$	80.00	General
LOS ANGELES COUNTY CLERK	$	75.00	General
RAUL GUZMAN	$	120.00	General
PALMDALE SCHOOL DISTRICT	$	401.00	General
ANGIE PEREZ	$	33.00	General
ARISTA HENNESSEY	$	86.67	General
STEVE KNIGHT	$	401.00	General
AV PARTNERS FOR HEALTH	$	250.00	General
PIHRA	$	460.00	General
ARISTA HENNESSEY	$	15.00	General
GREG SLADE	$	75.00	General
GUSTAVO CORTES	$	113.45	General
PALMDALE SCHOOL DISTRICT	$	401.00	General

Successor Agency Staff Report

DATE: **OCTOBER 5, 2021**

TO: **HONORABLE CHAIR AND DIRECTORS**

FROM: **CITY MANAGER'S OFFICE – FINANCE DIVISION**

DISTRICT: **ALL**

SUBJECT: **ADOPT RESOLUTION NO. SA 2021-006, A RESOLUTION OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE DESIGNATING, BY TITLE AND NAME, THOSE OFFICIALS WHO ARE AUTHORIZED TO SIGN CHECKS AND WARRANTS, AND REPEALING RESOLUTION NO. SA 2020-007.**

ISSUE

Adopt Resolution No. SA 2021-006 a Resolution of the Successor Agency to the Community Redevelopment Agency of the City of Palmdale designating, by title and name, those officials who are authorized to sign checks and warrants, and repealing Resolution No. SA 2020-007.

RECOMMENDATION

Staff recommends that the Successor Agency to the Community Redevelopment Agency of the City of Palmdale adopt Resolution No. SA 2021-006 designating, by title and name, those officials who are authorized to sign checks and warrants, and repealing Resolution No. SA 2020-007.

BACKGROUND

Throughout the year a resolution is required whenever City-hired or City-appointed personnel changes occur for designated, by title and name, officials who are authorized to sign checks, drafts, warrants or other orders for the payment of money drawn in the name of the Successor Agency to the Community Redevelopment Agency of the City of Palmdale. The resolution is presented to the executive board members for adoption and to also repeal the prior adopted resolution.

DISCUSSION

Resolution No. SA 2021-006 will reflect the hiring, appointment, or deletion of the following, and add or delete him or her as an authorized signer of checks and warrants

for the Successor Agency to the Community Redevelopment Agency of the City of Palmdale:

Richard Loa, Vice Chair – Deleting

Laura Bettencourt, Vice Chair – Adding

Marie Ricci, Assistant City Manager – Deleting

Janelle Samson, Assistant Finance Manager – Adding

Janelle Samson, Deputy City Treasurer – Adding

FISCAL IMPACT

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.

A. Manage resources, costs and liabilities to ensure the City's long-term fiscal health.

Prepared by:	Willy Galindo, Senior Financial Analyst
Certified as to availability of Funds:	Keith Kang, Finance Manager
Approved by:	J.J. Murphy, ICMA-CM, Executive Director
Approved as to form:	Christopher Beck, General Counsel

ATTACHMENTS

1. Resolution No. SA 2021-006

SUCCESSOR AGENCY
TO THE COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF PALMDALE, CALIFORNIA
RESOLUTION NO. SA 2021-006

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE DESIGNATING, BY TITLE AND NAME, THOSE OFFICIALS WHO ARE AUTHORIZED TO SIGN CHECKS AND WARRANTS, AND REPEALING RESOLUTION NO. SA 2020-007.

WHEREAS, the Successor Agency to the Community Redevelopment Agency of the City of Palmdale is engaging a financial institution as a depository of Successor Agency moneys and funds: and

WHEREAS, the Chair and Directors of the Agency have, by ordinance, heretofore designated by title certain officials who are authorized to sign checks, drafts, warrants or other orders for the payment of money drawn in the name of the Successor Agency to the Community Redevelopment Agency of the City of Palmdale.

NOW THEREFORE, BE IT RESOLVED, THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

SECTION 1. For purposes of implementing Section 4 of Ordinance No. U-1146, the following persons are designated by name and are expressly authorized to sign checks, drafts, warrants or other orders for the payment of money drawn in the name of the Successor Agency to the Community Redevelopment Agency of the City of Palmdale:

Chair	- STEVEN D. HOFBAUER
or	
Vice Chair	- LAURA BETTENCOURT
or	
Executive Director	- JOHN J. MURPHY
or	
Assistant City Manager	- TBD
or	
Finance Manager	- KEITH KANG
or	
City Treasurer	- KEITH KANG
or	
Assistant Finance Manager	- JANELLE SAMSON

or
Deputy City Treasurer - JANELLE SAMSON

SECTION 2. Resolution No. SA 2020-007 is repealed in its entirety.

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

PASSED, APPROVED and **ADOPTED** this 5th day of October 2021.

_____
Steven D. Hofbauer, Chair

Approved as to form:

ATTEST:

_____ _____
Christopher L. Beck
General Counsel

Shanae S. Smith, Agency Secretary

I, Shanae S. Smith, Agency Secretary of the Successor Agency to the Community Redevelopment Agency of the City of Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the Successor Agency at a regular meeting of said Agency held on the 5th day of October 2021 by the following roll call vote:

AYES: _____

NOES:_____

ABSTAIN:_____ABSENT:_____

Date: _____ _____
Shanae S. Smith, Agency Secretary

City Council Staff Report

DATE: **OCTOBER 5, 2021**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **OFFICE OF THE CITY MANAGER**
CITY CLERK DIVISION

DISTRICT: **ALL**

SUBJECT: **APPROVE AGEEMENT WITH GRANICUS, INC. TO CONTINUE PROVIDING GOVERNMENT TRANSPARENCY SERVICES FOR 3-YEARS IN THE AMOUNT OF $170,367**

ISSUE

Approve agreement with Granicus, Inc. to continue providing government transparency services for 3-years, in the amount of $170,367.00.

RECOMMENDATION

Approve agreement with Granicus, Inc. to continue providing government transparency services for 3-years, in the amount of $170,367.00.

BACKGROUND

The City of Palmdale first entered into an agreement with Granicus, Inc. in November 2018 to provide agenda and meeting management, citizen participation services, and broadcasting services for City Council and Planning Commission meetings. Since that time, the Office of the City Clerk has been tasked with standardizing the City's brand recognition to reflect that of the City Council meeting agendas and staff reports, including the various boards/commissions/standing committee agenda packets. The new agreement would continue to provide the software capabilities to assist the City Clerk Division maintain compliance with the California Government Code and the Ralph M. Brown Act, as well as complete current and future tasks with efficacy.

DISCUSSION

Below is a summary of the existing key services provided by Granicus, Inc.:

- **Meeting Efficiency Suite** - this feature is the software tool used by the City Clerk's Office to record roll call, motions, votes, and speakers during the meeting and helps to streamline meeting data capture and minutes production, reducing staff efforts and decreasing time to get minutes published.

- **Peak Agenda Management** - This software is utilized by staff to simplify the agenda management and allows clerks to compile and produce agendas and record minutes for public meetings by creating an agenda item workflow for each department.

- **Government Transparency Suite** - this feature consists of the live in-meeting functions including streaming, indexing for playback, and retention of associated documents for playback.

- **Granicus Encoding Appliance Software –** This includes the LiveManager Software solution where webcasts are started/stopped, and agendas are amended and indexed.

On September 16th, AB 361 was signed into law, which will allow local government to continue to conduct virtual meetings during a state proclaimed state of emergency. However, the new law restricts the use of the eComment feature and ensures that the public make real-time, in-person comments. As a result, staff had worked with Granicus to negotiate reduced proposed rates for the remainder of the 2021/22 fiscal year, as well as the second and third full contract years. Costs associated with Vote Cast Standard Package have been deducted and removed from the agreement, until such time that we are able to return to regular in-person meetings. The enclosed table is a summary of the Granicus proposal (**Attachment 1**):

Granicus Subscription Services Cost Summary by Year

SERVICE	FY 2021/22	FY 2022/23	FY 2023/24
Renewing Services/Fees: Meeting and Agenda Management; Video Streaming; and Vote Cast Standard package	$66,072	$69,376	$72,844
Discontinued Services: eComment	$-3,210	$-3,371	$-3,539
Vote Cast	$-8,820	$-9,261	$-9,724
Annual Cost:	$54,042	$56,744	$59,581

FISCAL IMPACT

As part of the two (2) year budget process, $65,000 is budgeted through FY 2023/24 in PEG Fund Software Account No. 20016001-721610. Additional funds for miscellaneous software have also been budgeted for in FY 2021-2022, General IT account 15316001-721610.

STRATEGIC PLAN

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

C. Use a variety of methods to communicate timely, useful, and trusted information about City programs, services, and policies.

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

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

Prepared by:	Shanae S. Smith, City Clerk
Certified as to availability of Funds:	Keith Kang, Finance Manager
Approved by:	J.J. Murphy, ICMA-CM, City Manager
Approved as to form:	Christopher Beck, City Attorney

ATTACHMENTS

1. Granicus Proposal - Professional Services Agreement No. A-7657

GRANICUS
408 Saint Peter Street, Suite 600
Saint Paul, MN 55102
United States

THIS IS NOT AN INVOICE

Order Form
Prepared for
Palmdale, CA

Granicus Proposal for Palmdale, CA

ORDER DETAILS

Prepared By:	Cale Brakke
Phone:	(720) 892-0352
Email:	cale.brakke@granicus.com
Order #:	Q-152900
Prepared On:	09/23/2021
Expires On:	10/31/2021

ORDER TERMS

Currency:	USD
Payment Terms:	Net 30 (Payments for subscriptions are due at the beginning of the period of performance.)
Current Subscription End Date:	10/31/2021
Initial Order Term End Date:	10/31/2024
Period of Performance:	11/01/2021 - 10/31/2022

PRICING SUMMARY

The pricing and terms within this Proposal are specific to the products and volumes contained within this Proposal.

Renewing Subscription Fees			
Solution	**Billing Frequency**	**Quantity/Unit**	**Annual Fee**
Open Platform Suite	Annual	1 Each	$0.00
Peak Agenda Management	Annual	1 Each	$17,077.33
Granicus Encoding Appliance Software (GT)	Annual	1 Each	$1,572.95
Meeting Efficiency Suite	Annual	1 Each	$6,488.44
Performance Accelerator Suite	Annual	1 Each	$4,718.86
Government Transparency Suite	Annual	1 Each	$24,184.18
Open Platform Suite	Annual	1 Each	$0.00
		SUBTOTAL:	**$54,041.76**

FUTURE YEAR PRICING

Solution(s)	Period of Performance	
	11/01/2022 - 10/31/2023	11/01/2023 - 10/31/2024
Open Platform Suite	$0.00	$0.00
Peak Agenda Management	$17,931.20	$18,827.76
Granicus Encoding Appliance Software (GT)	$1,651.60	$1,734.18
Meeting Efficiency Suite	$6,812.86	$7,153.51
Performance Accelerator Suite	$4,954.80	$5,202.54
Government Transparency Suite	$25,393.39	$26,663.06
Open Platform Suite	$0.00	$0.00
SUBTOTAL:	**$56,743.85**	**$59,581.05**

PRODUCT DESCRIPTIONS

Solution	Description
Open Platform Suite	Open Platform is access to MediaManager, upload of archives, ability to post agendas/documents, and index of archives. These are able to be published and accessible through a searchable viewpage.
Peak Agenda Management	Peak Agenda Management is a Software-as-a-Service (SaaS) solution that enables government organizations to simplify the agenda management and minutes recording process of the clerk's office. Peak Agenda Management allows clerks to streamline the way they compile and produce agendas and record minutes for public meetings and includes: • Unlimited user accounts • Unlimited meeting bodies and meeting types • Access to up to one (1) Peak Agenda Management site
Granicus Encoding Appliance Software (GT)	Granicus Encoding Appliance Software (GT) This includes the LiveManager Software solution where webcasts are started/stopped, agendas amended and indexed, votes and attendance recorded, and minutes created.
Meeting Efficiency Suite	Meeting Efficiency is a hybrid Software-as-a-Service (SaaS) and Hardware-as-a-Service (HaaS) solution that enables government organizations to simplify the in-meeting management and post-meeting minutes creation processes of the clerk's office. By leveraging this solution, the client will be able to streamline meeting data capture and minutes production, reducing staff efforts and decreasing time to get minutes published. During a meeting, use LiveManager to record roll calls, motions, votes, notes, and speakers, all indexed with video. Use the index points to quickly edit minutes, templates to format in Microsoft Word, and publish online with the click of a button. Meeting Efficiency includes: • Unlimited user accounts • Unlimited meeting bodies • Unlimited storage of minutes documents • Access to the LiveManager software application for recording information during meetings • Access to the Word Add-in software component for minutes formatting in MS Word if desired • Up to one (1) MS Word minutes template (additional templates can be purchased if needed)

Solution	Description
Performance Accelerator Suite	Performance Accelerator Suite provides the ability to utilize the performance accelerator within a network. Requires Performance Accelerator or Virtual Performance Accelerator to distribute video/indexing/documents within a local network. This distribution is utilized to eliminate the bandwidth impact local viewers would have accessing data from the Granicus Data Center.
Government Transparency Suite	Government Transparency are the live in-meeting functions. Streaming of an event, pushing of documents, and indexing of events.
Open Platform Suite	Open Platform is access to MediaManager, upload of archives, ability to post agendas/documents, and index of archives. These are able to be published and accessible through a searchable viewpage.

TERMS & CONDITIONS

- Link to Terms: https://granicus.com/pdfs/Master_Subscription_Agreement.pdf
- This quote is exclusive of applicable state, local, and federal taxes, which, if any, will be included in the invoice. It is the responsibility of Palmdale, CA to provide applicable exemption certificate(s).
- Granicus certifies that it will not sell, retain, use, or disclose any personal information provided by Client for any purpose other than the specific purpose of performing the services outlined within this Agreement.
- Any lapse in payment may result in suspension of service and will require the payment of a setup fee to reinstate the subscription.
- Notwithstanding anything to the contrary, Granicus reserves the right to adjust pricing at any renewal in which the volume has changed from the prior term without regard to the prior term's per-unit pricing.

BILLING INFORMATION

Billing Contact:		**Purchase Order Required?**	[ ] - No [ ] - Yes
Billing Address:		**PO Number:** *If PO required*	
Billing Email:		**Billing Phone:**	

If submitting a Purchase Order, please include the following language:
The pricing, terms, and conditions of quote Q-152900 dated 09/23/2021 are incorporated into this Purchase Order by reference and shall take precedence over any terms and conditions included in this Purchase Order.

AGREEMENT AND ACCEPTANCE

By signing this document, the undersigned certifies they have authority to enter the agreement. The undersigned also understands the services and terms.

Palmdale, CA	
Signature:	
Name:	Steven D. Hofbauer
Title:	Mayor
Date:	

APPROVED AS TO FORM:

_____
Christopher L. Beck
City Attorney

Attest:

_____
Shanae S. Smith
City Clerk

City Council Staff Report

DATE: **OCTOBER 5, 2021**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **OFFICE OF THE CITY MANAGER - HUMAN RESOURCES DIVISION**

DISTRICT: **ALL**

SUBJECT: **ADOPT RESOLUTION NO. CC 2021-101, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE AMENDING THE CITY'S CLASSIFICATION AND PAY PLAN FOR GENERAL POSITIONS**

ISSUE

Adopt Resolution No. CC 2021-101, amending the City's Classification and Pay Plan for General Positions.

RECOMMENDATION

Staff recommends that the City Council adopt Resolution No. CC 2021-101, amending the City's Classification and Pay Plan for General Positions.

BACKGROUND

The City Manager in collaboration with the Human Resources Division monitors and evaluates positions within the organization and makes recommendations based on the needs of the City.

DISCUSSION

Due to the increased workload and responsibilities in the City Manager's Office there is a need for an additional Assistant City Manager position.

The Finance Division has grown drastically over the past year and in order to address the growing needs of the department, the increased workload, audit, and financial reporting requirement, the division is requesting two (2) positions, a Director of Finance and a Senior Financial Analyst.

The Director of Finance would provide the Finance Division with a strong level of leadership, financial guidance, and expertise, and will report directly to the City Manager. The Director of Finance assumes a leading strategic role in influencing the future of the organization, developing policies, procedures, internal controls, segregation of duties,

and ultimately being responsible for the City's finances and overseeing the entire Finance Division.

The Senior Financial Analyst position is essential in ensuring that the City can meet required deadlines, audit requirements, and ultimately maintain funding for Federal, State, and other grant funds. Monitoring and compliance of these outside fund's places significant pressure on the Finance Division. It is anticipated that these pressures continue to increase as the City continues to create new programs utilizing various outside funding sources. Finance is currently in a position where staff members are moving from one cycle budget to the next; and audit and financial reporting without the positions to alleviate the workload. Staff are working extremely long hours to meet deadlines, produce quality work, earn awards, and accomplish the highest audit opinions. It is in the best interest of the City to provide staff with an achievable work-life balance to ensure the long-term success of the Division.

The Neighborhood Services Department currently has a vacant Office Assistant position that they seek to change to a Community Compliance Aide I/II position. This position will need to be added to the Classification and Pay Plan for General positions. In the last year there have been two (2) additional Code Enforcement Officers, one (1) Senior Code Enforcement Officer, two (2) Community Service Officers, and two (2) full time Neighborhood Compliance Officers added to the Community Compliance section. The Community Compliance Aide I/II will analyze data, track activity, process warrants, prepare reports, maintain databases, notarize documents for the Los Angeles County Recorder and Tax Assessor's Offices, and conduct basic follow-up field site inspections to verify compliance.

The Economic Development Manager position is vacant. Rather than fill the position at this level, staff is requesting a Management Analyst I. The Management Analyst I position will assist with new business attraction, retention, and expansion efforts. This includes responding to the overwhelming number of site proposals, parcel information, and entitlement questions that existing staff cannot respond to in a timely manner. In addition, the City currently has several large scale development projects that will require significant staff time over the next two years. The Management Analyst I will serve as a project ombudsman on these high-profile projects to ensure that various approvals are completed on schedule.

The City Clerk Division has operated with minimal staff for quite some time due to lay-offs that occurred in 2008 reducing the department from eight (8) full time employees to four (4). Since the reopening of the state, the division has been inundated with a back-log of external California Public Records Act ("CPRA") requests, claims, as well as interdepartmental requests. The Division's workload continues to increase, without any addition to staffing needs. The City Manager has directed the Office of the City Clerk to assume the roles/responsibilities currently held by (10) deputized City Clerks for City Council appointed Boards/Commissions/Committees. Additional staff is needed to meet

the demands of each body. City Clerk is requesting a Senior Administrative Assistant to help with the workload.

Finally, the Classification and Pay Plan for Executive staff is being consolidated with General positions for efficiency; there is no need to have two separate documents.

FISCAL IMPACT

The below table presents the fiscal impact associated with the actions and the impact on the General Fund ending fund balance for FY 2022 and FY 2023, should these positions be authorized. Funds must be authorized from General Fund unappropriated fund balance.

		FY 2022
Ending Fund Balance per Adopted Budget	$	674,598
Fiscal Impact of this Action		
Assistant City Manager		274,811
Director of Finance		173,744
Sr. Financial Analyst		96,757
Sr. Administrative Assistant		7,751
Office Assistant I (vacant)		(52,961)
Comm Compliance Aide I		66,793
Econ Dev Manager (vacant)		(132,191)
Management Analyst I		94,025
Total Fiscal Impact		**$528,729**
Estimated Ending Fund Balance	**$**	**145,869**

STRATEGIC PLAN

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

Objective: C. Invest in staff and other human resource strategies to attract and retain a highly qualified, diverse, and creative workforce.

Prepared by:	Patricia M. Nevarez, H.R. Manager
Certified as to availability of Funds:	Keith Kang, Finance Manager
Approved by:	J.J. Murphy, ICMA-CM, City Manager
Approved as to form:	Christopher Beck, City Attorney

ATTACHMENTS

1. Resolution No. CC 2021-101

CITY COUNCIL
CITY OF PALMDALE, CALIFORNIA
RESOLUTION NO. CC 2021-101

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE AMENDING THE CITY'S CLASSIFICATION AND PAY PLAN FOR GENERAL POSITIONS

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's Classification and Pay Plan for General Positions is amended as set forth in the attached Exhibit #1.

SECTION 2. The City Clerk shall certify the passage and adoption of this resolution Amending the City's Classification and Pay Plan for General Positions. It is deemed to be effective October 5, 2021.

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

PASSED, APPROVED and **ADOPTED** this 5th day of October, 2021.

Approved as to form:

Steven D. Hofbauer, Mayor

ATTEST:

Christopher L. Beck
City Attorney

Shanae S. Smith, City Clerk

I, Shanae S. Smith, 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 5th day of October, 2021 by the following roll call vote:

AYES: _____

NOES:_____

ABSTAIN:_____ABSENT:_____

Date: _____ _____

Shanae S. Smith, City Clerk

CLASSIFICATION AND PAY PLAN – GENERAL POSITIONS
FY 2021 – 2022

TITLE	RANGE Hourly	RANGE #
Intern	$14.90 - $16.43 per hour	14
Program Aide	$14.90 - $16.43 per hour	14
Public Security Officer	$14.90 - $16.43 per hour	14
Administrative Intern	$16.43 – $20.97 per hour	18
Records Management Clerk I	$16.43 – $20.97 per hour	18
Senior Public Security Officer	$16.43 – $20.97 per hour	18
Office Assistant I	$18.11 – $23.12 per hour	20
Records Management Clerk II	$18.11 – $23.12 per hour	20
SAVES Assistant	$19.97 – $25.49 per hour	22
Senior Records Management Clerk	$19.97 – $25.49 per hour	22
Neighborhood Compliance Officer	$22.02 – $28.11 per hour	24
Theater Operations Technician	$22.02 – $28.11 per hour	24
Senior Neighborhood Compliance Officer	$24.28 – $30.99 per hour	26
Theater Operations Coordinator	$24.28 – $30.99 per hour	26
Administrative Assistant	$25.49 – $32.54 per hour	27

TITLE	RANGE Monthly	RANGE #
Office Assistant I	$3,139 - $4,007	20
Account Clerk I	$3,461 - $4,418	22
Office Assistant II	$3,461 - $4,418	22
SAVES Assistant	$3,461 - $4,418	22
Account Clerk II	$3,817 - $4,872	24
Audio Technician	$3,817 - $4,872	24
Neighborhood Compliance Officer	$3,817 - $4,872	24
Public Safety Technician	$3,817 - $4,872	24
Records Center Specialist	$3,817 - $4,872	24
Community Compliance Aide I	$4,209 - $5,372	26
Community Service Officer	$4,209 - $5,372	26
Development Technician I	$4,209 - $5,372	26
Information Technology Technician I	$4,209 - $5,372	26
Senior Account Clerk	$4,209 - $5,372	26
Theater Operations Coordinator	$4,209 - $5,372	26
Administrative Assistant	$4,418 - $5,640	27
Management Aide	$4,418 - $5,640	27
Business License Coordinator	$4,638 - $5,923	28
Community Compliance Aide II	$4,638 - $5,923	28
Community Development Technician II	$4,638 - $5,923	28
Financial Technician	$4,638 - $5,923	28
Information Technology Technician II	$4,638 - $5,923	28

Payroll Specialist	$4,638 - $5,923	28
Public Safety Specialist	$4,638 - $5,923	28

TITLE	**RANGE Monthly**	**RANGE #**
Housing Technician	$4,872 - $6,217	29
SAVES Coordinator	$4,872 - $6,217	29
Senior Administrative Assistant	$4,872 - $6,217	29
Senior Community Development Technician	$4,872 - $6,217	29
Supervising Public Security Officer	$4,872 - $6,217	29
Building Inspector I	$5,117 - $6,529	30
Economic Development Coordinator	$5,117 - $6,529	30
Engineering Technician I	$5,117 - $6,529	30
Plan Reviewer Aide	$5,117 - $6,529	30
Planning Aide	$5,117 - $6,529	30
Public Art Coordinator	$5,117 - $6,529	30
Public Works Inspector I	$5,117 - $6,529	30
Recreation Coordinator	$5,117 - $6,529	30
Senior Payroll Specialist	$5,117 - $6,529	30
Buyer	$5,372 - $6,855	31
City Council Legislative Aide	$5,372 - $6,855	31
Code Enforcement Officer I	$5,372 - $6,855	31
Community Compliance Specialist	$5,372 - $6,855	31
Deputy City Clerk	$5,372 - $6,855	31
Digital Media Specialist	$5,372 - $6,855	31
Environmental Compliance Inspector	$5,372 - $6,855	31
Executive Assistant	$5,372 - $6,855	31
Human Resources Specialist	$5,372 - $6,855	31
Neighborhood Services Specialist	$5,372 - $6,855	31
Traffic Signal & Streetlight Technician I	$5,372 - $6,855	31
Assistant Planner	$5,640 - $7,199	32
Building Inspector II	$5,640 - $7,199	32
Engineering Technician II	$5,640 - $7,199	32
Information Technology Specialist	$5,640 - $7,199	32
Public Works Inspector II	$5,640 - $7,199	32
Supervising Community Development Technician	$5,640 - $7,199	32
Assistant Engineer I	$5,923 - $7,559	33
Code Enforcement Officer II	$5,923 - $7,559	33
Collection System Maintenance Planner	$5,923 - $7,559	33
Community Compliance Coordinator	$5,923 - $7,559	33
GIS Analyst	$5,923 - $7,559	33
Human Resources Analyst I	$5,923 - $7,559	33
Legal & Risk Assistant	$5,923 - $7,559	33
Management Analyst I	$5,923 - $7,559	33
Recreation Supervisor	$5,923 - $7,559	33
Senior Buyer	$5,923 - $7,559	33
Traffic Signal & Streetlight Technician II	$5,923 - $7,559	33
Associate Planner	$6,217 - $7,937	34
Plan Reviewer	$6,217 - $7,937	34
Senior Building Inspector	$6,217 - $7,937	34
Senior Engineering Technician	$6,217 - $7,937	34
Senior Public Works Inspector	$6,217 - $7,937	34

TITLE	RANGE Monthly	RANGE #
Assistant Engineer II	$6,529 - $8,334	35
Community Programs Coordinator	$6,529 - $8,334	35
Financial Analyst	$6,529 - $8,334	35
Housing Coordinator	$6,529 - $8,334	35
Human Resources Analyst II	$6,529 - $8,334	35
Information Technology Analyst I	$6,529 - $8,334	35
Maintenance Asset Analyst	$6,529 - $8,334	35
Management Analyst II	$6,529 - $8,334	35
Marketing & Digital Specialist	$6,529 - $8,334	35
Media Production Specialist	$6,529 - $8,334	35
Paralegal	$6,529 - $8,334	35
Senior Code Enforcement Officer	$6,529 - $8,334	35
Senior Traffic Signal & Streetlight Technician	$6,529 - $8,334	35
Water Park Supervisor	$6,529 - $8,334	35
Collection System Superintendent	$6,855 - $8,750	36
Community Compliance Supervisor	$6,855 - $8,750	36
Facilities Superintendent	$6,855 - $8,750	36
Fleet Superintendent	$6,855 - $8,750	36
Parks Superintendent	$6,855 - $8,750	36
Public Safety Supervisor	$6,855 - $8,750	36
Senior Financial Analyst	$6,855 - $8,750	36
Senior Plan Reviewer	$6,855 - $8,750	36
Urban Grounds and Green Spaces Superintendent	$6,855 - $8,750	36
Associate Engineer	$7,199 - $9,180	37
Information Technology Analyst II	$7,199 - $9,180	37
Public Works Project Manager	$7,199 - $9,180	37
Senior Housing Coordinator	$7,199 - $9,180	37
Senior Human Resources Analyst	$7,199 - $9,180	37
Senior Management Analyst	$7,199 - $9,180	37
Senior Planner	$7,199 - $9,180	37
Supervising Building Inspector	$7,199 - $9,180	37
Supervising Financial Analyst	$7,199 - $9,180	37
Supervising Public Works Inspector	$7,199 - $9,180	37
Budget Officer	$7,559 - $9,646	38
Deputy Public Information Officer	$7,559 - $9,646	38
Diversity, Equity & Inclusion Specialist	$7,559 - $9,646	38
GIS Coordinator	$7,559 - $9,646	38
Purchasing/Risk Manager	$7,559 - $9,646	38
Safety Coordinator	$7,559 - $9,646	38
Street Superintendent	$7,559 - $9,646	38
Traffic Signal & Streetlight Manager	$7,559 - $9,646	38
Senior Information Technology Analyst	$7,937 - $10,130	39
Senior Public Works Project Manager	$7,937 - $10,130	39

TITLE	**RANGE Monthly**	**RANGE #**
Assistant Finance Manager	$8,334 - $10,636	40
Community Compliance Manager	$8,334 - $10,636	40
Community Programs Manager	$8,334 - $10,636	40
Deputy City Attorney	$8,334 - $10,636	40
Emergency Services Administrator	$8,334 - $10,636	40
Energy Resources Manager	$8,334 - $10,636	40
Environmental Resources Manager	$8,334 - $10,636	40
Housing Manager	$8,334 - $10,636	40
Principal Planner	$8,334 - $10,636	40
Recreation Manager	$8,334 - $10,636	40
Senior Civil Engineer	$8,334 - $10,636	40
Assistant to the City Manager	$8,750 - $11,168	41
City Clerk	$8,750 - $11,168	41
Communications Manager/Public Information Officer	$8,750 - $11,168	41
Building Official	$9,180 - $11,726	42
Economic Development Manager	$9,180 - $11,726	42
Information Technology Manager	$9,180 - $11,726	42
Maintenance Services Manager	$9,180 - $11,726	42
Capital Improvement Program Manager	$10,130 - $12,927	44
Finance Manager	$10,130 - $12,927	44
Human Resources Manager	$10,130 - $12,927	44
Planning Manager	$10,130 - $12,927	44
Traffic Engineer	$10,130 - $12,927	44
Deputy Director of Economic & Community Development	$10,636 - $13,574	45
Deputy Director of Parks & Recreation	$10,636 - $13,574	45
Assistant City Attorney	$11,726 - $14,966	47
City Engineer	$11,726 - $14,966	47
Deputy Director of Public Works	$11,726 - $14,966	47
Deputy City Manager	$12,312 - $15,714	48
Director of Economic & Community Development	$12,312 - $15,714	48
Director of Finance	$12,312 - $15,714	48
Director of Neighborhood Services	$12,312 - $15,714	48
Director of Parks & Recreation	$12,312 - $15,714	48
Director of Public Works	$14,966 - $19,100	52
Assistant City Manager	$17,325 - $22,110	55

TITLE	**Monthly - Contract**
City Manager	$25,925
City Attorney	$17,425

City Council Staff Report

DATE: **OCTOBER 5, 2021**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **NEIGHBORHOOD SERVICES / COMMUNITY COMPLIANCE DIVISION**

DISTRICT: **ALL**

SUBJECT: **APPROVE AGREEMENT WITH PHOENIX GROUP INFORMATION SYSTEMS FOR CITATION PROCESSING AND PAYMENT SERVICES FOR A TERM OF 5 YEARS WITH THE AMOUNT NOT TO EXCEED $600,000**

ISSUE

Approve Agreement with Phoenix Group information systems for citation processing and payment services for a term of 5 years with the amount not to exceed $600,000.

RECOMMENDATION

Staff recommends that the City Council approve Agreement No. A-7630 with Phoenix Group Information Services for a term of 5 years with the amount not to exceed $600,000.

BACKGROUND

The City of Palmdale has contracted with Phoenix Group Information Systems as a software-based service to perform citation processing and payment services since 2011. Responsibilities include data processing, correspondence processing, financial deposits and reconciliation, adjudication processing and collections processing.

DISCUSSION

The current Agreement No. A-7630 expires on November 2, 2021, at which time the City of Palmdale is required, through the competitive procurement process, to seek out all qualified vendors to perform the services before they can renew the contract with Phoenix Group. However, pursuant to City Ordinance 3.08.080, “the City’s Best Interest” exception, staff believes that Phoenix Group services performed since 2011 have developed more professional in nature. During this period, both City staff and Phoenix staff have dedicated substantial time to develop and improve the procedures of collections and services. The impact in staff time and interruption of services would be substantial if required to transfer to another agency. Phoenix Group will honor existing rates that were found to be the lowest responsive bid during the 2011 procurement process. These rates will remain the same during the proposed contract term of 5 years.

FISCAL IMPACT

The cost for Parking Citations, Administrative Citations and Graffiti Restitution services are estimated not to exceed $50,000. Funds are available in accounts 15316001-721610.Services for FY 2022-2023, FY 2023-2024, FY 2024-2025 and FY 2025-2026 are estimated to not exceed $120,000 each. Funding will be provided in the periods listed through the budget process.

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:	Andrea Villa, Community Compliance Specialist
Certified as to availability of Funds:	Keith Kang, Finance Manager
Approved by:	J.J. Murphy, ICMA-CM, City Manager
Approved as to form:	Christopher Beck, City Attorney

ATTACHMENTS

1. Memo from Keith Kang, Finance Manager
2. Agreement No. A-7630

CITY OF PALMDALE
DEPARTMENT OF THE CITY MANAGER
FINANCE DIVISION

MEMORANDUM

DATE: February 22, 2021

TO: JJ Murphy, City Manager

FROM: Keith Kang, Finance Manager

SUBJECT: Phoenix Group International Systems

The City of Palmdale has been using Phoenix Group International Systems to perform citation processing and payment services since 2011. They have been responsible for data processing, correspondence processing, financial deposits and reconciliation; adjudication processing and collections processing.

The agreement expires on November 1, 2021, at which time the City of Palmdale is required, through the competitive procurement process, to seek out all qualified vendors to perform the services before they can renew the contract with Phoenix Group. However, staff believes that Phoenix Group services performed since 2011 have developed into more professional in nature. During this period, it has taken substantial time and effort from both City staff and Phoenix staff to develop the procedures of collections and services and believe that the impact in staff time and interruption of services would be substantial if required to transfer to another agency. Also, Phoenix Group will honor existing rates that was found to be the lowest responsive bid from ten years ago. As a result, staff believes that it is the best interest of the City and will result in the lowest price if the City renewed an agreement with Phoenix Group without going through the procurement process.

Finance is seeking an "City's Best Interest" exception to the competitive procurement requirements under City Ordinance 3.08.080 and based on the information provided above; and allow for the City to enter into a new agreement with Phoenix Group International Systems for the period beginning November 1, 2021, pending City Council's approval.

cc: Mike Miller, Director of Neighborhood Services
Sara Gallagher, Community Compliance Manager
Purchasing Division

Prepared by:

Keith Kang
Finance Manager

Approved by:

JJ Murphy
City Manager

AGREEMENT NO. A-7630
CONTRACT FOR SERVICES
BETWEEN THE CITY OF PALMDALE AND PHOENIX GROUP INFORMATION SYSTEMS

This CONTRACT for services ("Contract" herein) is made and entered into this 03 day of November, 2021, by and between the City of Palmdale, a public body corporate and politic, (hereinafter called "CITY"), and PHOENIX GROUP INFORMATION SYSTEMS, a corporation of the state of California, (hereinafter called "CONTRACTOR"). The term of this Contract is FIVE (5) YEARS, commencing on November 03, 2021, with CITY reserving the option to extend the agreement for no 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 Mike Miller or Sara Gallagher 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:

- **OBJECTIVE**

It is the intent of the City of Palmdale to contract with a highly qualified business to perform **Citation Processing and Payment Services,** and to implement an integrated handheld computer citation issuance solution for the Neighborhood Services & Community Compliance Department.

It is the City's desire to select a highly qualified business who is knowledgeable in the Citation Processing and Payment Services that include main components, or categories of responsibility, which include: General Information Processing; Data Processing; Correspondence Processing, Financial Deposits and Reconciliation; and Adjudication Processing.

Phoenix Group will manage the Graffiti Program for the City of Palmdale. This includes manual entry of judgements, sending out

- **REQUIREMENTS**

CONTRACTOR shall meet the following requirements:

A. CITATION PROCESSING AND PAYMENT SERVICES

- CONTRACTOR shall provide citation processing and payment services for parking citations and administrative citations.
- CONTRACTOR shall provide Data Processing; Correspondence Processing; Financial Deposits and Reconciliation; and Adjudication Processing and Collections Processing.
- CONTRACTOR shall designate a manager for the CITY's account who will be the CITY's primary contact with CONTRACTOR.
- CONTRACTOR shall provide the CITY with a link for Online services to the public including payment services and appeals.
- Project Manager shall be the day-today point person with the accountability and responsibility of delegating all work functions required under the contract and insuring the contract performance standards are met.
- CONTRACTOR shall train employee's at a level to carry out the duties of the contract with infrequent and reasonable human error.
- CONTRACTOR shall furnish a user's manual to the CITY. The manual should provide step-by-step instructions for accessing computer database information, and provide a list and description of any and all codes used in screens accessed by the issuing agency.

B. General Information Processing

The duties and tasks of General Information Processing shall include, but not be limited to the following actions:

- Opening all correspondence;
- Determining what action is required;
- Entering what action was taken into the CONTRACTOR'S computer system (e.g. temporary suspension, letter to respondent, etc.);
- Taking appropriate actions to ensure resolution of complaints or questions and forward to CITY as requested; Implementing appropriate control and monitoring procedures to ensure that payments and correspondence are processed to completion;
- Implementing appropriate quality control reviews to ensure that correspondence issues are addressed accurately and within the required deadline;
- Providing the CITY with an operations manual and MIS reports by email and/or hard copy on demand at no cost.
- Provide a designated address box for the CITY where all correspondence and payments for Public Safety are to be mailed. Mail is to be picked up from the post office at least once per business day.

- Providing a bonded courier to pick up and deliver batched parking citations and administrative citations, correspondence, and management reports to and from specified locations.

C. Data Processing

The duties and tasks of Data Processing shall include, but not be limited to the following actions:

- Uploading electronic citations within one (1) business day of issuance unless a real time application is provided.
- Providing the CITY with on-line confirmation, showing the number of citations transferred and received by the CONTRACTOR.
- Maintaining system compatibility with handheld citation devices with the capability of uploading of all data fields.
- Coordinating any changes in policy or equipment with the CITY and/or handheld vendor.
- Immediate batching of tiles upon transfer of citations to CONTRACTOR.
- Entering handwritten parking and administrative citations or scanned copies of the handwritten citations into the system within two (2) business days from collection from CITY'S enforcement offices.
- Filing and storing of citations in an easily retrievable format in accordance with the CITY'S records retention schedule.
- Retrieving registered owner information for In-State and Out-Of-State plates.
- Validation of DMV vehicle makes upon return of registered owner information to ensure proper make of vehicle is issued on the citation.
- Tracking of DMV "No Hit" List to insure that license plate and State have been correctly entered into system.
- Maintaining on-line communications with the 50 State DMV headquarters and Transportation Ministries in Canada and Mexico.
- Placing on-line DMV holds and/or releases on delinquent accounts daily.
- Reporting of monthly holds placed and payments made at DMV.
- Releasing registration holds daily upon CITY'S request.
- Maintaining editing capability to correct dates, suspend citations, and correct violation codes and fine amounts.
- Identifying duplicate citations.
- Maintaining and updating of database for all vehicles that are boot/tow eligible by having accumulated five (5) or more delinquent parking citations. The boot/tow database shall be inclusive of any other issuing agency's citation database that is a client of the CONTRACTOR and authorized in writing by the respective agency.
- Maintaining and updating of confidential vehicle database for exemptions authorized by the CITY that are linked to the parking enforcement handheld units.
- Maintaining Internet communications during the principal hours of work when the citation processing system, including all subsystems, is available to the CITY and the public for its intended use.

- Maintaining System availability at 98% per month. The CONTRACTOR shall provide objective and mutually agreeable methods of measurement to enable the CITY to monitor the availability level.
- Updating of citation records and the ability to enter comments to a citation record.
- Posting payment information from all sources within 24 hours of receipt and no later than the end of the following business day.
- Track progress of payments, re-entered payments, change of ownership, declaration of non-ownership, refunds, correspondence, administrative review and hearing processes.
- Processing of on-line payments and requests for hearings by CITY website link, including the ability to have the citation holder and the CITY upload attached documents and files.
- Per California Vehicle Code Section 40200.3(b), the CONTRACTOR shall prepare a report at the end of each fiscal year setting forth the number of cases processed and all financial and/or citation payments received and distributed, along with any other information that may be required by the issuing agency. This report is a public record and shall be delivered to CITY at the end of each fiscal year. At the CITY'S request, the CONTRACTOR shall hire an auditor to prepare a report. The CITY shall pay the cost of the audit upon the CITY'S written approval of auditor's cost.

D. Correspondence Processing

The duties and tasks of Correspondence Processing shall include, but not be limited to the following actions:

- Providing staff or service with the required expertise (including translation ability) to promptly and efficiently process and respond to all correspondence within two (2) business days from the date and time received.
- Mailing of first notices, final notices, returned check notices, partial payment notices, DMV hold letters, administrative review and administrative hearing result letters, delinquent notices and special collection notices or any other notices required by CITY or CVC.
- Sorting and batching all incoming correspondence by postmark date for payment posting and correspondence processing. Envelopes shall be kept on file with correspondence.
- Formatting all notices and letters using Custom #10 window envelopes with the CONTRACTOR's return address. The interior #9 must also be customized with the CITY'S address that is post net bar-coded with FIM per the U.S. Postal Service requirements.
- Processing of correction notices and notifying the CITY of citations unable to be entered because of incorrect information.
- Generating customized notices for incomplete or incorrect information or payments.
- Forwarding correspondence to the CITY that is outside the scope of services and/or requires special attention.
- The administrative system does not provide for violation tracking of escalated fees, currently this is tracked by case.

E. Financial Deposits & Reconciliation

The duties and tasks of Financial Deposits and Reconciliation shall include, but not be limited to the following actions:

- Provide a Post Office Box for the City where payments, administrative review and administrative hearing correspondence, and other documents are to be mailed.
- Providing a secure lockbox management system for the processing of payments. Mail pick-up from post office shall be at least once per day.
- Sorting and batching all incoming mail by postmark date for payment posting.
- Entering and processing payments received within one (1) business day, including opening all mail received, entering suspense date, verifying payment amounts, updating computer system, and making daily bank deposits.
- Daily reconciliation of all payments entered with bank deposits.
- Daily reporting of bank deposits for the City. Bank deposits shall be made within 24 hours of processing of payment on a daily basis.
- Filing and storing all source documents in an easily retrievable system available to the City within two (2) business days.
- CONTRACTOR must track rebilling on partial payments, checks returned for insufficient funds, vehicle change of ownership, re-entered citations for payment.
- The CONTRACTOR shall have the ability to accept payments via the Internet.
- CONTRACTOR must provide for payment by credit card (VISA and Master Card) and be capable of securing immediate authorization from the banking institution. Payments made by credit card are to be immediately updated in database in real time. Payments can be made by automated telephone system.
- Entering, processing, verifying and updating of all payments within one business day including credit cards, checks and cash collected by lockbox, on-line payments, and CITY's cashiering system in accordance with acceptable financial practices.
- Processing credit card payments, (VISA and Master Card), by securing immediate authorization from the banking institution. Deposits shall be made into the CITY'S bank account on a monthly basis.
- CONTRACTOR is required to maintain certification to the latest Payment Card Industry/Data Security Standards (PCIIDSS). This is to ensure that all credit and debit payments that are transacted over the telephone, in person at the customer service counter, or over the Internet meet the highest payment card industry security standards. Proof of compliance must be submitted with each proposal.
- CITY may choose to use its own credit card merchant or the vendor account.
- Reporting credit card payments by merchant ID on a monthly statement with the citation number and citation amount.
- On-line updating of monthly payments at DMV.

- All monies received by the CONTRACTOR must be transported at no expense to the CITY for deposit to the CITY'S designated depository within one business day. CITY specifies Bank of America to be used for daily/monthly deposits at no cost to the City.
- Payments to be applied to funds shall be reconciled each day before preparation of deposits.
- Generating notices for partial payments.
- Investigating cash overages and shortages of any amount each business day of the deposit date 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 for processing refunds within 72 hours after confirmation a case has been dismissed and/or overpayment has been made.
- Storing and filing all payment information to facilitate special collections and credit reporting services, if required.

F. Customer Service Center

The duties and tasks of the Customer Service Center shall include, but not be limited to the following actions:

- Providing the CITY with a dedicated toll-free telephone line that is staffed and/or operational to accept payments Monday through Friday.
- Providing well-trained, professional and courteous customer service personnel equipped to handle clerical, supervisory and managerial tasks for the CITY in compliance with the approved operations and quality assurance plan.
- Staffing and/or rerouting calls in the event the connection to the computer network is disrupted.
- Responding to correspondence and cans in English and Spanish for the CITY through a language interpretation service on an as needed basis. The service provider shall provide live interpreters for telephone calls and guarantee a turnaround time of no less than 24 hours of correspondence. The CONTRACTOR shall be required to monitor and record calls for quality assurance.
- Operating a customized Automated Voice Response (AVR) System in English and Spanish to accept payments and provide information. The automated system must provide real time information on each citation, including issue date, delinquent date, amount owed and open citations by license plate number. The system shall be able to provide information on how to pay and contest citations. The AVR system shall offer the caller the option of transferring directly to a live customer service representative during normal business hours.
- Produce monthly reports for the CITY to verify telephone system performance, Examples of the reports to include the following:
- Total number of incoming calls.
- Total number of calls processed.
- Total number of calls handled by an automated voice response system.
- Total number of calls handled by public service representatives.

- Average wait time per call.
- Average time per call, with high and low amounts.
- Monitoring the telephone system during business hours.

The CONTRACTOR shall maintain and monitor recorded files of all conversations to ensure quality assurance and contract performance levels are met.

The CITY desires a computerized or digital responding system accessible by the CITY that attaches a recorded call to a citation record.

Make adjustments to staffing levels based on volume of calls received and average wait time.

G. Reporting Requirements

Each invoice will include a report on the following by month:

- Citations Issued:
  - # of citations issued by computer (handheld) by date
  - # of citations issued manually (handwritten) by date adjudication
  - # in-person hearings, with outcome, by date
  - # written declarations, with outcome, by date
- Electronic payment:
  - # and amount of citations paid by phone, by date
  - # and amount of citations paid by Internet, by date
  - Amount of merchant account processing fee for WEB and for phone payments
- Payments processed by CITY:
  - # and amount of citations processed by CITY
- Collections:
  - # or citations sent to collections agency
  - # and amount of out of state collections, specifying collection fees
  - # of citations sent to the Franchise Tax Board Intercept Program
- A monthly statistical report will be provided YTD date for current and two prior fiscal years. Suggested reports are listed below but some reports may need to be developed over time.
  - # citations issued
  - % paid prior to issuance of 1st notice, after issuance of 1st notice of total issued
  - % dismissed
  - % closed (paid/dismissed)
  - # citations matched to DMV data, matched to CA DMV data, matched to out-of-state DMV data
  - # delinquent notices issued
  - amount of gross collections
  - # citations paid
  - amount/# of bounced check fees paid
  - amount/# processed by lockbox

- amount/# processed by City cashiering
- amount/# processed by Internet payment
- amount/# processed by PayByPhone
- amount/# processed by DMV payment
- amount/# refunds issued
- average amount of gross/net ticket collected
- amount/# of tickets paid by special collections
- amount of collections fee for special collections
- # of customer service calls dialed in/completed
- # of customer correspondence received

H. Administrative Adjudication Process

The CONTRACTOR shall coordinate the administrative review process following prescribed timelines and processes for persons contesting parking citations in accordance with the laws of the State of California.

The CONTRACTOR shall coordinate the scheduling of hearings conducted in-person for the appeal of both parking citations and administrative citations. Appeals of citations can be made in person or by written declaration. Hearings are scheduled according to the CITY'S location approximately three weeks in advance.

The CONTRACTOR shall prepare all documentation related to a case and assemble an electronically transmitted file or hard copy data file into a case folder that must be delivered to the appropriate hearing location.

Hearings by written declaration are distributed to evenly distribute workflow, and supplement the hearing officer's time. The CONTRACTOR shall respond to individuals submitting requests on-line at the first and/or second administrative review stages by email for convenience and regular mail for CVC compliance. The CONTRACTOR shall provide return receipt confirmation for all payments and/or administrative review or hearing requests made Online by sending an e-mail to the individual by e-mail before the next business day.

As an option to scheduling hearings by mail, the CONTRACTOR scheduling service to individuals submitting requests for hearings via the internet in real time, indicating availability of hearing dates and times. The individual will be e-mailed a receipt indicating the date, time and location of the hearing with any appropriate instructions for each citation contested.

The hearing schedule shall be accessible to the hearing examiner and CITY on-line, sorted by date, indicating the time of the hearing, name of the individual requesting the hearing, citation number, license plate number, and violation code. The schedule shall be updated or revised by the processing agency in real time to reflect any hearings that have been added or rescheduled.

The processing agency shall have the capability of receiving the hearing examiner's decision on-line by e-mail. The hearing examiner shall provide the processing agency with transmittal indicating the number of cases forwarded by e-mail, and the processing agency shall confirm the number of cases received in real time. The hearing examiner shall forward a computer disk

containing the disposition of cases to the processing vendor according to the CITY'S instructions.

The CITY and the hearing examiner will receive weekly update reports by hard copy and/or by e-mail for any cases that do not have a decision entered and are outstanding for seven (7) days or more. The individual contesting the citation will receive a response to the hearing by the processing agency in the manner requested by the individual, by first class mail or e-mail.

The CONTRACTOR must generate management information system (MIS) reports as needed for both parking citations and administrative citations documenting:

- Outstanding correspondence (beginning backlog);
- Total pieces of correspondence received;
- Total pieces of correspondence processed;
- Remaining correspondence (ending backlog); and
- Any unresolved correspondence
- Citations transmitted
- Citations received
- Administrative reviews requested
- Administrative reviews (1st level) assigned
- Administrative reviews (1st level) completed
- Administrative reviews (1st level) outstanding
- Administrative hearings (2nd level) requests received
- Administrative hearings (2nd level) assigned on docket
- Administrative hearings (2nd level) completed with disposition
- Administrative hearings (2nd level) outstanding without disposition

The CONTRACTOR shall utilize documents imaging technology for files received by the processing company and transferred to the hearing officer pending disposition of each case.

The CONTRACTOR shall track all citations and disposition report data information to the CITY on a daily basis.

I. Handheld Computers/Ticket-Writers

CONTRACTOR shall provide leased handheld computers/ticket-writers and associated software and all maintenance services for the duration of this Agreement. The specifications of such handheld computers are specified below.

The CITY may request additional handheld computers/ticket-writers. These additional handhelds prices will be fixed for each annual term. The CITY may request additional handheld computers of the same model, provided the model is still available. In the event the model is no longer available, the CITY and CONTRACTOR may negotiate an acceptable alternative. The costs for these additional units may be purchased at current market value.

CONTRACTOR shall provide warranty options to the CITY for extended maintenance of the handheld computers.

Handheld Computer/Ticket-writers preference:

- All equipment shall be new, refurbished shall not be accepted
- City prefers units to be a single piece with a built-in printer capable of printing on paper that is legible in all weather conditions, including rain. City may option to use a two-piece unit based on technology and capabilities.
- Battery must operate for at least twelve (12) hours on a single charge and/or the unit must have a separate battery, swappable during shift
- Unit and battery must be able to operate in temperature conditions ranging from -4°F to 122°F
- Unit must be rugged and withstand being dropped to a concrete or asphalt surface from a height of five (5) feet and maintain full functionality
- Keyboard — 26 Alpha, 10 numeric or QWERTY based on CITY selection with backlight
- Unit shall have an auto fill feature and reprogrammable keys
- Scofflaw uploading capabilities and alert
- Color Camera with Flash
- GPS enabled
- WiFi enabled
- 320X240 resolution color display
- 128MB RAM with additional 512MB Flash Ram minimum
- Windows CE 5.0 or higher
- Audio recording capability in background when enabled while utilizing other features/programs
- Automated transfer and upload of citations issued

J. Computer System Requirements

The CONTRACTOR must have the ability to process an average of at least 8,000 electronic citations for the CITY each year. The database must be available a minimum of 20 hours a day, 7 days a week.

The CITY shall be provided with Internet access to their own databases.

The CONTRACTOR'S computer system must be capable of providing Internet inquiry functions in "real time" reflecting immediate changes in status of accounts visible to the CITY and the public.

The CONTRACTOR shall be required to identify computer staff and address issues of connectivity and mutual network security in the early implementation phase of the contract with the CITY'S Information Systems representative.

The CONTRACTOR shall correct, at no cost to the CITY, all system malfunctions and errors.

The CONTRACTOR'S computer system will allow the CITY to search for citations by citation number, issue date, name, and license plates.

The CONTRACTOR'S computer system must be able to store, sort and/or process the following items for both Parking Citations and Administrative Citations:

- A comments or notes field capable of holding an infinite amount of notes the processing agency or issuing agency can enter
- 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 offenses of the same violation
- Delinquent date
- Issuance of notification dates
- Delinquent fines
- Date citation entered system
- Disposition codes
- GIS mapping functions for scofflaw or multiple violators or office productivity.
- Settlement agreements
  - System must have ability to identify and track citations connected with approved fee waivers or settlement agreements.
  - Process request for fee waivers or settlement agreements for administrative hearings by forwarding them to the CITY after all required information has been received.
  - Process payment plans as dictated by the CITY.

[CONTINUED ON NEXT PAGE]

The following fields are required for each type of citation:

Parking Violations	Administrative Violations
Vehicle license number Vehicle identification number (VIN) Vehicle license state code Registration expiration month and year Vehicle make/year/color Department of Motor Vehicle (DMV) hold date • System shall be capable of processing DMV lien holds for non-payment of parking penalties • System shall be capable of interfacing with DMV either on-line or by magnetic tape Registered owner information • System must have the ability to store previous and current owner when transfer of ownership has occurred • System must have the ability to store registered owner and contesting party when the person contesting the citation is not the registered owner Integrated real-time DMV access able to obtain registered owner information and	Respondent name (first, middle, last, suffix) Respondent residence address, city, state, zip code Respondent driver's license number, state, expiration year Respondent telephone number including area code Incident and/or tag number Juvenile option (Y/N) Parent/guardian information Date of birth Link previous violations to allow an escalation of fees

disabled placard information	

K. Online Public Access

The CONTRACTOR shall provide the CITY with a link through the CITY'S Web site for the public to access citation information.

The services accessible through the online link for the public shall include, but not limited to the following functions:

- View parking citation and administrative citation information — including pictures, if applicable
- Make payments with the options of using VISA and MasterCard
- Submit Administrative Reviews with the ability to attach documents
- Submit requests for Administrative Hearings
- View citation status
- Search for citation information by license plate or citation number

L. Implementation, Training, and Support

Product training will be required for the various users of the system therefore; ongoing training and support from the vendor will be required. Prior to the start date of the contract, the CONTRACTOR shall have a designated interim or permanent project manager as a point of contact to work with the CITY on all aspects of the contract during implementation.

The CONTRACTOR will be responsible for providing the City with a complete "turnkey" installed system. For the purposes of this RFP, the basic definition of "turnkey" will mean that the CONTRACTOR will be responsible for providing all hardware, software, training, shipping, installation, setup, testing, integration and/or interfaces to existing system, documentation and other services necessary for the successful installation of a fully functional automated system that satisfies the requirements stated, as a minimum, as outlined within this RFP.

Omissions of essential or necessary items by the CONTRACTOR will result in the CONTRACTOR providing the omitted items(s) at no cost to the CITY as part of the "turnkey" system. Optional equipment and exceptions should be listed as such.

The CONTRACTOR shall be responsible for several components of the project. The CONTRACTOR shall address the following:

- The CONTRACTOR will be responsible for making code changes and unit testing the product programs based on the specifications developed.
- The CONTRACTOR will be responsible for writing and executing conversion programs for the merge of the CITY'S current data into the new

system. The proposal should address the CONTRACTOR'S typical conversion approach.

- The CONTRACTOR will be responsible for installing the system and insuring its functionality per the specifications.
- The CONTRACTOR will provide on-site support during the first three weeks of the production and/or until all operational problems have been resolved to the CITY'S satisfaction.
- The CONTRACTOR will develop a user's manual and update all system and user documentation as required in order to reflect the CITY'S specific procedures.
- The CONTRACTOR will be responsible for maintaining the supplied software following the initial warranty period. Maintenance shall cover all new releases and updates of the software and correction of defects in the software, as well as, technical assistance in the identification and diagnosis of software problems.
- The CONTRACTOR shall provide CITY with technical support and troubleshooting assistance for all hardware and software used by the CITY. Technical support and assistance must be available between the hours of 8:00 a.m. and 5:00 p.m. Monday through Friday, except CITY recognized holidays.

M. Collections

CONTRACTOR shall conduct collections on delinquent citation accounts. Collection activities may be conducted by a collection agency subcontracted by the CONTRACTOR of through sending delinquent cases to the Franchise Tax Board Intercept Program on the City's behalf. The duties and tasks of Collections shall include, but not be limited to, the following actions:

- Sending special collection notices
- Make written and telephone contact for each account within 60 days of receipt of the account. CONTRACTOR shall provide detailed steps that will be taken once an account is received from the CITY and the procedures that will be taken on each account
- Conduct searches to accurately locate and pursue debtors. Search methods shall include but not be limited to: skip tracing for all debtors and fictitious business name searches for business owners of delinquent accounts.
- Daily reconciliation of all payments made to the collection agency.
- Daily reconciliation of all payments on collection cases paid at the agency.
- Provide monthly reporting of the status of collection cases, detailing the value of the current debt, money received and the balance due.
- Guarantee the confidentiality, security and safety of all files, documents, computer files, etc.
- CONTRACTOR shall not accept or make any settlement of principle or changes without the written agreement of the CITY. CONTRACTOR shall notify the CITY of any proposed settlements.
- Annually at the request of the CITY, send a file of delinquent accounts to the Franchise Tax Board Intercept Program

CONTRACTOR shall cease all collection activity on parking citations older than 5 years from the date of the citation issuance. On a monthly basis, CONTRACTOR shall provide CITY with a report on all parking citation cases that will be approaching the 5 year cutoff within the next month. All parking enforcement citations that are at the 5 year mark should be closed and the case information returned to the city.

CITY shall determine the criteria for sending cases to the CONTRACTOR for collections.

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 – 30 Years Experience

Mr. Robert Murphy has served as President of Phoenix Group Information Systems

since its founding in 1988. He has been instrumental in providing vision, leadership and innovation and has led Phoenix Group in continued, substantial growth. In his position of President, Mr. Murphy's focus is to ensure ongoing contractual compliance, and oversee operational and financial controls for Phoenix Group's clients. His background includes many years of audit experience with the internationally recognized public accounting firms. His experience has given him a broad range of first-hand knowledge in the planning, budgeting, control and operations of a variety of financial and operational environments.

Claire Murphy, Executive Vice President / Project Manager – 15 Years Experience

Claire is responsible for the broad oversight of Phoenix Group's ongoing operations and maintains direct supervision of the Company's business development unit. In addition to business management, Claire has functional experience in operational and financial management, marketing, and product line management. Education: MBA, NYU 1997. Fluency: English/French/Italian.

Ersin Kivilcim, Director of Information Technology – 20+ Years Experience

Ersin is responsible for the oversight of Phoenix Group's research and development efforts. Ersin has over 20 years' experience in computing and network infrastructure. Responsible for automating operations in development and production environments. Provide guidance and support for development activity. Design and implement highly available distributed architecture for hosted infrastructure. Ersin and his team handle all database operations including daily, weekly, and monthly file transfers to and from clients, DMV, Collections and FTB.

Mallesh Kunchakurthi, IT Department, Technical Lead — 11 Years Experience

An accomplished Technical Lead/Architect with over 11 years of proven expertise in design, business process and implementation. Experience on implementing Software Development. Life cycle (SDLC) of .NET applications on Software Design, Development, Testing, Implementation, configuration, and deployment. Worked on multiple projects, databases and different teams. Past work experience includes; MySpace, one of the world's top destinations for social entertainment through complete integration. MySpace is the world's largest .Net Implementation.

Radhika Pola , System Management Developer — 14 Years Experience

Lead .NET developer, with more than 14 years of proven expertise in coding for NBC Universal, Fandango, became part of the Phoenix Group team and is responsible for database programming and all custom development associated with the individual Agencies using the citation management system. Her tasks include redesign of the Agencies current Permit System and integration into the online Permit Management

System. Building of asynchronous handling of web api requests to integrate into the Agencies RMS systems. Bachelors in Engineering (Computers), (BTech) Jawaharlal Nehru University, India.

Michael Gordon, Senior Mobile Developer — 20 Years Experience

Specializing in all new and existing mobile device applications and development. Manages all phases of software development to assist in achieving all business and technical objectives. Specialization in e-Commerce Android and iOS applications and Chrome JavaScript extension. Lead software development for demanding iOS and Android applications and their corresponding REST/JSON APIs in the backend. (iOS Objective C & Android Java Developer)

Raquel Belman, Senior Client Services Manager – 9 Years Experience

Raquel has successfully administered and directed the set up and operations of more than 250 accounts throughout the State of California. Bilingual in both English/Spanish, she is responsible for providing all the reports for the CITY. Her main goal is to ensure the success of the programs through complete customer satisfaction. Raquel is the main point of contact for daily operation tasks and will assist on daily support. Raquel is also the point of contact for new services needed. Responsibilities include project management for software and content-based projects, managing client expectations and ensuring clients adhere to contracts, coaching/training client users on system software as needed.

Alma Mozo – Accounting Supervisor – 13 Years Experience

Alma is responsible for managing the accounting department, staff and daily schedule. As supervisor, she is responsible for ensuring that deposits are prepared and ready to be couriered to our client's banks on a daily basis. In addition her department is responsible for preparing all invoices to go to our clients and reconciling the joint escrow bank accounts that Phoenix Group manages for our clients. Finally, Alma is responsible for reviewing all the reports that are available to our clients on a monthly basis. These reports reconcile deposited funds, including the Written/Deposited Reports, Payment Reports, and Refund Request reports.

Cathy Garcia, Technical Support Specialist/Mobile Devices – 5 Years Experience

On a day-to-day basis, handles all incoming technical support questions related to the handheld enforcement devices and printers, including both the 1-piece and 2-piece solutions, either by phone, e-mail, screen share and on-site. All correspondence that we receive regarding the hardware or software of our handheld devices, he will investigate and troubleshoot any issues that arise. Preparation, configuration and installation of all equipment. Media, equipment and citation roll orders, from start to

finish. All technical and design support needed for verbiage and custom artwork related to citation orders. Ongoing in-depth handheld training, either remotely or on-site, and continue to support the clients as they transition to using the handhelds on a regular basis.

Customer Service Representatives

Phoenix Group's Customer Service Representatives have over 100 years combined experience. The Phoenix philosophy is to treat all callers as "customers". Each member of the team is bilingual in Spanish/English. Ongoing daily duties include answer all incoming calls and provide resolutions to Citizen queries including permitting, billing and appeals.

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 SIX HUNDRED THOUSAND dollars ($600000) 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:

FEE SCHEDULE

Item No.	Product/Service Description	Unit of Measurement	Unit Price
	Parking Citation Processing		
1	Basic Citation Processing-Electronic Citations	Per citation	$0.45
2	Basic Citation Processing-Manual Citations	Per citation	$0.75
3	Notice of Violation (include postage)	Per notice mailed	$0.90
4	Delinquent Notices (include postage)	Per notice mailed	$0.90
5	Special Collection Notices(e.g. DMV Hold, Franchise Tax Board (FTB) intercept, and credit reporting notices-include postage)	Per notice mailed	$0.90
6	Custom Letters (include postage)	Per letter mailed	$1.25
7	Initial Administrative Review Notices-Results of Initial Review	Per letter mailed	$1.25
8	Administrative Hearing-scheduling, document preparation, notices of scheduled hearing, mailing notices of schedule hearings.	Per hearing	$1.25
9	Conducting collections activities on delinquent citations-notices, sending notices of delinquent accounts to Credit Reporting Bureaus	Per notice mailed, % of amount collected	35%
10	Out of State Processing Fees	Per notice mailed, % of amount collected	35%
	Administrative Citation Processing		
11	Basic Citation Processing-Manual Citations	Per citation	$1.35
12	Notice of Violation (include postage)	Per notice mailed	$0.90
13	Delinquent Notices (include postage)	Per notice mailed	$0.90
14	Administrative Hearing-scheduling, document preparation, notices of scheduled hearing, mailing notices of schedule hearings.	Per hearing	$1.25
15	Conducting collection activity on delinquent citations-sending notices of delinquent accounts to Credit Bureau of America.	Per notice mailed, % of amount collected	35%-Collections 15%-FTB
16	Special Collection Notices(e.g. DMV Hold, Franchise Tax Board (FTB) intercept, and credit reporting notices-include postage)	Per notice mailed	$0.90
17	Social Security Number research for FTB	Per Social Security number	$1.25

Miscellaneous Costs/Services			
18	Bank Returned Checks	Per check	$10
19	Refunds	Per refund	$5
20	County Surcharge Disbursement-cost of processing a check to distribute court fees to Los Angeles County	Per disbursement	$25
21	Credit Card Payments, citizen will be charged per transaction.	Per transaction	$3.95 or 3.25%
22	Software Licensing Agreement/Costs	Per user	$0
23	Start-up Costs – database creation, import violations, codes, open citations, client training, etc.	Project total	$0
24	% Cost for Annual Raise on Software Maintenance	%cost for annual raise	Not applicable

Item Number	Product/Service Description	Unit of Measurement	QTY	Unit Price
25	Handheld Support/ Maintenance Fee	7	Ea	$130.42 per month
26	Wincite Mobile Software/Unlimited Site License	7	Ea	$18.33 per month
26	Wincite Mobile PRO Software License; for additional phones supplied by the City	1	Ea	$995.00 one time fee
27	Software Installation/configuration	1	Ea	$100.00 one time fee
28	Software Maintenance/Monthly Cost; for additional phones supplied by the City	1	Ea	$40.00 per month
29	TSC Alpha 3R | Bluetooth Printer w/ 2-year warranty / Protective environmental case * Price is determined at purchase time can vary.	1	Ea	$680.00 per unit
30	Wincite Mobile Software Application: Administrative Citations	1	Ea.	$1095.00 one time fee
31	Software Installation/configuration_	1	Ea.	$100.00 one time fee
32	Wincite Mobile Software/Unlimited Site License /Administrative Citations	1	Ea	$20.00 per month

Item No.	Product/Service Description	Unit of Measurement	Unit Price
	Miscellaneous Items		
33	Training and Installation (on site/one location)	One time cost	$900
34	Citation Rolls**	100 rolls	$7.05/Roll
35	Plate Charges**	One time cost	$140
36	Add Graffiti Case	Each	$1.35
37	Add Graffiti Notice	Each	$0.94
38	Graffiti collection Activity for unpaid cases.	Per collection activity, % of amount collected	25%-Collections 15%-FTB
**Citation Rolls, Plate Charges: Prices are subject to change based on the Order date. All future supply orders are TBQ. ***Plate charges are based on the number of colors used; any changes to citation after the first order are subject to plate charges.			

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

- $1,000,000.00 limit on a per occurrence basis
- $2,000,000.00 general aggregate limit

9.1.3 Commercial Automobile Liability

- $1,000,000.00 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.

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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

ADDRESS FOR NOTICE:
CITY OF PALMDALE
38250 Sierra Highway, 2nd Floor
Palmdale, Ca 93550

APPROVE AS TO FORM:

Christopher L. Beck
City Attorney

ATTEST:

Shanae S. Smith
City Clerk

PHOENIX GROUP INFORMATION SYSTEMS:

Robert Murphy Date
President

ADDRESS FOR NOTICE:
PHOENIX GROUP INFORMATION SYSTEMS
2677 N. Main Street, Suite 400
Santa Ana, California 92705

ATTEST: If Corporation

Secretary

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 09/30/2021

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

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

PRODUCER

Pacific Agents Alliance Insurance Agency; Julie Traughber Insurance Agenc
524 S Rosemead Blvd
Pasadena CA 91107

CONTACT NAME: Julia B. Traughber, CISR, CLCS
PHONE (A/C, No, Ext): (818) 203-2209 FAX (A/C, No): (626) 799-7051
E-MAIL ADDRESS: julie@julietraughberins.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: Ohio Security Insurance Company	24082
INSURER B: Twin City Fire Insurance Company	29459
INSURER C: Westchester Surplus Lines Insurance Company	10172
INSURER D:	
INSURER E:	
INSURER F:	

INSURED

Phoenix Group Information Systems
2677 N Main St, Suite 440
Santa Ana CA 92705

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

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	[X] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: [X] POLICY [ ] PRO-JECT [ ] LOC [ ] OTHER:	X		BKS58373560	10/01/2021	10/01/2022	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG $	$ 2,000,000 $ 2,000,000 $ 15,000 $ 2,000,000 $ 4,000,000 $ 4,000,000 $
A	AUTOMOBILE LIABILITY [ ] ANY AUTO [ ] OWNED AUTOS ONLY [ ] SCHEDULED AUTOS [X] HIRED AUTOS ONLY [X] NON-OWNED AUTOS ONLY			BAS58373560	10/01/2021	10/01/2022	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) $	$ 1,000,000 $ $ $ $
	[ ] UMBRELLA LIAB [ ] OCCUR [ ] EXCESS LIAB [ ] CLAIMS-MADE [ ] DED [ ] RETENTION $						EACH OCCURRENCE AGGREGATE $	$ $ $
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N [ ] If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		XWS58373560	10/01/2021	10/012022	[X] PER STATUTE [ ] OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ 1,000,000 $ 1,000,000 $ 1,000,000
C	Errors & Omissions Liability			F15160512002	01/07/2021	01/07/2022	Technology Errors & Omissions Liability inc Cyber Liability	$3,000,000 $10,000 deductibl

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

B. Commercial Crime Policy w/Policy No. 72KB0282070201w/limit of $1,000,000 and policy period of 10/01/2021 to 10/01/2022.

It is agreed that the City of Palmdale, Palmdale Community Redevelopment Agency, Palmdale Civic Authority, Housing Authority, Industrial Development Authority, Airport Authority, their officers, agents, employees and volunteers are named Additional Insureds w/regard to General Liability coverages per Form No. CG2026 (04/13) attached. It is also agreed that thirty (30) calendar days will be provided prior to termination, cancellation or reduction of coverage on all policies except for Non-Payment of Premium which will provide ten (10) days notice of cancellation. All insurance policies providing bodily injury and property

CERTIFICATE HOLDER

City of Palmdale
Attention: Sara Gallagher
38259 Sierra Highway
Palmdale CA 93550

CANCELLATION

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

AUTHORIZED REPRESENTATIVE

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AGENCY CUSTOMER ID: _____

LOC #: _____

ACORD

ADDITIONAL REMARKS SCHEDULE

AGENCY	NAMED INSURED
Pacific Agents Alliance Insurance Agency; Julie Traughber Insurance Agenc	Phoenix Group Information Systems
POLICY NUMBER	
CARRIER / NAIC CODE	EFFECTIVE DATE:

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,

FORM NUMBER: 25 **FORM TITLE:** Certificate of Liability Insurance

bodily injury and property damage coverage 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 non-contributing insurance required hereunder. All coverage is subject to the term and conditions of each policy.

email: sshreves@cityofpalmdale.org

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POLICY NUMBER: BKS58373560

COMMERCIAL GENERAL LIABILITY
CG 20 26 04 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):

City of Palmdale etal

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Section II - Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

1. In the performance of your ongoing operations; or
2. In connection with your premises owned by or rented to you.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to Section III - Limits Of Insurance:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

© Insurance Services Office, Inc., 2012

City Council Staff Report

DATE: **OCTOBER 5, 2021**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **OFFICE OF THE CITY MANAGER - INFORMATION TECHNOLOGY DIVISION**

DISTRICT: **ALL**

SUBJECT: **APPROVE AGREEMENT WITH G4S SECURE INTEGRATION, LLC. IN ASSOCIATION FOR THE PERFORMANCE OF A CITYWIDE SECURITY ASSESSMENT, IN THE AMOUNT OF $183,910, FOR A TERM OF TWO YEARS**

ISSUE

Approve Agreement with G4S Secure Integration, LLC for the performance of a citywide security assessment, in the amount of $183,921, for a term of two years.

RECOMMENDATION

Staff recommends that the City Council:

1. Approve Agreement No. A-7658 with G4S Secure Integration, LLC. for the performance of a citywide security assessment, for the term of two years.
2. Authorize the City Manager or his designee to execute Agreement No. A-7658, with G4S Secure Integration, LLC, including making minimal and/or non-substantive changes.

BACKGROUND

In response to community engagement and to ensure public safety for our residents and staff, the City has elevated its awareness for the need to physically secure City facilities. In May 2021, the City released a Request for Proposal (RFP) for a comprehensive security assessment of City owned facilities, parks, and strategic areas outlined by the City. The proposal shall protect the city's property, assets, and citizens as well as enhance the security for the business community at large. The selected firm would be required to develop a complete design and install an integrated security solution, based on the recommendations of that firm. These services and solutions are to be efficient and economical and adhere to industry standards and best practices. The City will award a contract to the firm whose offer represents the "best value" to the City based on experience, price, approach, reliability of proposed solution as well as other factors considered.

DISCUSSION

The City received ten (10) statements of qualifications and proposal packages and reviewed each through an evaluation committee. Selection of qualified Consultants was based upon the following scoring methodology:

Category	Maximum Value
Company Experience for the past 5 years	35
Ability to perform the services	15
Cost Proposal	20
Technical, Plan & Scheduled Approaches	30
TOTAL EARNED VALUE	100

The consultants were required to present their experience in providing services for government, institutions, and corporations, demonstrate records of providing high quality and timely delivery of goods and services and provide a well-established documented and effective quality control program. The consultants were also required to have the capacity to handle assigned projects in a timely manner, provide qualifications of project team members who will be assigned to the contract, and demonstrate coordination of work with subcontractors and customers for minimum interference. The following firms submitted statements of qualifications and proposal packages.

Name of Proposer	Location
1. G4S Secure	Los Angeles, CA
2. Blue Violet	Fountain Valley, CA
3. Vector Resources	Torrance, CA
4. Johnson Controls	Glendale, WI
5. ADT	Boca Raton, FL
6. Burns & McDonnell	Kansas City, MO
7. RD Systems	Minneapolis, MN
8. Sierra Group	Pennsylvania, PA
9. TRC	Windsor, CO
10. Vantage	New York, NY

The evaluation committee identified four (4) firms with exceptional qualifications; G4S Secure, Blue Violet, Vector Resources and Johnson Controls and invited all four firms to participate in an interview for final consultant selection. After the interviews concluded, the evaluation committee determined that G4S Secure Integration was the most qualified consultant to perform the requested services based on their comprehensive project approach and prior experience with facilities of similar scope and size.

Following award of agreement, G4S Secure Integration, LLC will develop a Comprehensive Security Risk Assessment Report (CSRAR) that will include:

- Executive summary;

- Citywide program recommendations;
- Physical and electronic security recommendations per location assessed;
- Estimated cost per recommendation and prioritization plan;
- System and installation standards for the project; and,
- Device type and locations on City supplied drawings.

FISCAL IMPACT

The Security Assessment agreement will be funded using Measure AV Funds which have been allocated to Account F0083157-724525, Citywide Security, in the amount of $1,500,000. This is the first phase of Citywide Security Program and will result in a security assessment report of all City owned facilities. Future phases will be required to complete the environmental and design entitlements, as well as the construction of the security upgrades. The fiscal impact and remaining account balance can be seen in the following table:

SCOPE OF WORK		COST
Phase 1 – Security Assessment & Reporting		$183,910
Administration (10%)		$18,391
Total Cost		$202,301
Account Number	**Starting Balance**	**Remaining Balance**
F0083157	1,500,000	$1,297,699

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:	Stuart Thompson, Information Technology
Certified as to availability of Funds:	Keith Kang, Finance Manager
Approved by:	J.J. Murphy, ICMA-CM, City Manager
Approved as to form:	Christopher Beck, City Attorney

ATTACHMENTS

Agreement No. A-7658

AGREEMENT NO. A-7658
CONTRACT FOR CONSULTANT SERVICES
BETWEEN THE CITY OF PALMDALE AND G4S Secure Integration, LLC

THIS CONTRACT FOR CONSULTANT SERVICES ("Contract" herein) is made and entered into this 5 day of October, 2021 by and between the City of Palmdale a public body corporate and politic, (hereinafter called "CITY") and G4S Secure Integration, LLC (hereinafter called "CONSULTANT").

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:

Following award of agreement, G4S Secure Integration, LLC will develop a Comprehensive Security Risk Assessment Report (CSRAR) that will include:

- Executive summary.
- Citywide program recommendations.
- Physical and electronic security recommendations per location assessed.
- Estimated cost per recommendation and prioritization plan.
- System and installation standards for the project.
- Device type and locations on City supplied drawings

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:

Derrick Hamilton & Richard Corr

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 2 years (2) years, commencing on October 5, 2021.

5 ADDITIONAL SERVICES

At the sole election of CITY, CITY may choose to enter into a subsequent agreement for any of the services, products or other item specified by CONTRACTOR under the scope of services section above. Under no circumstance is CITY required to enter into any further agreement with CONTRACTOR. If and when CITY chooses to enter into a subsequent agreement with CONTRACTOR they shall do so using an agreement substantially similar in form to that included in Attachment "A" hereto.

6 TAXES

6.1 CONSULTANT shall pay all sales, consumer, use, and other similar taxes required to be paid by CONSULTANT in accordance with state and local laws.

6.2 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.

6.3 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.

7 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.

8 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.

Both Parties shall be excused for delay in the performance of any obligations hereunder when such delay is the result of or attributable to the elements, acts of God, governmental authority, delays in transportation, manufacturers’ or suppliers’ delays in providing parts products or problem solutions, strikes or any other cause beyond its reasonable control, provided, however, that in any such event, the delayed Party agrees to make a good faith effort to meet its obligations hereunder.

9 CONSULTANT’S PERSONNEL

9.1 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.

9.2 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.

9.3 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.

9.4 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.

10 COMPENSATION

10.1 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 one hundred eighty-three thousand nine hundred ten dollars ($183910), payable as follows:

1.2 Itemization of Costs

Our pricing consists of the following itemized costs.

Item	Quantity	Unit	Rate ($)	Extended ($)
Engineering Manager	24	HR	240	5,760
Sr. System Designer	130	HR	175	22,750
Principal Consultant	120	HR	250	30,000
Senior Security Consultant	200	HR	220	44,000
Network Consultant	20	HR	225	4,500
Public Safety Consultant	132	HR	220	29,040
Senior System Engineer	104	HR	200	20,800
System Designer	168	HR	140	23,520
Reimbursable Expenses	1	LS	3,540	3,540

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 Agreement. 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.

10.2 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.

10.3 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.

10.4 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.

11 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.

NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, AND TO THE FULLEST EXTENT PERMITTED BY LAW NEITHER PARTY SHALL BE LIABLE TO EACH OTHER FOR ANY SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO,

LOSS OF PROFITS OR REVENUE, LOSS OF USE, LOSS OF OPPORTUNITY, LOSS OF GOODWILL, GOODS OR SERVICES, COST OF CAPITAL, GOVERNMENTAL AND REGULATORY SANCTIONS, AND CLAIMS OF CUSTOMERS FOR SUCH DAMAGES. THE TOTAL CUMULATIVE LIABILITY OF EITHER PARTY FOR ALL CLAIMS, LOSSES, DAMAGES, AND EXPENSES RESULTING IN ANY WAY FROM THE PERFORMANCE OF THIS AGREEMENT, SHALL NOT BE GREATER THAN THE COMPENSATION RECEIVED UNDER THIS AGREEMENT.

12 INSURANCE

12.1 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 12.8, must be reviewed and accepted by the City Attorney**.

12.1.1 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

12.1.2 Professional Liability Insurance*

- $1,000,000.00 with no deductible, or;
- Comparable alternative as determined by the City Attorney; and
- Policy form on a claims-made basis

12.1.3 Commercial General Liability

- $1,000,000.00 limit on a per occurrence basis
- $2,000,000.00 general aggregate limit

12.1.4 Commercial Automobile Liability

- $1,000,000.00 combined single limit including owned, non-owned and hired automobile coverage

12.2 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.

12.3 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.

12.4 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.

12.5 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.

12.6 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.

12.7 All insurance coverage must be maintained throughout the duration of this Contract.

12.8 Acceptable Proof of Insurance:

12.8.1 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.

12.8.2 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.

12.8.3 *When 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 for all claims made by CITY arising out of any acts or omissions of CONTRACTOR, or its officers, employees or agents during the time this Agreement was in effect.

12.9 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.

13 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.

14 TERMINATION FOR CAUSE

14.1 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.

14.2 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.

14.3 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.

14.4 If, after notice of termination of the Contract under the provisions of this Section 14, 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.

15 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.

16 OWNERSHIP OF DOCUMENTS

All documents, including, but not limited to, research, field notes, investigations, analysis, and studies which are prepared in the performance of this Contract are to be, and remain the property of CITY. CONSULTANT shall furnish CITY, upon its request, originals or reproducible or electronic copies of reports, studies and of all other documents listed above.

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.

18.2 The provisions of subsection 17.1 above shall be included in all solicitations or advertisements placed by or on behalf of CONSULTANT for personnel to perform any services under this Contract. CITY shall have access to all documents, data and records of CONSULTANT 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 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.

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 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.

20.2 CONSULTANT shall not employ any City official or employee to perform any work required pursuant to this Contract.

20.3 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.

20.4 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.

21 COMPLIANCE WITH LAW

21.1 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.

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 CONSULTANT 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:	G4S Secure Integration, LLC:
J.J. Murphy, ICMA-CM Date City Manager	Derrick Hamilton Date Vice President G4S
ADDRESS FOR NOTICE: CITY OF PALMDALE 38300 Sierra Hwy Palmdale, CA 93550	ADDRESS FOR NOTICE: G4S Secure Integration, LLC ADDRESS
APPROVE AS TO FORM:	
Christopher L. Beck City Attorney	
ATTEST:	ATTEST: If Corporation
Shanae S. Smith City Clerk	Secretary

[EXHIBIT A]

AGREEMENT NO. A-
CONSTRUCTION CONTRACT
BETWEEN THE CITY OF PALMDALE AND NAME OF CONTRACTOR

THIS CONTRACT (“Contract”) is made and entered into this DAY day of MONTH, YEAR by and between City of Palmdale, a public entity ("City"), and NAME OF CONTRACTOR, a ("Contractor"). Contractor and City are collectively referred to herein as the “parties.”

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:

SCOPE OF WORK

2 Standard Specifications

Standard Specifications for City projects are those contained in the 2018 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 CONTRACT AMOUNT Dollars ($CONTRACT AMOUNT) 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 by or before DATE.

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 Contract price. The bond forms required to be executed are attached hereto and incorporated by reference herein. 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 Contractor's License **[or Specialty Contractor License consisting of Class C- license]** to perform the required work ("Work"). Contractor's DIR registration number is . Contractor hereby certifies that it holds the required license(s).

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 Department of the City. The (eg. Director of Public Works/City Engineer) 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 Liability Insurance

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
- $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

11.1.4 Environmental/Pollution Liability
- $2,000,000.00 limit on a per occurrence basis
- $2,000,000.00 general aggregate limit

11.2 Certificates of Insurance and original endorsements shall be provided by Contractor for the above-indicated policies.

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, 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.

11.4 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.

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.

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 Nondiscrimination by Contractor

Contractor represents and agrees that
Contractor, its affiliates, subsidiaries, or holding companies do not and will not discriminate against any subcontractor, consultant, employee, or applicant for employment because of race, religion, color, sex, handicap, or national origin. Such nondiscrimination shall include, but not be limited to, the following: employment, upgrading, demotion, transfers, recruitment, recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

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 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.

25 Successors and Assigns

The terms and conditions of this Contract shall be binding on the successors and assigns of the parties to this Contract.

26 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.

27 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.

28 Time is of the Essence

Time is of the essence in every provision of this Agreement in which time to perform is a factor.

Both Parties shall be excused for delay in the performance of any obligations hereunder when such delay is the result of or attributable to the elements, acts of God, governmental authority, delays in transportation, manufacturers' or suppliers' delays in providing parts products or problem solutions, strikes or any other cause beyond its reasonable control, provided, however, that in any such event, the delayed Party agrees to make a good faith effort to meet its obligations hereunder.

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	NAME OF CONTRACTOR
NAME Date TITLE	NAME Date TITLE
ADDRESS FOR NOTICE: CITY OF PALMDALE ADDRESS Palmdale, CA 93550	ADDRESS FOR NOTICE: NAME OF CONTRACTOR ADDRESS
APPROVE AS TO FORM: Christopher L. Beck City Attorney	
ATTEST: Shanae S. Smith City Clerk	ATTEST: If Corporation Secretary

[Signatures of contractor must be notarized. Obtain two corporate signatures if contractor is a corporation.]

FAITHFUL PERFORMANCE BOND

KNOW ALL PERSONS BY THESE PRESENTS:

WHEREAS, CITY OF PALMDALE (hereinafter referred to as the "CITY"), awarded to NAME OF CONTRACTOR, hereinafter referred to as the "Contractor/Principal" a contract for the work described as DESCRIPTION OF SERVICES in the amount of CONTRACT PRICE ("Penal Sum");

WHEREAS, said Contractor/Principal is required under the terms of said contract to furnish a bond for the faithful performance of said contract which contract is incorporated herein by reference;

NOW, THEREFORE, we, the undersigned Contractor, as Principal, and _____, as Surety, a California admitted surety insurer, are held and firmly bound unto the CITY for one hundred percent (100%) of the total amount payable by the CITY under the terms of the contract awarded by CITY to the Contractor/Principal, lawful money of the United States of America for 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 said Contractor/Principal, its heirs, executors, administrators, successors, or assigns, or a subcontractor, shall in all things stand to and abide by and well and truly keep and perform all the undertakings, terms, covenants, conditions, and agreements in the said contract which is attached hereto and incorporated herein by reference and any alteration and/or amendments thereof, made as therein provided, including, but not limited to, the provisions regarding contract duration and liquidated damages, all within the time and in the manner therein designated in all respects according to their true intent and meaning, then this obligation shall become null and void; otherwise, it shall be and remain in full force and effect.

As a condition precedent to the satisfactory completion of the contract, the above obligation shall hold good for a period of one (1) year(s) after the acceptance of the work by CITY, during which time if Contractor/Principal shall fail to make full,

complete, and satisfactory repair and replacements and totally protect the CITY from loss or damage made evident during the period of one (1) year(s) from the date of completion of the work, and resulting from or caused by defective materials or faulty workmanship, the above obligation in penal sum thereof shall remain in full force and effect. The obligation of Surety hereunder shall continue so long as any obligation of Contractor remains.

Whenever Contractor/Principal shall be, and is declared by the CITY to be, in default under the contract, the CITY having performed the CITY's obligations thereunder, the Surety shall promptly remedy the default in a manner mutually agreeable to both CITY and SURETY:

1. SURETY's takeover of the performance obligations to complete the contract by entering into an agreement with a completion contractor with terms and conditions consistent with the original contract between CITY and Contractor ; or

2. SURETY shall obtain a bid or bids for completing the contract in accordance with its terms and conditions, and upon determination by Surety of the lowest responsive and responsible bidder, prepare a contract between such bidder and the CITY (to the CITY's satisfaction), and make available as work progresses sufficient funds to pay the cost of completion less the balance of the contract price, but not exceeding, including other costs and damages for which Surety may be liable hereunder, the Penal Sum.

The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Contractor/Principal by the CITY under the contract and any modifications thereto, less the amount previously properly paid by the CITY to the Contractor/Principal.

Surety expressly agrees that the CITY may reject any contractor or subcontractor, which may be proposed by Surety in fulfillment of its obligations in the event of default by the Principal. Surety shall not utilize Contractor/Principal in completing the contract nor shall Surety accept a bid from Contractor/Principal for completion of the work if the CITY, when declaring the Contractor/Principal in default, notifies Surety of the CITY's objection to Contractor's/Principal's further participation in the completion of the work.

No right of action shall accrue on this bond to or for the use of any person or corporation other than the CITY named herein or the successors or assigns of the CITY.

The said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or modification of the Project documents, or of the work to be performed thereunder, shall in any way affect its obligations on this bond; and it does hereby waive notice of any change, extension of time, alteration or modification of the Project documents or of work to be performed thereunder.

The prevailing party on any dispute (whether legal, equitable, or otherwise) regarding the interpretation, enforcement, and respective rights and obligations under this Performance Bond shall be entitled to recovery of reasonable attorney's fees and costs (including but not limited to consultant's and/or expert fees and costs).

IN WITNESS HEREOF, we have hereto set our hands and seals on this _____ day of _____, _____.

NAME OF CONTRACTOR
Contractor/Principal

By: _____
Signature

_____
Print Name and Title

By: _____
Signature

_____
Print Name and Title

_____
Surety

By: _____
Signature

_____
Print Name and Title
(Mailing Address, Telephone and Facsimile No. of Surety)

(Attach the Attorney-in-Fact Certificate for Surety. Attach notarial acknowledgements for signatures of both Contractor/Principal and Surety.) The date of this bond shall not be prior to the Contract date.

Bond No. _____

PAYMENT BOND
(LABOR AND MATERIALS)

KNOW ALL PERSONS BY THESE PRESENTS that:

WHEREAS City of Palmdale ("Public Agency"), State of California, has awarded to NAME OF CONTRACTOR, ADDRESS OF CONTRACTOR ("Principal") a contract (the "Contract") for the Work described as follows: PROJECT NAME

WHEREAS, under the terms of the Contract, the Principal is required before entering upon the performance of the Work, to file a good and sufficient payment Bond with the Public Agency to secure the claims to which reference is made in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code.

NOW, THEREFORE, we, the undersigned Principal, and

_____

_____

(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 and all contractors, subcontractors, laborers, material suppliers, and other persons employed in the performance of the Contract and referred to in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code in the penal sum of:
Dollars ($), for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to this Work or labor, that the Surety will pay the same in an amount not exceeding the amount hereinabove set forth, and also in case suit is brought upon this Bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorneys' fees, incurred by Public Agency in successfully enforcing this obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

It is hereby expressly stipulated and agreed that this Bond shall inure to the benefit of any and all persons, companies, and corporations entitled to file claims under Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this Bond.

Upon expiration of the time within which the California Labor Commissioner may serve a civil wage and penalty assessment against the principal, any of its subcontractors, or both the principal and its subcontractors pursuant to Labor Code Section 1741, and upon expiration of the time within which a joint labor management committee may commence an action against the principal, any of its subcontractors, or both the principal and its subcontractors pursuant to Labor Code Section 1771.2, if the condition of this Bond be fully performed, then this obligation shall become null and void; otherwise, it shall be and remain in full force and effect.

The Surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the Contract or the Specifications accompanying the same shall in any manner affect its obligations on this Bond, and it does hereby waive notice of any such change, extension, alteration, or addition.

IN WITNESS WHEREOF, two (2) identical counterparts of this instrument, each of which shall for all purposes be deemed an original hereof, have 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: _____

"Principal"
NAME OF CONTRACTOR
_____

By: _____
Its

By: _____
Its

(Seal)

"Surety"
_____
_____

By: _____
Its

By: _____
Its

(Seal)

Note: ***This Bond must be executed in duplicate and dated, all signatures must be notarized, and evidence of the authority of any person signing as attorney-in-fact must be attached. DATE OF BOND MUST NOT BE BEFORE DATE OF CONTRACT.*** **Surety companies executing Bonds must appear on the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in the State where the project is located.**

WORKERS' COMPENSATION INSURANCE CERTIFICATE

Pursuant to Section 1861 of the State Labor Code, and all amendments thereto, each contractor to whom a public works contract has been awarded shall sign the following certificate and shall submit same to the City of Palmdale prior to performing any work on the contract:

> "I am aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for Worker'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 work of this contract."

NAME OF CONTRACTOR
Contractor

By _____
Print Name

_____
Signature

_____
Title

_____
Date

Section 3700 of the State Labor Code reads as follows:

> "Every employer except the State shall secure the payment of compensation in one or more of the following ways:
>
> (a) By being insured against liability to pay compensation in one or more insurers duly authorized to write compensation insurance in this state.

(b) By securing from the Director of Industrial Relations a certificate of consent to self-insure, which may be given upon furnishing proof satisfactory to the Director of Industrial Relations of ability to self-insure and to pay any compensation that may become due to his employee."

GUARANTY

In accordance with the terms of the Construction Contract between City of Palmdale, ("City") and the undersigned, under which contract the undersigned shall complete work as described in the Contract documents, the following guarantee of said work is hereby made.

Should any of the items installed pursuant to said Contract, prove defective or should the item as a whole prove defective, due to faulty workmanship, material furnished or methods of installation, or should the said item or any part thereof fail to operate properly, as planned, due to any of the above causes, all within one (1) year after date on which the work is accepted by the City, the undersigned agrees that the repairs shall be made and such materials as are necessary shall be furnished and installed within thirty (30) days after the receipt of demand from the City. In the event repairs are not made within thirty (30) days, the City shall have the unqualified option to make any needed repairs or replacements itself or by any other Contractor. The undersigned agrees to reimburse the City, upon demand, of its expenses incurred in restoring said items to the condition contemplated in said contract, including the cost of any equipment or materials replaced, or upon demand by the City, to replace any such equipment and repair said items completely without cost to the City so that they will operate successfully as originally contemplated.

Emergency repairs must necessarily be made by the City; therefore, when defective material or workmanship results in emergency repairs, the undersigned agrees to reimburse the City, upon demand, expenses incurred.

Said items will be deemed defective within the meaning of this Guaranty in the event that they fail to operate as originally intended thereof and in accordance with the plans and specifications included in said contract. The Faithful Performance Bond for this project shall remain in full force and effect for the entire guarantee period as required in the specifications and contract documents.

_____ _____

Date Contractor

City Council Staff Report

DATE: **OCTOBER 5, 2021**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **PUBLIC WORKS DEPARTMENT**
CAPITAL IMPROVEMENT PROGRAM DIVISION

DISTRICT: **ALL**

SUBJECT: **APPROVE CONSULTANT SERVICES AGREEMENT WITH SCHNEIDER ELECTRIC IN THE AMOUNT OF $95,000, FOR A TERM OF ONE (1) YEAR WITH AN OPTION TO EXTEND AN ADDITIONAL YEAR, IN ASSOCIATION WITH ENERGY SERVICE CONTRACTOR SERVICES FOR THE CITY'S PROPOSED ENERGY EFFICIENCY PROJECTS**

ISSUE

Approve Consultant Service Agreement with Schneider Electric in the amount of $95,000, for a term of one (1) year with an option to extend an additional year, in association with energy service contractor services for the City's proposed energy efficiency projects.

RECOMMENDATION

Staff recommends that the City Council:

1. Approve Consultant Service Agreement with Schneider Electric in the amount of $95,000, for a term of one (1) year with an option to extend an additional year, in association with energy service contractor services for the City's proposed energy efficiency projects; and,

2. Authorize the City Manager, or his designee, to execute Agreement No. A-7640 with Schneider Electric, including making minor and non-substantive changes.

BACKGROUND

In its ongoing efforts to improve energy efficiency and reduce City energy costs, staff has been working to identify and implement energy efficiency projects through audit, design, and construction management support. In May 2021, the City solicited Requests for Qualifications and Experience (RFQ&Es) from energy services companies (ESCO's) through an open consultant selection process. The ESCO's were to be capable of designing and implementing energy conservation, energy efficiency, energy generation and other energy related capital improvement services ("Projects") pursuant to California Government Code Section 4217.10 et seq. The projects would require no upfront capital

from the City and would pay for themselves from energy and operational savings within the useful life. The projects would continue to reduce energy costs to the City once paid for. The required Scope of Services included, conducting an investment grade audit of City facilities energy use and to provide a comprehensive report of its findings and recommendations. Upon review and assessment of this report, staff will return with recommended projects for execution by Schneider through an Energy Project Performance Contract.

DISCUSSION

The City received three (3) qualification packages, and upon review by an evaluation committee and interview of the top two candidates, staff has selected Schneider Electric as the most qualified firm.

The consultants were required to present their experience in providing services for government, institutions, and corporations, demonstrate records of providing high quality and timely delivery of goods and services and provide a well-established documented and effective quality control program. The consultants were also required to have the capacity to handle assigned projects in a timely manner, provide qualifications of project team members who will be assigned to the contract, and demonstrate coordination of work with subcontractors and customers for minimum interference. The resulting scores assigned by the evaluation committee can be seen below:

Category	Maximum Value
Execution Plan and Schedule	45
Project Team Qualifications	15
Proposed Compensation	10
Similar project Experience for Local Governmental Agencies	15
References	15
TOTAL POINTS	100

Name of Proposer	Location	Score
1. Schneider Electric	Costa Mesa	92
2. Ameresco	Temecula	89

FISCAL IMPACT

As with other service agreements, Schneider Electric Buildings Americas, Inc. will be paid only for actual work performed on specific projects or studies. Compensation will be based on the price stated for the investment grade audit (IGA) in the amount of $95,000. The term of this agreement will be limited to one (1) year with an option to extend an additional year.

Once the IGA has been completed, Schneider Electric will propose an Energy Services Agreement to the City. The Agreement will outline the recommended projects and a plan for implementation. Pending the agreed to scope of the projects in the Energy Services Agreement, the $95,000 fee for the IGA may be waived. The proposed fee will be allocated through account number G0095155-724525.

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 quality community programs.

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:	Chuck Heffernan, P.E., Director of Public Works
Certified as to availability of Funds:	Keith Kang, Finance Manager
Approved by:	J.J. Murphy, ICMA-CM, City Manager
Approved as to form:	Christopher Beck, City Attorney

ATTACHMENT

Agreement No. A-7640 Schneider Electric

AGREEMENT NO. A-7640
CONTRACT FOR SERVICES
BETWEEN THE CITY OF PALMDALE AND SCHNEIDER ELECTRIC

This CONTRACT for services ("Contract" herein) is made and entered into this 5th day of October 2021, by and between the City of Palmdale, a public body corporate and politic, (hereinafter called "CITY"), and **Schneider Electric Buildings Americas, Inc.**, a corporation of the state of Delaware (hereinafter called "CONTRACTOR"). The term of this Contract is one (1) year, commencing on October 5th with CITY reserving the option to extend the agreement for 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.

Investment Grade Audit
(hereinafter referred to as "The Project").

NOW THEREFORE, CITY and CONTRACTOR, in consideration of the mutual covenants hereinafter set forth, agree as follows:

CITY PROJECT MANAGER

To provide the services required by this Contract, CONTRACTOR shall act under the authority and approval of 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.

DESCRIPTION OF WORK

2.1 CONTRACTOR shall provide the following services in a manner satisfactoryto CITY:

Contractor shall perform an Investment Grade Audit (IGA) for the City. The IGA shall consist of:

- Initial Kick-Off Meeting with the City

  - Meeting will involve key City stakeholders.
  - Contractor shall assess the City's needs and goals.
  - Develop a schedule.
  - Engineering needs will be discussed.
- Data Gathering
  - Contractor shall review 26 months of utility bills.
  - Contractor shall review rate schedules.
  - Contractor shall review blueprints, drawings, and other relevant information.
  - Contractor shall discuss future City projects with the City.
  - Contractor shall develop a preliminary impression of energy consumption.
  - Contractor shall develop an understanding of facilities' operations, issues, and needs.
  - Contractor shall discuss findings with the City.
- Contractor Electric On-Site Audit
  - Contractor's engineers shall develop an understanding of current systems and facility layouts.
  - Contractor shall establish a foundation for project opportunities.
  - Contractor shall establish Energy Efficiency Measures (EEMs).
- Scoping Meeting
  - Potential EEMs will be discussed for all audited sites.
  - Contractor shall seek City feedback on priority of EEM type and project sites.
- Mid-term Planning Meeting
  - Contractor shall propose budgetary costs and savings for project options.
  - Contractor shall discuss technologies, equipment preferences, and implementation strategies.
- Final Planning Meeting
  - Contractor shall develop the final scope, cost, and savings, including energy and cost savings models with City.
  - An energy services agreement will be prepared.
- Energy Services Agreement
  - Contractor shall work with City to finalize an energy services agreement for approval by the City Council.

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 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.

2.6 CONTRACT TERM

The term of this Agreement shall be from October 5, 2021 to October 5, 2022, unless earlier terminated as provided herein. The Parties may, by mutual, written consent, extend the term of this Agreement if necessary to complete the Project. CONTRACTOR shall perform its services in a prompt and timely manner within the term of this Agreement and shall commence performance upon receipt of written notice from the City to proceed ("Notice to Proceed"). The Notice to Proceed shall set forth the date of commencement of work.

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:

The work performed under this agreement and listed in Exhibit A will be performed by the following:

- Marc Starkey, Program Manager
- Rachel Torgerson, Account Executive
- Brian Pottenger, Project Development Manager
- Jose Carrasco, Energy Engineer
- Ben Johnson, Energy Engineering Manager

- T. Dale Bitting, Regional MEP Engineer
- Troy L. Graham, Senior Project Manager
- David Medcalf, Construction Services Manager
- Jerod Hillard, Client Services Manager
- Kayla Cornelius, Energy Bureau Team Leader
- Kimberly Albertson, Director-Project Finance
- Rebecca Rucker, Senior Marketing Specialist

This Services Contract has been awarded to CONTRACTOR based on its representationthat those personnel and subcontractors submitted as part of its bid and listed above willperform the portions of the work listed above.

CONTRACTOR shall not deviate nor substitute any of these team members without priorwritten approval by CITY.

3.2 Subcontractors. During the performance of the Agreement, CONTRACTORmay 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, which shall not be unreasonably withheld. 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 allpersonnel shall possess the qualifications, permits and licenses required by State andlocal law to perform such services.

3.4 CONTRACTOR shall be solely responsible for the satisfactory work performance of all personnel engaged in performing services required by this Contract, and compliancewith all reasonable performance standards established by CITY.

3.4.1 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.

3.4.2 CONTRACTOR shall indemnify and hold harmless CITY, and its respective officers, agents and employees from and against all claims, demands, damages or costs asserted against the CITY and arising from CONTRACTOR's acts or omissions

with respect to any liability, damages, claims, costs and expenses of any nature arising from alleged wage and hour under California's Labor Code.

ACCEPTANCE AND DOCUMENTATION

Each task shall be reviewed and approved by the Contract Project Manager to determineacceptable 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 deliverables, including reports, materials, drawings 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 incorporatedin 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.

PRICE

CITY shall have no payment obligations at the time of execution of this Agreement or during the term of this Agreement but acknowledges that should CITY and CONTRACTOR execute an Energy Saving Performance Contract within sixty (60) days after submission of the final Investment Grade Audit Report by CONTRACTOR, that the fee of $95,000 for the Investment Grade Audit shall be incorporated into the contract price of the Energy Savings Performance Contract.

If the CITY does not to enter into an Energy Savings Performance Contract within sixty (60) days, or other period agreed upon by the parties, after submission of the final Investment Grade Audit Report by CONTRACTOR to CITY ("Election Period"), then the CITY shall pay the CONTRACTOR the fee of $95,000 for the Investment Grade Audit, payable as follows: $95,000 within 60 days after Election Period.

5.1 An application for payment form must be submitted to CITY which shall includethe 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. CITY shall make payment to CONTRACTOR on any undisputed invoice within sixty (60) days of receipt.

5.2 CONTRACTOR shall maintain adequate records and shall permit inspectionand 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.

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 employedby 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 CONTRACTORare 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.

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 andif, to the actual knowledge of CITY, its use is subject to patent rights or copyrights callingfor 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 againstall 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.

INDEMNIFICATION

8.1 To the fullest extent allowed by law and except for losses caused by the sole or active negligence or willful misconduct of CITY personnel, CONTRACTOR agrees to indemnify, defend, and hold harmless the CITY as follows:

a. Indemnity for Design Professional Liability: With respect to the performance of design professional services by a design professional as defined in California Civil Code Section 2782.8, to the fullest extent permitted by law, CONTRACTOR shall indemnify and hold harmless CITY, its officers, officials, agents, employees, and volunteers (collectively and/or individually "CITY") from and against any and all liabilities, claims, damages, losses, costs, or expenses (including, without limitation, costs, attorneys' fees, and expert fees of litigation and alternative dispute resolution) of every nature to the extent arising out of, pertaining to, or relating to the negligence, recklessness, or willful misconduct of CONTRACTOR or any of its officers, employees, servants, agents, or subcontractors (collectively and/or individually "CONTRACTOR"), in the performance of this Agreement or failure to comply with any obligations of the Agreement. If it is finally determined (through a non-appealable judgment or an agreement between CITY and CONTRACTOR) that liability is caused by the comparative negligence or willful misconduct of CITY, then CONTRACTOR's indemnification and hold harmless obligation shall not exceed CONTRACTOR's finally determined percentage of liability based upon the comparative fault of CONTRACTOR.

Irrespective of any language to the contrary in this Agreement, the CONTRACTOR has no duty to provide or to immediately pay for an up-front defense of CITY against unproven claims or allegations, but shall reimburse those litigation costs and expenses (including, without limitation, attorneys' fees, and expert fees) incurred by the CITY to the extent caused by the negligence, recklessness, or willful misconduct

of CONTRACTOR. In no event shall the cost to defend charged to CONTRACTOR exceed CONTRACTOR's proportional percentage of fault, except as described in Section 2782.8(a) and (e) of the California Civil Code.

b. Claims Involving Intellectual Property. CONTRACTOR shall indemnify, defend, and hold harmless Indemnitees from and against any claim involving intellectual property, infringement, or violation of a United States patent right or copyright, trade secret, trademark, or service mark or other proprietary or intellectual property rights, which arises out of, pertains to, or relates to CONTRACTOR's negligence, recklessness, or willful misconduct. Such costs and expenses will include reasonable attorney fees for legal counsel of CITY's choice, expert fees, and all other costs and fees of litigation.

c. Claims for Other Liability. Except as provided in subsections 11.1(a) and (b), to the fullest extent permitted by law, CONTRACTOR shall hold harmless, defend (with counsel agreed to by CITY), and indemnify CITY and its officers, officials, agents, employees, and volunteers (collectively and/or individually "CITY") from and against any and all liability, claim, loss, damage, expense, costs (including, without limitation, costs, attorneys' fees, and expert fees of litigation) of every nature arising out of, related to, or in connection with the performance of work hereunder by CONTRACTOR or any of its officers, employees, servants, agents, or subcontractors, or the failure of the same to comply with any of the obligations contained in this Agreement, except such loss or damage which was caused by the sole negligence or sole willful misconduct of the CITY. CONTRACTOR's duty to defend applies immediately, whether or not liability is established. An allegation or determination that persons other than Contractor are responsible for the claim does not relieve Contractor from its separate and distinct obligation to defend as stated herein.

8.2 CONTRACTOR will assist CITY, at no additional cost, in the defense of any claim, dispute, or lawsuit arising out of this Agreement. CONTRACTOR's duties herein are not limited to or subject to the Contract Price, to Workers' Compensation claims, or to the Insurance or Bond limits and provisions. Nothing in this Agreement shall be construed to give rise to an implied right of indemnity in favor of CONTRACTOR against any Indemnitee.

8.3 CONTRACTOR agrees to pay the reasonable costs CITY may incur in enforcing this provision related to CONTRACTOR's indemnification duties, including reasonable attorney fees, fees for legal counsel acceptable to CITY, expert fees, and all other costs and expenses related to a claim or counterclaim, a purchase order, another transaction, litigation, or dispute resolution. Without waiving any rights, CITY may deduct money from CONTRACTOR's payments to cover moneys due to CITY.

8.4 CONTRACTOR agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this Section 11 from each and every subcontractor, or any other person or entity involved by, for, with, or on behalf of CONTRACTOR in the performance of this Agreement. Failure of CITY to monitor compliance with these requirements imposes no additional obligations on CITY and will in no way act as a waiver of any rights hereunder.

8.5 This Section 11 shall survive expiration or termination of this Agreement.

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 CityAttorney.**

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

- $1,000,000.00 limit on a per occurrence basis
- $2,000,000.00 general aggregate limit

9.1.3 Commercial Automobile Liability

- $1,000,000.00 combined single limit including owned, non-owned and hire automobile coverage

9.1.4 Professional Liability Insurance*

- $1,000,000 with no deductible, or;
- Comparable alternative as determined by the City Attorney; and
- Policy form on a claims-made basis

9.2 Should any of the above described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions (pursuant to ISO ACORD Form 25). In the event of such cancellation, and within ten (10) days of

CONTRACTOR'S receipt of such notification, CONTRACTOR will provide CITY prompt written notice of the cancellation or non-renewal (without replacement) of any policy of insurance referred to herein, and CONTRACTOR agrees to indemnify CITY for any loss suffered by CITY to the extent that such loss is attributable solely to CONTRACTOR'S failure to provide such notice.

9.3 Policies providing for bodily injury and property damage coverage shall contain the following:

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".

"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 redacted copies of the relevant portions of the implicated 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 CG20101219 and CG20371219 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.

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 causeany of its suppliers and subcontractors to cease such work. Upon payment by CITY to CONTRACTOR for all services performed to the date of termination, 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.

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 in complete 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.

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.

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, ("Project Documents") whether complete or incomplete, which are prepared or produced in the performance of this Contract and that have been paid for by CITY 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. Except as expressly agreed in writing, CITY shall not be required to employ CONTRACTOR in connection with any future use of the Project Documents. However, notwithstanding anything to the contrary, CITY acknowledges and agrees that the Project Documents

are prepared with the expectation and intent that the implementation of the Project Documents is to be performed and completed by or on behalf of CONTRACTOR; in the event CITY terminates this Agreement, CITY acknowledges and agrees that the Project Documents are not intended to be, and shall not be, relied upon by CITY or any third party in performing or implementing any aspect of the Project Documents. CITY shall indemnify and hold CONTRACTOR harmless for any liabilities caused by CITY'S use of the Project Documents other than in connection with CONTRACTOR.

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.

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, andall 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.

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.

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.

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.

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.

ENTIRE AGREEMENT AND AMENDMENTS

20.2 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.

20.3 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.

20.4 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.

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:
CITY OF PALMDALE:

JJ.Murphy , ICMA-CM Date
City Manager

CONTRACTOR:
SCHNEIDER ELECTRIC:

9/17/21
Date

ADDRESS FOR NOTICE:

CITY OF PALMDALE
38250 Sierra Highway
Public Works
Palmdale, CA 93550

ADDRESS FOR NOTICE:

SCHNEIDER ELECTRIC
1660 Scenic Ave.
Costa Mesa, CA 92626

APPROVE AS TO FORM:

Christopher L. Beck
City Attorney

ATTEST:

Shanae S. Smith
City Clerk

ATTEST: If Corporation

Secretary

City Council Staff Report

DATE: **OCTOBER 5, 2021**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **PUBLIC WORKS DEPARTMENT**
CAPITAL IMPROVEMENT PROGRAM DIVISION

DISTRICT: **4**

SUBJECT: **APPROVE AMENDMENT NO. 4 FOR PN 722, AVENUE R ITS SIGNAL SYNCHRONIZATION PROJECT WITH TRANSPORTATION & ENERGY SOLUTIONS, INC. IN THE AMOUNT OF $16,270**

ISSUE

Approve Amendment No. 4 for PN 722, Avenue R ITS Signal Synchronization Project, with Transportation & Energy Solutions, Inc. in the amount of $16,270.

RECOMMENDATION

Staff recommends that the City Council:

1. Approve Amendment No. 4 to Agreement No. A-6059 for PN 722, Avenue R ITS Signal Synchronization Project with Transportation & Energy Solutions, Inc. in the amount of $16,270.

2. Authorize the City Manager or his designee to execute Amendment No. 4 to Agreement No. A-6059 with Transportation & Energy Solutions, Inc, including making minimal and/or non-substantive changes.

BACKGROUND

Project No. 722, Avenue R ITS Signal Synchronization, enables the City of Palmdale to further expand on its capability of monitoring and controlling the operations of all traffic signals along Avenue R from 40th Street East to 70th Street East and along Avenue S from 55th Street East to 60th Street East. Agreement No. A-6059 includes the design of fiber-optic lines along Avenue R and Avenue S and the design of three (3) traffic signals CCTVs.

Amendment No. 1 covered an additional scope for survey work that was not included in the original contract but was necessary for this project. Amendment No. 2 covered an additional scope of work related to environmental clearances required due to federal funding requirements, including surveys, maps, and reports. Amendment No. 3 covered additional signage and striping design that was not included in the original scope of work but requested by City Engineering Staff.

DISCUSSION

Amendment No. 4 provides for the preparation of easements to construct the road, ramp, and drainage improvements that are now required due to the geometric layout of the improvements. TES's right-of-way subconsultant, CASC Engineering and Consulting, will prepare additional easements to construct the road, ramp, and drainage improvements. A legal description and exhibits for slope easements will be prepared for the following parcels:

APN 3024-010-037 (Northeast Corner of Ave S and 60th St. East)
APN 3051-013-052 (Southeast Corner of Ave S and Cannon Ct/ 60th St. East)
APN 3024-009-070 (Southwest corner of Ave R and 65th St. East)

FISCAL IMPACT

This project is funded with Proposition A Funds which have been allocated in Account No. S0061203-724525, sufficient funds exist for this amendment. The following is a summary of the design costs to date:

SCOPE OF WORK		COST
A-6059, TES Design		$375,731
Amendment No. 1		$7,754
Amendment No. 2		$14,445
Amendment No. 3		$7,000
Amendment No. 4		$16,270
Account Number	**Starting Balance**	**Remaining Balance**
S0061	$3,283,560	$3,267,290

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:	Chuck Heffernan, P.E., Public Works Director
Certified as to availability of Funds:	Keith Kang, Finance Manager
Approved by:	J.J. Murphy, ICMA-CM, City Manager
Approved as to form:	Christopher Beck, City Attorney

ATTACHMENTS

1. Amendment 4 to Agreement No. A-6059
2. Exhibit A

4th AMENDMENT TO AGREEMENT A-6059 BETWEEN THE CITY OF PALMDALE AND TRANSPORTATION AND ENERGY SOLUTIONS, INC.

This 4th Amendment to Agreement No. A-6059 ("Agreement") between the City of Palmdale and TRANSPORTATION AND ENERGY SOLUTIONS, INC. is made and entered into this 5th day of October, 2021 by and between the City of Palmdale (hereinafter called "CITY") and TRANSPORTATION AND ENERGY SOLUTIONS, INC. (hereinafter called "CONSULTANT").

WHEREAS, the CITY and CONSULTANT entered into an agreement to provide: Additional scope of Civil Engineering services related to the preparations of slope easements to construct road, ramp, and drainage improvements. The Consultant will prepare legal description and plat for a slope easement will be prepared for the following parcels:

APN 3024-010-037 (Northeast Corner of Ave S and 60th Street East)

APN 3051-013-052 (Southeast Corner of Ave S and Cannon Ct/ 60th Street East)

APN 3024-009-070 (Southwest corner of Ave R and 65th Street East)

The Consultant will update road easements and the base map, as the subconsultant will revise the basic line plan to add the proposed slope easements.

The consultant will provide up to ten (10) hours of meeting and coordination time in for mapping and up to eight (8) hours of meeting and coordination time for engineering in support of the proposed road and slope easements support with the City, other consultant team members, and local agencies.

The consultant will revise the street plan to reflect the interim proposed right of way line and slope easements.

WHEREAS, CONSULTANT represents thatCONSULTANT has the expertise and is qualified to perform the services described in the Contract, and if required, is duly registered under the laws of the State of California.

NOW THEREFORE, the parties agree as follows:

1. Article 3.1 COMPENSATION
Compensation to the PROJECT DESIGNER in accordance with Agreement A-6059 will increase as a result of this Fourth Amendment by Sixteen Thousand, Two Hundred Seventy dollars ($16,270). This cost includes the increase for scope of work change.

2. Commencement and Completion of Work hereby replaced with the following: PROJECT DESIGNER shall complete all the work described in Exhibit "A" and submit final deliverables within sixty (60) calendar days following PROJECT DESIGNER's receipt of Authorization to Proceed of this Fourth Amendment.

PROJECT DESIGNER shall have no claim for compensation for any service of work which has not been authorized by CITY's Authorization to Proceed.

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:

Steve Hofbauer Date
Mayor

ADDRESS FOR NOTICE:
CITY OF PALMDALE
38250 Sierra Highway
Palmdale, CA 93550

APPROVE AS TO FORM:

Christopher L. Beck
City Attorney

ATTEST:

Shanae S. Smith
City Clerk

TRANSPORTATION AND ENERGY SOLUTIONS, INC.:

Nathaniel Behura, MS Date
President

ADDRESS FOR NOTICE:
TRANSPORTATION AND ENERGY SOLUTIONS, INC.
5475 Brentwood Place
Yorba Linda, CA 92887

ATTEST: If Corporation

Secretary

Exhibit A

Scope of Services

Approved with Agreement A-6059, dated April 11, 2018

PROJECT APPROACH

The information provided in the RFP provides an overview of the project but does not address specific issues and requirements that will affect the scope of work. During negotiations, and prior to NTP, TES will interview the City project manager and key City staff to better understand City objectives with respect to geometrics, R/W, and environmental clearance for the new traffic signal locations, as well as confirm our approach for design potholes, bucket truck surveys, and traffic control plans. The scope of services and budget presented in our proposal will be updated as needed and submitted to the City for negotiation/inclusion in the executed agreement. Next, TES will focus on getting executed agreements with each subconsultant so that work can commence immediately upon receipt of NTP.

Project Kickoff & Early Tasks: Prior to the kick-off meeting, TES will submit a materials request letter (record drawings, utility contacts, City letterhead for utility notices, lane requirements, future projects, etc.) to the City project manager, so that some of the materials can be provided at the kickoff meeting. We will come to the meeting prepared to discuss the project and related issues in depth.

Immediately following the kick-off meeting, we will give NTP to CASC to perform the topographic survey. Next, we will draft and issue utility information requests for the entire project limits. We suggest using City letterhead AT&T and SoCal Gas requests in order to save the associated fees. Completion of the survey and subsequent base file, and receipt of utility information are critical early tasks as they drive the fiber optic infrastructure route planning process. At least once a week, TES will press slow responding utilities for status and information. Utility company responses will be tracked, along with their clearance requirements and any other special requirements that need to be included on the plans.

Geometric Planning: Geometric planning at the new traffic signal locations will include the following:

- **Determine ultimate lane configurations and curb return locations for each new traffic signal.**
- **Determine interim lane configurations. It is anticipated that while full ultimate widening will be handled under future projects, this project will install new curb returns in the ultimate location so that traffic signal equipment can also be installed in its ultimate location.**
- **Highway Capacity Software analysis to confirm acceptable LOS (AM & PM) and minimum left-turn pocket length for interim configurations. Note: The base**

scope assumes one scenario and that volumes/projections will be provided by the City or obtained/determined as an additional service.

- **Truck turning movement analysis to determine curb radius (where need is identified by City).**
- **New R/W needed to accommodate ultimate curb return locations and future geometrics.**
- **Submittal of ultimate and interim geometric plans to the City for approval.**

Note: the interim geometric plan will be prepared and submitted following approval of the ultimate plan.

Traffic Signal Planning: Traffic signal planning at the new traffic signal locations will include:

- **Coordination with SCE to identify new service feed locations**
- **Discussions with the City to obtain phasing, cabinet locations, method of vehicle detection, and other criteria will be summarized in a brief memo and submitted to the City for approval.**
- **Identification of preliminary pole locations based on the approved curb returns. Pole locations that may be affected by nearby utilities to the extent that their location is in question or may affect mast-arm length, will be identified and submitted to the City for approval to pothole.**

Interim and Ultimate Geometric Plans: Our approach for determining the ultimate curb return locations and interim geometrics at each new traffic signal intersection is summarized as follows:

Avenue R/65th Street East

- **Existing curb returns at the NE, NW, and SE corners are in their ultimate positions.**
- **SW ultimate curb (35') return will be based on geometric analysis and will include curb, gutter, ramp, and pavement transitions back to existing**
- **Widening of the south side of Avenue R to add an EB right-turn lane. The widening will extend approximately 370' to the west to accommodate a 250' pocket and 120' entry transition; impacting 1 parcel (APN 3024-009-70)..**
- **Widening of the west side of 65th Street East to add a NB left-turn lane. The widening will extend approximately 800' to the south to accommodate a 200' pocket and 600' transition; impacting 1 parcel (APN's 3024-009-048 – Note APN 3024-009-70 is impacted but is covered above)**
- **Implement a SB left turn within existing pavement (no widening)**

Avenue R/70th Street East (East side)

- **Existing curb returns at the NW and SW corners are in their ultimate positions.**
-
- **Widening of the east side of 70th Street East as needed to provide a 10' shoulder (approximately 200'), and transitions back to existing (100'); impacting 2parcels (APN's 3024-007-103 & 3024-013-041).**

- **Signal poles on the east side will be positioned 8’ behind shoulder or within R/W if not enough room.**
- **Add barriers to close access to east leg.**

Avenue S/60th Street East (SW, SE, and NE corners)

- **Existing curb return at the NW corner is in its ultimate position.**
- **Ultimate curb returns for the SW, SE, NE corners will be based on geometric analysis.**
- **Widening of the east side of 60th Street East for short 100’ max transition from ultimate curb return to existing; impacting 1 parcel (APN 3024-010-37).**
- **Widening (within existing R/W) the north side of Avenue S between 60th Street East and Calle Mazatlan, including curb and gutter and curb return at Calle Mazatlan. Add WB left and right turn pockets (may require R/W for length of pocket)(impacting APN 3024-010-37 covered above).**
- **Widening of the west side of the south leg to align the SB through movement with the north leg; remove unneeded pavement from east side; impacting 1 parcel (APN 3051-013-052)**
- **Widen south side of Avenue S, east of 60th Street East, by approximately 15’ for length of WB left-turn pocket (250’) and transition back to existing (up to 825’); total widening as much as 1075’ east of ultimate curb return; (impacting APN 3051-013-052 covered above).**
- **Widen/improve south side of Avenue S to include an EB right-turn lane and connect existing sidewalk to new curb return; (impacting APN 3051-013-052 covered above)**
- **Design warning beacon for southbound approach**

R/W Acquisition: OPC’s approach is summarized as follows:

Pre-Planning: The R/W approach begins with early planning, diligent communication and reporting, and established processes that are instrumental to keeping the projects on-time and within budget. The most important element of our approach will be to meet with the City staff and the project design consultant early to determine the project requirements and objectives, and establish approved forms/documents to be used and approval processes for the City’s R/W program. Additionally, factors impacting appraisal decisions will be clarified; determining type of interests to be acquired, i.e. fee, easement, and length of Temporary Construction Easements (TCE). After meeting with the City/design engineer, OPC will prepare a revised R/W delivery schedule and parcel matrix of R/W impacts incorporating all pertinent information for distribution.

Pre-Acquisition: OPC will secure preliminary title reports from Commonwealth Land Title Insurance Company to identify existing easements/adverse title conditions for all impacted properties. Should adverse title conditions exist, OPC shall meet with the Project Team City to determine an appropriate correctional plan to address prior to commencement of negotiations.

Appraisal: As the appraiser is oftentimes the first point of contact with a property owner, we strive to build a relationship with the property owner that will facilitate a smooth transition to the agent so that when the offer is presented, the property owner has a level of comfort and confidence with OPC's right of way service professionals. After sending a certified letter to the owner of Notice of Decision to Appraise inviting the owner to accompany the appraiser during the inspection and requesting information concerning history and input for the property, the appraiser will prepare a narrative appraisal report that conforms to the Uniform Standards of Professional Appraisal Practice (USPAP). The appraisal study and report are intended to serve as an acquisition appraisal and will be prepared in a summary format consistent with the specifications for narrative appraisal reports.

Negotiation: Upon receipt of the appraisal, a draft offer package and applicable right of way agreements/documentation will be submitted to the City for approval. Following the City Council's approval of just compensation, OPC will present the City's written purchase offer to the owner and/or owner's representative. Negotiations will involve an interactive, face-to-face discussion with the property owner about his/her property; explanation of the project and its impacts to the property; explanation of the appraisal process and how the value was concluded; and answer any questions or concerns the owners may have. All of our agents are licensed with the California Bureau of Real Estate (BRE) and trained to utilize a non-coercive, integrative negotiation style to overcome all hurdles in reaching a settlement in the most efficient manner possible. Our agents will negotiate in good faith, with an open mind for creative solutions that will be mutually beneficial to all parties involved.

Supplemental negotiations may also include addressing any objection or question concerning the project the owner has by conferring with the City. Once an agreement is reached, OPC will submit the appropriate executed documents to the City for approval. Upon the City's approval of the appropriate documents, escrow will be opened by submitting an instruction letter providing the purchase contract, title insurance coverage, and notarized Deed to escrow agent. OPC will assist with any due diligence requirements and resolve adverse title conditions preceding the close of escrow and will coordinate payment of just compensation. The City will be furnished with copies of the recorded Deeds and title insurance policies following the close of escrow.

Environmental Clearance:

UltraSystems will be responsible for all environmental clearance tasks. Following the approval of the ultimate geometrics and proposed R/W takes, UltraSystems will prepare an environmental project description and submit it to the City for review and approval. The purpose of this review is to ensure that the project description used in the impact assessments, technical studies, other technical memoranda, captures the "whole of the action" as required by the State CEQA Guidelines and provides an efficient environmental analysis. Next, an Initial

Study/Mitigated Negative Declaration (IS/MND) will be prepared accordance to the requirements of the State CEQA Guidelines, and the City's CEQA implementing procedures for this project. Following approval of the Draft IS/MND, UltraSystems will handle distribution, response to comments, preparation of the Final IS/MND and other required documents.

Fiber Optic Infrastructure Planning: Fiber optic interconnect planning will include confirmation of existing fiber tie-in locations and determination of the preferred side of street based on presence of existing sidewalk (conduit installed beneath sidewalk is better protected; location of signal cabinets (to minimize cost of lateral conduit runs); presence of utilities and potential for conflicts; and future widening projects (we will try to avoid conduit in areas that are not fully built out). Once a preliminary route is established, we will obtain clearance requirements from utility owners and conduct a field review to identify utility conflicts on the preferred side of street. Most utilities conflicts can be easily addressed in the field by the boring contractor and do not require design phase potholing. Potential problems can occur when there are too many utilities in the parkway, or there are high risk utilities such as Palmdale water mains and SoCal Gas transmission lines that require as much as 10' clearance. Fiber infrastructure routing will be finalized following receipt of pothole information and submitted to the City for approval. The following outlines our initial approach for each street.

Avenue S from 55th Street East to 60th Street East: Under Phase II of the North County ITS Project (designed by TES), 2-3" conduits and 72 single mode fiber optic cable was installed on the south side of Avenue S to a N48E pull box adjacent to the traffic signal cabinet at Avenue S/55th Street East. Since sidewalk is also built out on the south side between 55th Street East and 60th Street East (except for the parcel at 60th Street East), we will focus on extending the conduit on the south side.

Avenue R from 40th Street East to 70th Street East: This conduit run is much longer than Avenue S and involves existing traffic signal cabinets at 55th Street East (SE corner) and 60th Street East (SE corner). The traffic signal cabinet at 40th Street East (tie-in location) is on the NE corner which suggests the existing fiber trunk may also be on the north side. In addition, the new conduit will need to cross 47th Street East (Caltrans R/W), and pick up new cabinets at 65th Street East and 70th Street East. If installation of new traffic signal cabinets on the south side is acceptable to the City, then we will focus on the south side between 55th Street East and 70th Street East. If the existing trunk fiber is on the north side at 40th Street East, then we would determine an appropriate location to cross from the north side to the south side based on utility conflicts and other factors.

Design Phase Potholing: Potholing during the design phase can be beneficial to identifying and resolving underground utility conflicts along the fiber optic conduit route and at new traffic signal pole locations where position impacts the

size of the pole and length of the mast-arm. All other potholing is best left to the Contractor during the construction phase where it can be performed more economically. Our approach will be similar to the one used for the North County ITS Phase II/III and IV projects. Potential utility conflicts will be identified and submitted to the City for approval to pothole. Potholing of potential fiber infrastructure/utility conflicts will be done at the same time as potholing for traffic signal poles if possible. Note: There are two SCG transmission lines along the south side of Avenue S at 55th Street East, in addition to the existing fiber optic conduit. To extend the fiber conduit to the east on the south side, it will be critical to confirm we can get 10' clearance from the SCG transmission lines. Our base approach assumes that Crosstown will provide potholing under a no-fee permit.

Fiber Optic Interconnect Criteria: A brief memo will be prepared that summarizes the criteria for the fiber optic interconnect/communication equipment, including conduit size/type/installation, pull box type/spacing, splicing and termination, cabinet hardware, etc. based on previous City projects and input from City staff.

We anticipate the following approach/criteria projects:

- **3-2" HDPE conduit installed by directional boring. This is an excellent cost-effective approach. In addition, with directional boring, potential conflicts can be avoided by installing the conduit deeper when horizontal space is constrained. Barring unforeseen subsurface conditions, it should be possible to install all 3 HDPE conduits together.**
- **N48 & N48E pull boxes will be located at existing and potential future traffic signal locations. Spacing can coincide with the length of each conduit pull – approximately 400' to be conservative.**
- **72 strand fiber optic cable to match the existing cable installed out to Avenue S/55th Street East and Avenue R/40th Street East. Note: Since the two new runs are at the far-east end of the City, the number of strands could be reduced to save installation costs.**
- **Splice enclosure 6 strand fiber optic cable from the N48 pull box to the traffic signal cabinet and field terminated with SC connectors using a spider fan-out kit.**
- **No new communication hubs are envisioned.**
- **Ethernet communications (switch) at each cabinet.**
- **We would likely suggest that the new signal at Avenue S/60th be added to the existing communication ring (# 18), whereas the 3 existing traffic signals and 2 new traffic signals on Avenue R will communicate with the TOC via a new ring (#22).**

CCTV Planning: TES will confirm the new CCTV locations with the City. In our experience, viable CCTV locations can be established most of the time without the need for a bucket truck survey. Therefore, our approach will be to field review each location and select potential primary and secondary locations. Then we will revisit the locations with the City to evaluate each location and determine which

ones will need a bucket truck survey. Bucket truck surveys are useful when comparing locations with potential vertical obstructions in the field of view (primarily trees) and changing elevations/dips along key roadway approaches. The field review will be scheduled after City approval of the pole locations.

Traffic Control Plans: Traffic control plans will be prepared as required to obtain a permit to conduct bucket truck surveys and design potholing. Our base approach is based on providing up to 8 different traffic control plans based on possible survey and pothole locations, and the permit requirements. This count is based on interpreting the traffic control plan requirement for "Moving traffic over the street centerline", to mean completely over the striped median or two-way left-turn lane when applicable.

Plans, Specifications & Estimates (PS&E): Similar to the North County ITS Projects, Phases II, III, & IV, the PS&E set will include a title sheet, notes sheet, interconnect plans, roadway improvement plans, signing/striping plans, traffic signal installation plans, communication overview and fiber network diagrams, detail sheets for installation of conduit, pull boxes, and field splicing, and block diagrams for CCTV and communication hardware. TES recently overhauled the City's fiber network diagrams and is very familiar with the communication requirements for this project. In addition, TES will reuse/adapt the various detail sheets and block diagrams we prepared for the Phase II/III and IV projects. Following completion of the PS&E, the City will be responsible for bidding, award, and monitoring the project through construction. TES will be available to answer questions during construction and prepare final record drawings based on Contractor redlines provided by the City.

Caltrans Encroachment Permit: An encroachment permit will be needed for the conduit crossing at Avenue R at 47th Street East. Based on TES experience with Caltrans encroachment permits for Phase II at Avenue S and 47th Street, and Phase IV at Rayburn/SR14, we suggest the City submit the plans to Caltrans for review following our submittal of the 90% PS&E. An early submittal to Caltrans will help to avoid addendums during construction. The designs will include elements in the design based on previous Caltrans requirements, including installation of a sleeve for the crossings, bore pit information, utility elevations, and other requirements. Note: The utility elevations will be based on utility records. If the records do not identify depth, it will be labeled unknown and determined during construction and may need to be added to the plans as an addendum (if required by Caltrans).

SCOPE OF SERVICES

The following base scope of services has been developed based on our project understanding/approach and the material provided in the City's Request for Proposals.

Meetings: TES and UltraSystems will attend the kickoff meeting. TES will attend up to 4 additional coordination meetings with City staff, SCE, utility companies, property owners, developers, and other stakeholders as needed. City staff will be interviewed during the kick-off meeting and subsequent phone calls to gain better understanding of City objectives and project specifics. Agendas and minutes will be prepared and circulated for each meeting (via email).

Data Collection: A request letter that identifies materials and information to be provided by the City, will be given to the City prior to the kick-off meeting. The request will include record drawings for traffic signals, roadway work (for utility and right-of-way info), existing fiber optic interconnect, aerial surveys, and other relevant material. Additional data requests will be made following the kick-off meeting.

Utility Information Request: Utility information requests will be sent out to all utility owners identified in the area by the City for this project. The list will be cross-checked with utility owners identified for the Phase II project. City letterhead will be used for requests sent to AT&T and SoCal Gas. This task includes payment of all associated utility fees.

Topographic Survey:

Avenue R: 40th Street East to 70th Street East. A full aerial topographic survey and a ground survey will be obtained for the entire R/W (existing and proposed) for the project limits along Avenue R from 40th St East to 70th St East. The survey will obtain all visible surface culture, including curb, gutter, sidewalk, trees, driveways, existing striping, above ground utilities, etc. A ground survey will be utilized to obtain horizontal, vertical control and R/W will be taken at minimum 100' intervals. The ground survey will also pick up features missed by the aerial survey.

New Traffic Signal Intersections. A ground survey will be obtained at the new traffic signal intersections, with 50' intervals taken for at least 450' on each approach. Additional 50' intervals will be taken as needed (plus an additional 100') based on our project approach for each intersection where widening is anticipated to extend beyond 450'. Greater detail will be obtained for each curb return at the three traffic signal locations, including elevations along the curb, back of walk, and R/W at BCR, ECR, and half delta, and at all critical locations on the existing ramps needed to determine existing slope for path of wheelchair, side slope at the curb, approach slope on the street, and drainage.

Horizontal and vertical control will be based on the California Coordinate System NAD 83 and vertical NAVD 1988. Survey data will be imported into AutoCAD, reviewed for completeness and the base mapping will be prepared. The base map will include all surface culture and elevations obtained by the survey, R/W, jurisdiction boundaries, APNs, centerlines, and street names. Individual layers

will be established for each feature. The AutoCAD survey base and shape file will be submitted to the City for review.

Geometric Planning at New Traffic Signal Locations: Interim and ultimate lane configuration plans (1"=40') will be prepared for each of the 3 intersections to be signalized. Interim lane configuration plans will be prepared using the ultimate curb returns approved by the City.

Ultimate lane configuration plans will be prepared first, and will include sufficient information at the intersections needed to establish the ultimate curb returns and R/W requirements. Number of lanes and widths will be established based on City direction/requirements. Truck turning movements will be evaluated as directed by the City (direction to include which corners to check, and size of truck). The base scope of services does not include a traffic analysis or developing geometrics on each approach.

R/W Acquisition:

R/W Project Management: OPC will utilize its management system, ProjectOne®, to initiate a dedicated site for the project. This management tool serves as will centrally store all project related data in an organized and logical way, to provide easy access for the whole Project Team. It enables team members to easily update the information and track project's progress.

Pre-Acquisition: During the early phase of the project, OPC will secure vesting deeds, property profile, and tax map for each property; secure preliminary title reports and back-up documentation for each property which will be valid a minimum of 6 months or until there is a change in ownership; share preliminary title information with the engineer, surveyor, and real estate appraisers; prepare list of title exceptions to be cleared; issuance of appraisal letters, and review of engineering plans, legal descriptions, R/W maps and other information relevant to the project. OPC's PM will coordinate with our appraisers on title issues, property inspections, and TES for clarification of engineering design elements. This initial stage will also include preparation of written offers of just compensation, documents, deeds, and R/W agreements in accordance with applicable requirements.

Appraisal: In developing appraisal reports for the R/W services, the initial step is a certified letter sent to the owner requesting history and input for the property. Next the property is physically inspected and the property owner interviewed. A description and analysis of the physical features of the property is noted, taking into consideration the taking and any public utility easement. Determinations are made of the property's highest and best use in both the "before" and "after" conditions. Market data is collected and verified pertinent to the assignment. Improvements that will be affected by the acquisition are identified, and appropriate valuation techniques are applied. Available data is analyzed to

determine the damages and/or benefits that result from taking. A determination is made as to what the appropriate just compensation is due to the property owner. The appraiser will prepare a written appraisal report for each property to comply with USPAP 2-2(a) and the Code of Ethics of the Appraisal Institute.

Property Negotiations: OPC's acquisition agent will establish and maintain complete and current ownership files and will maintain a diary report of all contacts made with property owners including a summary of the status The Agent will receive and analyze title information, approved appraisal reports, and legal descriptions in sufficient detail to negotiate with property owners and other parties and have prepared all offer letters, summary statements in accordance with state regulations and approval of the City. The Agent will present written purchase offers in person, when possible. The Agent will follow-up and negotiate with each property owner, as necessary; prepare and submit recommended settlement justifications to client; review any independent appraisal secured by property owner; and coordinate reimbursement of appraisal fees (up to $5,000) with City. Ongoing negotiations and settlement discussions will continue for eight (8) weeks after the initial offer. If negotiations are at an impasse after diligent attempts to settle, an impasse letter will be sent to the City indicating it appears eminent domain is appropriate to acquire the needed interest. If settlement is reached the Agent will transmit executed acquisition documents to client. Each transmittal package shall include a fully executed and properly notarized deed(s), fully executed acquisition contract and a brief settlement memorandum.

Escrow Coordination: Upon execution by the City of the acquisition contract, OPC's escrow coordinator will open escrow and coordinate execution of closing instructions providing for title insurance coverage at the settlement amount. OPC will provide the escrow officer with fully executed acquisition contract and notarized deed. OPC's escrow coordinator will review settlement statement and coordinate deposit, acquisition price and estimated closing costs with escrow, work with the title company to facilitate the clearance of title matters, and coordinate payment of taxes due and release of liens. The escrow coordinator will assist escrow with securing reconveyance or subordination agreements from lien Holders of record and conflicting easement holders, as needed, and after the closing, will review title insurance policy for accuracy (For TCE only acquisitions, escrows will be handled in-house with no clearance of title matters or subordination of liens or easements).

Support Documents: Legal descriptions and plats will be prepared in support the ultimate R/W acquisition.

Environmental Clearance:

Project Description: Following our review of the proposed projects conceptual design plan, UltraSystems will prepare a draft version of the project description

based on the approved ultimate geometrics. The project description will define: (1) site location, (2) identify any preliminary development assumptions, and (3) list all discretionary actions required by agencies with jurisdiction over the proposed project which may rely on the environmental document. A section will describe all known construction activities or anticipated construction activities, throughout the various phases of construction and duration, which includes any potential placement of equipment or supply staging areas. The City will receive a draft version of the project description for review and comment. At the conclusion of City review and comment, a final version of the project description will be submitted.

Technical Studies: The following studies will be included in the Technical Appendix of the Initial Study.

- **Cultural Resource Assessment with a Phase I Records Search will be performed. The Phase I Cultural Report would be provided as an appendix to the Initial Study (IS)/Mitigated Negative Declaration (MND). In addition, we will assist the City with review of AB 52 and Tribal Cultural Resources.**
- **Noise Impact Assessment report will be prepared to form the basis of noise section within the Initial Study. Mitigation will be proposed for any potential significant noise impacts during construction.**
- **Phase I Environmental Site Assessment (ESA) will be conducted in conformance with industry-accepted practices and American Society for Testing and Materials (ASTM) Standard E 1527-00. The purpose of the Phase I ESA is to identify recognized environmental conditions (REC).**

Draft Initial Study, Mitigated Negative Declaration: UltraSystems will prepare the Draft Initial Study (IS) pursuant to the requirements of CEQA Section 21080 and 15060 - 15065 of the CEQA Guidelines. The IS will address 18 topical areas, and will serve as substantial evidence that supports a preliminary conclusion that the project would not produce a significant effect on the environment and that a MND may be issued. UltraSystems will submit the Administrative Draft IS/MND to the City for review and comment. Following the City's approval, the Draft IS/MND will be finalized and sent out for public review. UltraSystems will prepare all notices for this project, including the Notice of Completion (NOC), Notice of Intent (NOI) and other supporting documentation required for this project. The Circulation of Draft IS/MND and NOI will be prepared for public distribution following the City's approval. The Draft IS/MND will be forwarded to each agency and stakeholder included on the distribution list. We will prepare and distribute the NOI to the County Clerk and the State Clearinghouse, a Division of the Governor's Office of Planning and Research, to announce the 30-day public review required by law.

Response to Comments: Upon receipt of consolidated comments received by the City during the 30-day public review period for the IS/MND, UltraSystems will review the content of the letters and prepare response to comments (RTCs) UltraSystems will prepare responses for up to 5 comment letters or emails received on the Draft IS/MND.

Final IS/MND and Mitigation Monitoring and Reporting Program: The Final IS/MND will be prepared, based on receipt of one consolidated set of comments from the City for the Draft IS/MND. A Mitigation Monitoring and Reporting Program (MMRP) pursuant to CEQA Statute and Guidelines § 15097.
Public Hearing: UltraSystems will attend and participate in one (up to two hours) public hearing to answer questions regarding the environmental document and impact analysis.

Preparation of Notice of Determination (NOD). UltraSystems will prepare the NOD, and post it after the City has adopted the Final IS/MND. UltraSystems will post the NOD with the County of Los Angeles Registrar-Recorder/County Clerk within two days of the approval of the Final IS/MND.

Fiber Optic Conduit Planning: 1"=40' conceptual fiber optic conduit routing plans will be prepared for Avenues R and S and submitted to the City for review and approval. The conceptual plans will be prepared using the topographic survey base plans, and include utility information. In addition, the conceptual conduit routing plans will include tie-in locations, traffic signal cabinet and lateral conduit locations, identification of potential conflicts, and identification of the existing surface above the proposed conduit. The conceptual conduit routing plans will be submitted to the City for conditional approval. Following receipt of all remaining utility information and additional information gained via potholing, the conceptual routing plans will be updated and submitted for final approval.

Design Phase Potholing: Potential pothole locations will be identified during the planning phase following receipt of utility information; completion of the topographic survey base file; and preliminary approval of the conduit routing by the City. TES will walk the route of the preliminary conduit routing and identify locations where pothole information would potentially be beneficial. At the new traffic signal locations, TES will determine potential pothole locations by reviewing the topography in each corner and information provided by utility companies. Following the field review, a brief memo will be submitted to the City that identifies proposed pothole locations and rationale. The pothole memo will include figures with each pothole location along with associated tie-in information.

Potholing will be conducted by Crosstown at locations approved by the City, on a per day basis. Underground Services Alert will be notified 48 hours in advance of all potholing. Potholes will be backfilled and compacted after recording the presence, location (tape measurements to a fixed surface feature) and depth of utilities/obstructions. Potholes done in concrete will include replacement of the full sidewalk panel. Pothole information (photos, sketch, depth, and tie-in information) will be submitted to the City for use during design review and construction. It is anticipated that the City will issue an over the counter, no-fee permit for the potholing and that there will be no additional costs for City

inspection/employees on site, and that a storm water pollution control plan will not be required.

CCTV Planning: Our base scope and fee assumes that new CCTV equipment will be required at the 3 new traffic signals, and for the existing traffic signals at Avenue R/60th Street East and at Avenue R/Rockie Lane (CCTV equipment is existing at Avenue R/40th Street East and Avenue R/55th Street East). All 5 intersections will be reviewed in the field and a list of primary and alternative camera locations will be prepared/submitted to the City for approval. TES will visit each location with the City to determine which ones will require bucket truck surveys.

Digital video obtained via bucket truck survey will be submitted via dropbox to the City for review and approval. The bucket truck crew will include a trained bucket truck operator and a safety spotter responsible for traffic control and safety while the operator is in the bucket. Our base scope and fee includes one day of bucket truck surveys (up to 5 surveys).

Traffic Control Plans: Up to 8 traffic control plans are included in our base approach as required by the permit application for bucket truck survey and design potholes. Traffic control plans will be submitted as PDFs via email. Traffic control plans for construction will be the responsibility of the Contractor.

Design Criteria/Fact Sheet: A brief memo of design criteria and other relative information will be prepared and submitted to the City based on previous North County ITS projects and discussions with City staff, State and Federal standards and specifications, utility company requirements, and other relevant data including our vast experience with similar projects. The report will specifically address conduit installation, contents, pull box spacing and placement, detection and CCTV equipment, communication hardware, and TOC equipment (if any).
Plans:

The following construction plans will be prepared for this project:

Title sheet: A project title sheet will be prepared that will include a location and project site map, project specific diagram/overview that displays existing fiber optic interconnect, limits for new fiber optic interconnect, signalized intersections (new and existing), CCTV locations (new and existing), a title sheet legend, sheet index, small plan-wide details, and general notes.
Notes Sheet: This sheet will cover the sheet index and project wide general and traffic control notes.

Fiber Optic Interconnect Plans (1"=40', 8 sheets): Interconnect plans will be prepared based on the approved conduit routing and will incorporate City comments and direction. The full design will be shown from tie-in location to end location, including all laterals, splices, hardware and equipment needed to

construct a functional communication system complete from TOC to furthest traffic signal. The interconnect plans will include existing utility information obtained via utility company responses and potholing, fully developed construction notes, small plan specific details, and a legend for non-Caltrans symbology. CCTV equipment to be installed, and wireless equipment to be removed at existing traffic signals will be shown on the interconnect plans.

Roadway Improvement Plans (1"=40',): Roadway improvement plans will be prepared based on the approved interim geometric plans and will include new curb, gutter, ramp, concrete out to the BCR and ECR, and new pavement. AC dike will extend out from the curb returns along the widened sections and transition back to join existing edge of pavement. Elevations along the curb returns and dikes will be established to ensure movement of water. The following plans will be prepared for each of the 3 new traffic signal locations:

- **Street Improvement Plans including plan and profile for ultimate curb return locations and AC dike transition to existing pavement. ADA ramps will be shown with elevations and slopes.**
- **Cross sections identifying existing and proposed surface, AC dike, and transition to existing.**
- **Detail sheets as needed**

Signing and Striping Plans (1"=40', 3 sheets): Signing and striping plans will be prepared for 3 new traffic signals based on the approved interim geometric plans. Signing/striping plans will include removal and installation of all striping/markings, signs, and curb markings.

Traffic Signal Plans (1"=20', 3 sheets): Fully developed traffic signal plans will be prepared for 3 new traffic signals based on the approved interim geometrics, pole locations, and City traffic signal criteria. The new traffic signal designs will also include new CCTV equipment, signing/striping, new/existing roadway limits, video and/or loop detection, and existing and proposed communication interconnect.

Detail Sheets (NTS): Details for the following will be included in the plan set:

- **Communication overview (1 sheet): This plan is maintained by the City. We will request the current version and update it based on this project, include it in the plan set, and submit it back to the City separately for use on other projects**
- **Fiber optic network diagrams (5 sheets). This plan is maintained by the City. We will request the current version (in the event it has been updated after our final submittal under the ITS Phase IV project) and update it based on this project, and include it in the plan set. Sheets that are not affected by this project will be noted "For Information Only". The revised set will also be submitted back to the City separately for use on other projects.**
- **Typical conduit, pull box, and splice enclosure details (2 sheets). It is assumed these details will be consistent with the North County ITS Phase II/III and IV projects.**

- **Communication/hardware block diagrams for each traffic signal cabinet, including CCTV equipment when applicable (1 sheet). It is assumed that these details will be consistent with the North County ITS Phase II/III and IV projects.**

Plan preparation: Plans will be prepared using ACAD software. Design will conform to the applicable Caltrans Standards and California MUTCD (latest edition), City standards and specifications, and any other applicable standards. Errors will be corrected without additional cost to City.

Specifications: Project technical provisions Part 1 (Roadway Projects) and Part 2 (Traffic Signal Projects) will be prepared using the standard City boilerplate as a base. Specifications that we developed for previous phases will be reviewed and elements incorporated as appropriate, in addition to any applicable State and Federal requirements. TES will identify an appropriate construction schedule and prepare the bid item descriptions and bid list. It is assumed that the City will package the specifications for bidding including the front-end boilerplate.

Estimates: Detailed estimates will be prepared using Excel to breakdown the unit cost and lump sum bid items. Quantities take-off will involve full counting/highlighting off of all work shown on the plans and identified in the special provisions. The construction climate for ITS related projects has been highly volatile in the last several years. Estimates of constructed cost for various work elements will be based on recent TES and CASC project bid opening tabs, Phase IV costs, and material provided by the City.

Bid & Construction Support: Bid and Construction support activities could include answering contractor questions, attending the pre-bid meeting, preparing bid tabs, responding to RFIs, reviewing submittals, field meetings, review of fiber optic test results, etc.

Record Drawings: Plans will be updated per the Contractor's redlines provided by the City.

Optional Services: Our scope of services is fully described in the project approach and scope of services. If needed, optional and unidentified tasks will be considered additional services, and could include:

- **Attendance at additional meetings**
- **Traffic control plans for CCTV/bucket truck, pothole activities; or construction**
- **Survey at pothole locations**
- **Utility relocations, drainage systems, hydrology studies/analysis, pavement design and coring.**
- **As-built field visits in the event the contractor redlines are lacking sufficient information/detail**
- **Traffic signal warrant analysis/traffic impact study**

Assumptions:

- **City will prepare/submit service request for the three traffic signal locations and will pay associated charges directly. TES will provide assistance as needed.**
- **There are additional assumptions for pothole services.**
  - **Design / Testing / Inspection cost.**
  - **Bonds. (1% or $500.00 minimum, if required.)**
  - **Signing / Striping / Sandblasting.**
  - **Survey / Staking / Utility Fees.**
  - **Weekend / Shift / Night work.**
  - **Engineered traffic control plan.**
  - **Hazardous material handling and disposal.**
  - **SWPPP and BMP's and Dust Control.**
  - **Flagging.**
  - **Rock Excavation or blasting.(If Required)**
  - **Stamped or colored concrete.**
  - **Removal of foundations.**
  - **Dewatering.**
  - **Wheelchair Ramps.**
  - **Truncated Domes.**
  - **Concrete street repairs. (quote based on asphalt pavement only)**
  - **Slurry seal.**
  - **Slurry backfill (includes native soil backfill only)**
  - **Quote valid 60 days.**
  - **Includes Traffic Control for our work only.**
  - **Price based on City of Palmdale standard drawings C-5 & C-6 for sidewalk repairs dated 01/09/91.**

City Council Staff Report

DATE: **OCTOBER 5, 2021**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **PUBLIC WORKS DEPARTMENT**
ENGINEERING DIVISION

DISTRICT: **2**

SUBJECT: **NOTICE OF COMPLETION – ACCEPT PUBLIC IMPROVEMENTS FOR THE ARCO AM/PM GAS STATION LOCATED AT THE SOUTHWEST CORNER OF 10TH STREET WEST AND AVENUE N**

ISSUE

Notice of Completion – Accept Public Improvements for The ARCO AM/PM Gas Station located at the southwest corner of 10th Street West and Avenue N.

RECOMMENDATION

Staff recommends that the City Council:

1. Accept the completed public improvements for the ARCO AM/PM Gas Station located at the southwest corner of 10th Street West and Avenue N; and,

2. Authorize the City Manager or his designee to file a Notice of Completion and release the security for the completed public improvements.

BACKGROUND

This project constructed public street improvements on 10th Street West and Avenue N. The public improvements have been installed per the approved construction plan, inspected, and approved by City Public Works inspection staff.

DISCUSSION

The required public improvements for the project listed in Exhibit "A" and shown in Exhibit "B" have been completed to the satisfaction of the City Engineer as required in the Subdivision/Development Improvement Agreement between the developer and the City. This council action will accept the public improvements as complete and will begin a one-year period, thereafter transferring maintenance responsibility of these improvements from the developer to the City of Palmdale. This council action will also initiate the City's release of applicable securities posted for this project in accordance

with the City's subdivision regulations. This action is being taken pursuant to Section 16.110.060 of the City's Municipal Code.

FISCAL IMPACT

The City's maintenance costs will incrementally increase as a result of acceptance of these improvements.

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:	Chuck Heffernan, P.E., Director of Public Works
Certified as to availability of Funds:	Keith Kang, Finance Manager
Approved by:	J.J. Murphy, ICMA-CM, City Manager
Approved as to form:	Christopher Beck, City Attorney

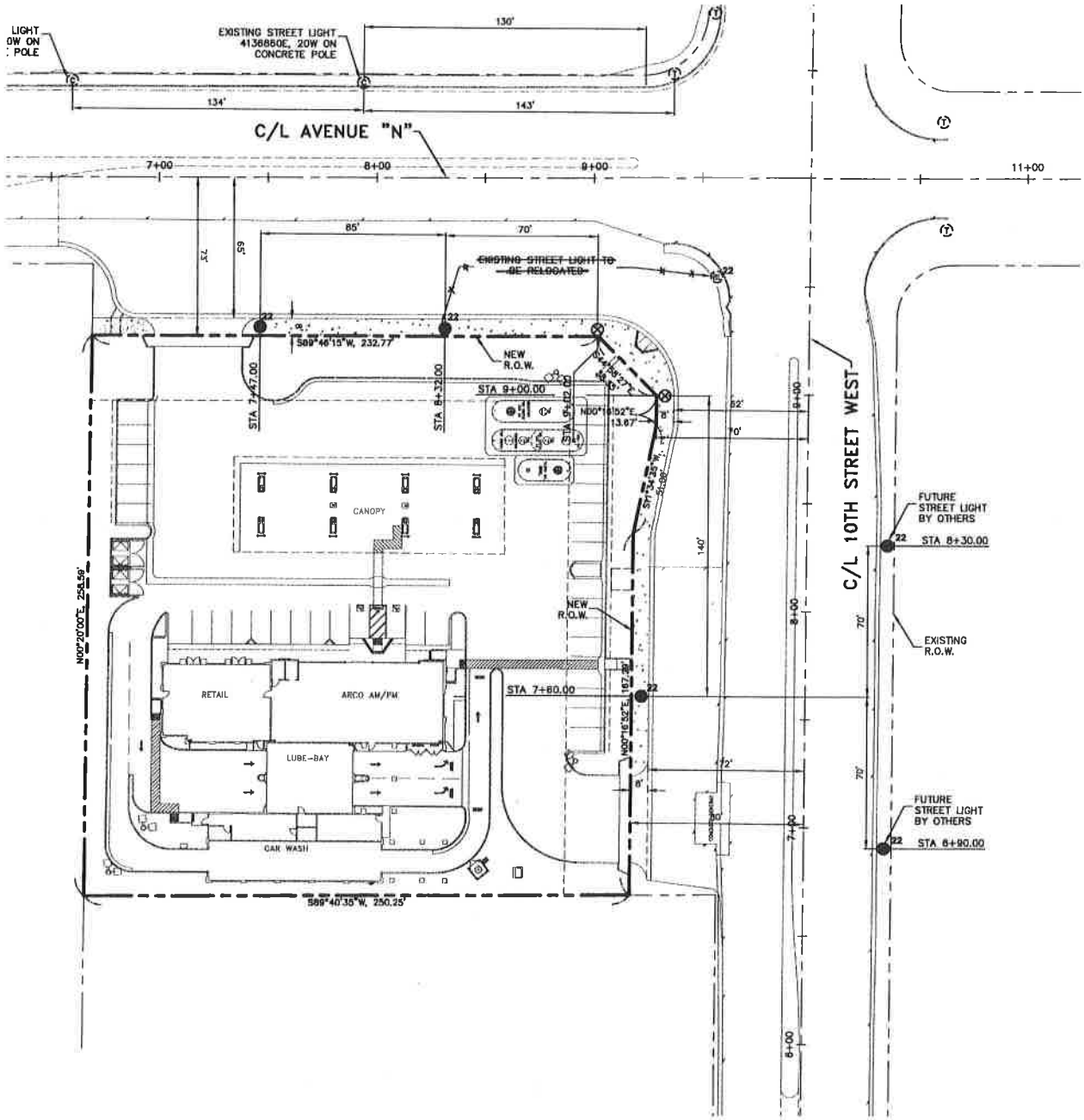
ATTACHMENTS

1. Exhibit A – List of Completed Public Improvements
2. Exhibit B – Site Map Location
3. Notice of Completion – The ARCO AM/PM Gas Station Street Improvements

EXHIBIT A
LIST OF COMPLETED PUBLIC IMPROVEMENTS

Tract/Project	Plan #	Quantity	Security
Arco AM/PM Street Improvements	ST 10-14	1,150 LF	$277,000
Arco AM/PM Sewer Improvements	PC 10-14	91 LF	$9,700
Arco AM/PM Drainage Improvements	GD 10-14	2 PARKWAY DRAINS	$2,100

EXHIBIT B
SITE MAP



CANDLE FOR "MAJOR
) FOOT MOUNTING HEIGHT,
ASS), TYPE III AND EQUIPPED

AMPS ON CONCRETE POLES.

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 3093, 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: **Street Improvements-The Arco AM/PM Gas Station.**
5. A work of improvement on the property hereinafter described was completed on **May 17, 2021**
6. The work done was: "**Street Improvements-The Arco AM/PM Gas Staion**",
7. The name of the Contractor for such work of improvement: **ANJ Properties, LLC**
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: **10th Street West and Avenue N**
9. The address of said property is: **41157 10th St. West**

Dated: October 5, 2021

CITY OF PALMDALE

Guillermo I. Padilla, 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 October 5, 2021, in the City of Palmdale, California.

Guillermo I. Padilla, City Engineer

City Council Staff Report

DATE: **OCTOBER 5, 2021**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **PUBLIC WORKS DEPARTMENT**
ENGINEERING DIVISION

DISTRICT: **3**

SUBJECT: **NOTICE OF COMPLETION – ACCEPT PUBLIC IMPROVEMENTS FOR TRACT 53221 LOCATED AT THE SOUTHEAST CORNER OF 40th STREET EAST AND AVENUE R**

ISSUE

Notice of Completion – Accept Public Improvements for Tract 53221 located at the southeast corner of 40th Street East and Avenue R.

RECOMMENDATION

Staff recommends that the City Council:

1. Accept the completed public improvements for Tract 53221 located at the southeast corner of 40th Street East and Avenue R; and,

2. Authorize the City Manager or his designee to file a Notice of Completion and release the security for the completed public improvements.

BACKGROUND

This project constructed public street improvements on 40th Street East and within Tract 53221. The public improvements were installed per the approved construction plan, inspected, and approved by City Public Works inspection staff.

DISCUSSION

The required public improvements for the project listed in Exhibit “A” and shown in Exhibit “B” have been completed to the satisfaction of the City Engineer as required in the Subdivision/Development Improvement Agreement between the developer and the City. Acceptance of the public improvements as complete will 1) begin a one-year period, thereafter transferring maintenance responsibility of these improvements from the developer to the City of Palmdale; 2) initiate the City’s release of applicable securities posted for this project in accordance with the City’s subdivision regulations. This action is being taken pursuant to Section 16.110.060 of the City’s Municipal Code.

FISCAL IMPACT

The City's maintenance costs will incrementally increase as a result of acceptance of these improvements.

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:	Chuck Heffernan, P.E., Director of Public Works
Certified as to availability of Funds:	Keith Kang, Finance Manager
Approved by:	J.J. Murphy, ICMA-CM, City Manager
Approved as to form:	Christopher Beck, City Attorney

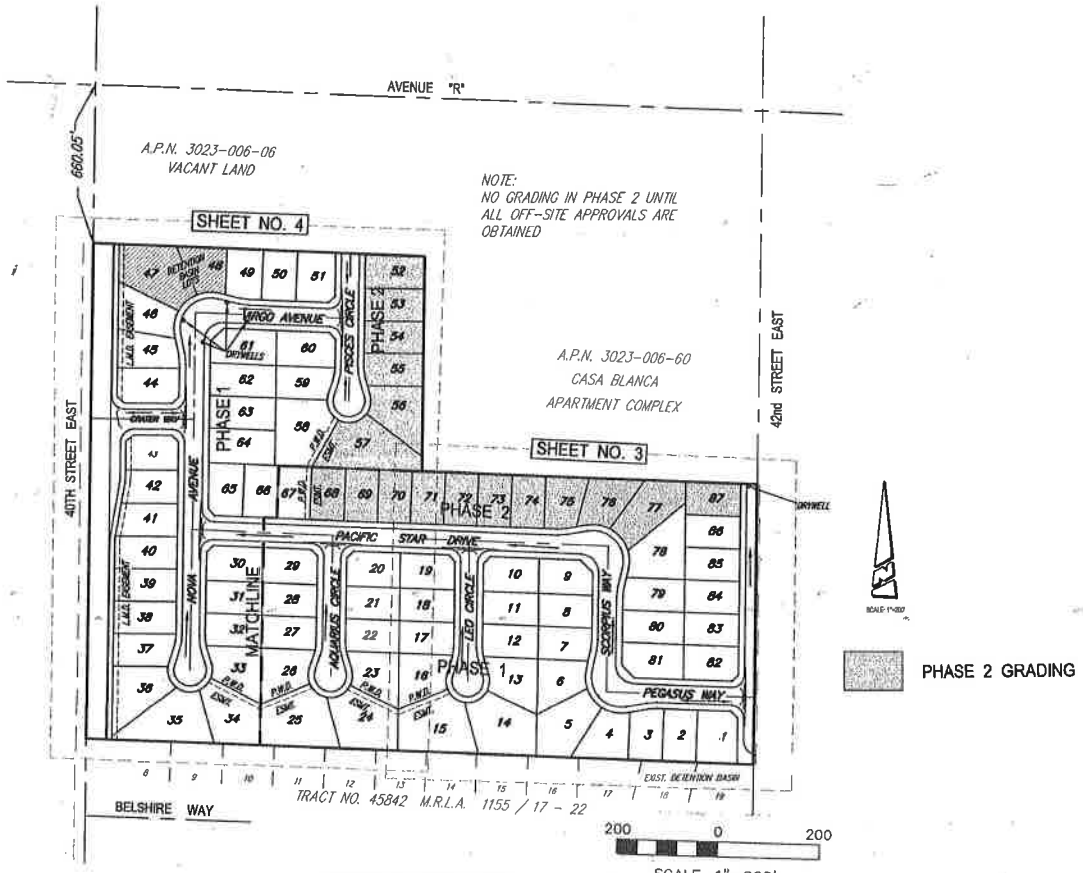
ATTACHMENTS

1. Exhibit A – List of Completed Public Improvements
2. Exhibit B – Site Map Location
3. Notice of Completion – Tract 53221 Street Improvements

EXHIBIT A
LIST OF COMPLETED PUBLIC IMPROVEMENTS

Tract/Parcel	Plan #	Quantity	Security
Tract 53221	ST 01-33(1)	3,540 LF	$290,400

EXHIBIT B
SITE MAP

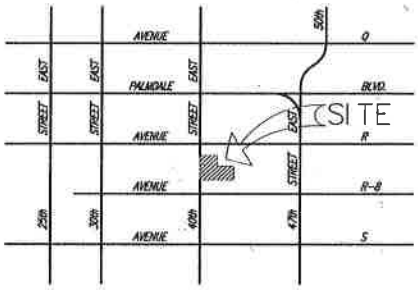


INDEX & KEY MAP

SCALE: 1"=200'

MAP LEGEND

123	EXISTING CONTOUR
	PROPOSED BLOCK WALL
	DAYLIGHT LINE
	SET BACK LINE
	WROUGHT IRON FENCE
F.L.	FLOWLINE
T.W.	TOP OF WALL
T.F.	TOP OF FOOTING
T.C.	TOP OF CURB
B.W.	BACK OF WALK
F.G.	FINISHED GRADE



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 3093, 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: **Street Improvements-Tract 53221**
5. A work of improvement on the property hereinafter described was completed on **August 19, 2021**
6. The work done was: "**Street Improvements-Tract 53221**",
7. The name of the Contractor for such work of improvement: **Pacific Communities Builder, Inc.**
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: **40th Street East and Avenue R**
9. The address of said property is: **Tract 53221**

Dated: October 5, 2021

CITY OF PALMDALE

Guillermo I. Padilla, 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 October 5, 2021, in the City of Palmdale, California.

Guillermo I. Padilla, City Engineer

City Council Staff Report

DATE: **OCTOBER 5, 2021**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **PUBLIC WORKS DEPARTMENT**
ENGINEERING DIVISION

DISTRICT: **1**

SUBJECT: **APPROVE FINAL PARCEL MAP NO. 82361 LOCATED AT THE SOUTHEAST CORNER OF AVENUE Q AND CORPORATE COURT**

ISSUE

Approve Final Parcel Map No. 82361 located at the southeast corner of Avenue Q and Corporate Court.

RECOMMENDATION

Staff recommends that the City Council:

1. Approve Final Parcel Map No. 82361;

2. Authorize the City Clerk to execute City Clerk's Statement and Special Assessments Statement; and,

3. Authorize the Acting City Land Surveyor to execute the City Surveyor's Statement and file the map with the County Recorder.

BACKGROUND

Final Parcel Map No. 82361 is a 16.75-acre subdivision, creating four (4) commercial parcels. All proposed parcel sizes and dimensions comply with the City's Zoning Ordinance. The subject property is located at the southeast corner of Avenue Q and Corporate Court, within the Palmdale Trade and Commerce Center. The applicants for this final parcel map are SYCG-MGP I LLC, a Delaware Limited Liability Company, and Palmdale T&C Partners LLC, a Delaware Limited Liability Company. This tentative parcel map was originally approved by the Planning Commission on April 9, 2020, via Resolution No. PC-2020-017.

This final parcel map is consistent with the tentative parcel map and all final map conditions of approval have been met. The Acting City Land Surveyor has reviewed the final map for technical accuracy and verifies it is in compliant with the State Subdivision Map Act.

FISCAL IMPACT

There is no fiscal impact associated with this action.

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:	Chuck Heffernan, P.E., Director of Public Works
Certified as to availability of Funds:	Keith Kang, Finance Manager
Approved by:	J.J. Murphy, ICMA-CM, City Manager
Approved as to form:	Christopher Beck, City Attorney

ATTACHMENT

1. Final Parcel Map No. 82361

4 PARCELS
16.75 ACRES

PARCEL MAP NO. 82361

IN THE CITY OF PALMDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

BEING A SUBDIVISION OF A PORTION OF THE EAST HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 27, TOWNSHIP 6 NORTH, RANGE 12 WEST, SAN BERNARDINO MERIDIAN

DRC ENGINEERING, INC.
JAKE W. LAPPERT, PLS 9303

DRC Engineering, Inc.
Civil Engineering/Land Surveying/Land Planning

DATE OF SURVEY:
DECEMBER, 2019

TENTATIVE MAP EXPIRES APRIL 21, 2023

OWNER'S STATEMENT

WE HEREBY STATE THAT WE ARE THE OWNERS OF OR ARE INTERESTED IN THE LANDS INCLUDED WITHIN THE SUBDIVISION SHOWN ON THIS MAP WITHIN THE DISTINCTIVE BORDER LINES, AND WE CONSENT TO THE PREPARATION AND FILING OF SAID MAP AND SUBDIVISION.

WE FURTHER STATE THAT, EXCEPT AS SHOWN ON THIS MAP, WE KNOW OF NO EASEMENTS OR STRUCTURES EXISTING WITHIN THE EASEMENTS HEREBY OFFERED FOR DEDICATION TO THE PUBLIC, OTHER THAN PUBLICLY OWNED WATER LINES, SEWERS, OR STORM DRAINS, THAT WE WILL GRANT NO RIGHT OR INTEREST WITHIN THE BOUNDARIES OF SAID EASEMENTS OFFERED TO THE PUBLIC, EXCEPT WHERE SUCH RIGHT OR INTEREST IS EXPRESSLY MADE SUBJECT TO SAID EASEMENTS.

AS A DEDICATION TO PUBLIC USE, WHILE ALL OF AVENUE "Q", WEST PARK DRIVE AND CORPORATE COURT ARE WITHIN OR ADJACENT TO THIS SUBDIVISION THEY REMAIN PUBLIC STREETS, WE HEREBY DEDICATE THE RIGHT TO RESTRICT DIRECT VEHICULAR INGRESS AND EGRESS FROM ABUTTING LOTS TO SAID STREETS. IF ANY PORTION OF SAID STREET WITHIN OR ADJACENT TO THIS SUBDIVISION IS VACATED, SUCH VACATION TERMINATES THE ABOVE DEDICATION AS TO THE PART VACATED.

AND WE HEREBY IRREVOCABLY OFFER TO DEDICATE REAL PROPERTY TO THE CITY OF PALMDALE:

AS EASEMENTS FOR PUBLIC PURPOSES ALL STREETS, HIGHWAYS, AND OTHER PUBLIC WAYS, SHOWN ON SAID MAP;

SYCG–MGP PALMDALE I LLC, A DELAWARE LIMITED LIABILITY COMPANY.

BY: MG PARTNERS PALMDALE 1 LLC, A CALIFORNIA LIMITED LIABILITY COMPANY
ITS: CO–MANAGING MEMBER

BY: MERLONE GEIER PARTNERS, L.P., A CALIFORNIA LIMITED PARTNERSHIP
ITS: MANAGING MEMBER

BY: MGGP, L.P., A CALIFORNIA LIMITED PARTNERSHIP
ITS: GENERAL PARTNER

BY: MERLONE GEIER 1, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY
ITS: GENERAL PARTNER

BY: _____

NAME: BRADLEY A. GEIER

ITS: CHAIRMAN

BY: PALMDALE T&C PARTNERS LLC, A DELAWARE LIMITED LIABILITY COMPANY
ITS: CO–MANAGING MEMBER

BY: SAYRECAP II, LLC, CLASS P
ITS: MEMBER

BY: SAYRECAP I, LLC
ITS: MANAGING MEMBER

BY: SAYBROOK FUND INVESTORS, LLC
ITS: MANAGER

BY: _____

NAME: DAVID R. RODRIGUEZ

ITS: OFFICER

SEE SHEET 2 FOR NOTARY ACKNOWLEDGEMENTS

LOS ANGELES COUNTY TAX CERTIFICATES

I HEREBY CERTIFY THAT ALL CERTIFICATES HAVE BEEN FILED AND DEPOSITS HAVE BEEN MADE THAT ARE REQUIRED UNDER THE PROVISIONS OF SECTIONS 66492 AND 66493 OF THE SUBDIVISION MAP ACT.

EXECUTIVE OFFICER, BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

BY: _____
DEPUTY DATE

I HEREBY CERTIFY THAT SECURITY IN THE AMOUNT OF $_____ HAS BEEN FILED WITH THE EXECUTIVE OFFICER, BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES AS SECURITY FOR THE PAYMENT OF TAXES AND SPECIAL ASSESSMENTS COLLECTED AS TAXES ON THE LAND SHOWN ON MAP OF PARCEL MAP NO. 82361 AS REQUIRED BY LAW.

EXECUTIVE OFFICER, BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

BY: _____
DEPUTY DATE

SEE SHEET 2 FOR SIGNATURE OMISSIONS

SURVEYOR'S STATEMENT

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF SYCG–MGP PALMDALE I LLC, A DELAWARE LIMITED LIABILITY COMPANY, IN DECEMBER, 2019. I HEREBY STATE THAT THIS SUBDIVISION MAP SUBSTANTIALLY CONFORMS TO THE CONDITIONALLY APPROVED TENTATIVE PARCEL MAP, IF ANY; THAT THE MONUMENTS ARE OF THE CHARACTER AND LOCATIONS SHOWN HEREON ARE IN PLACE, OR WILL BE IN PLACE WITHIN TWENTY–FOUR MONTHS FROM THE FILING DATE OF THIS MAP; AND THAT SAID MONUMENTS ARE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED AND THAT TIE NOTES TO ALL CENTERLINE MONUMENTS SHOWN AS "TO BE SET" WILL BE ON FILE IN THE OFFICE OF THE CITY ENGINEER WITHIN TWENTY–FOUR MONTHS FROM THE FILING DATE OF THIS MAP.

_____ 9/10/2021
JAKE W. LAPPERT DATE
P.L.S. NO. 9303
EXPIRATION DATE: 9/30/2022

LICENSED LAND SURVEYOR
JAKE W. LAPPERT
LS 9303
STATE OF CALIFORNIA

CITY SURVEYOR'S STATEMENT

I HEREBY STATE THAT I HAVE EXAMINED THIS MAP; THAT IT CONFORMS SUBSTANTIALLY TO THE TENTATIVE MAP AND ALL APPROVED ALTERATIONS THEREOF; THAT ALL PROVISIONS OF APPLICABLE STATE LAW AND SUBDIVISION ORDINANCES OF THE CITY OF PALMDALE APPLICABLE AT THE TIME OF APPROVAL OF THE TENTATIVE MAP HAVE BEEN COMPILED WITH; AND THAT I AM SATISFIED THAT THIS MAP IS TECHNICALLY CORRECT.

_____ _____
FREDERICK R. JONES JR. DATE
P.L.S. NO. 5458
ACTING CITY SURVEYOR, CITY OF PALMDALE

LICENSED LAND SURVEYOR
FREDERICK R. JONES JR.
LS 5458
STATE OF CALIFORNIA

CITY CLERK'S CERTIFICATE

I, SHANAE S. SMITH, CITY CLERK OF THE CITY OF PALMDALE, DO HEREBY STATE THAT THIS MAP WAS PRESENTED FOR APPROVAL TO THE CITY OF PALMDALE CITY COUNCIL AT A REGULAR MEETING THEREOF, HELD ON THE ___ DAY OF _____, 2021, AND THAT THEREUPON SAID COUNCIL DID, BY AND ORDER DULY PASSED AND ENTERED, APPROVE SAID MAP; AND ON BEHALF OF THE PUBLIC, SAID COUNCIL DID:

ACCEPT THE OFFER OF DEDICATION THE RIGHT TO RESTRICT DIRECT VEHICULAR INGRESS AND EGRESS FROM AVENUE "Q", CORPORATE COURT AND WEST PARK DRIVE, AS SHOWN ON SAID MAP.

ACCEPT THE IRREVOCABLE OFFER TO DEDICATE REAL PROPERTY AS EASEMENTS FOR PUBLIC PURPOSES ALL STREETS, HIGHWAYS, AND OTHER PUBLIC WAYS, AS SHOWN ON SAID MAP.

_____ _____
SHANAE S. SMITH DATE
CITY CLERK, CITY OF PALMDALE

SPECIAL ASSESSMENT STATEMENT

I HEREBY STATE THAT ALL SPECIAL ASSESSMENTS LEVIED UNDER THE JURISDICTION OF THE CITY OF PALMDALE, TO WHICH THE LAND INCLUDED IN THE WITHIN SUBDIVISION OR ANY PART THEREOF IS SUBJECT, AND WHICH MAY BE PAID IN FULL, HAVE BEEN PAID IN FULL.

_____ _____
SHANAE S. SMITH DATE
CITY CLERK, CITY OF PALMDALE

BASIS OF BEARINGS

THE BEARINGS SHOWN HEREON ARE BASED ON THE CENTERLINE OF AVENUE "Q" AS SHOWN ON PARCEL MAP NO. 17383 AS PER MAP FILED IN PARCEL MAP BOOK 201, PAGES 33–34, BEING NORTH 89°56'26" WEST.

MONUMENT NOTES

DISTINCTIVE BOUNDARY CORNERS REQUIRED TO BE SET SHALL BE A 2" IRON PIPE TAGGED L.S. 9303 SET IN DIRT OR AN 8" SPIKE AND WASHER TAGGED L.S. 9303 DOWN 0.04' IN ASPHALT OR A LEAD, TACK AND TAG L.S. 9303 IN CONCRETE.

STREET INTERSECTIONS, BEGINNING OF CURVE(S) AND END OF CURVE(S) REQUIRED TO BE SET SHALL BE AN 8" SPIKE AND WASHER DOWN 0.04' TAGGED L.S. 9303

PARCEL LINE PROLONGATIONS ON TOP OF CURB SHALL BE A LEAD, TACK AND TAG L.S. 9303

SOILS REPORT NOTE

IN ACCORDANCE WITH SECTOIN 66434.5 OF THE SUBDIVISION MAP ACT, A SOILS REPORT WAS PREPARED ON JANUARY 2, 2019 BY KRAZAN & ASSOCIATES, INC, FILE NO. 112–18117, AND IS ON FILE IN THE OFFICE OF THE CITY ENGINEER.

PARCEL MAP NO. 82361

IN THE CITY OF PALMDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

DRC ENGINEERING, INC.
JAKE W. LAPPERT, PLS 9303

DRC Engineering, Inc.
Civil Engineering/Land Surveying/Land Planning

DATE OF SURVEY:
DECEMBER, 2019

NOTARY ACKNOWLEDGMENT

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 _____)
COUNTY OF _____) SS

ON _____ BEFORE ME, _____, A NOTARY PUBLIC, PERSONALLY APPEARED _____, WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND:

SIGNATURE_____

_____
(NAME PRINTED)

MY PRINCIPAL PLACE OF BUSINESS IS
IN _____ COUNTY

MY COMMISSION EXPIRES _____
MY COMMISSION NUMBER _____

NOTARY ACKNOWLEDGMENT

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 _____)
COUNTY OF _____) SS

ON _____ BEFORE ME, _____, A NOTARY PUBLIC, PERSONALLY APPEARED _____, WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND:

SIGNATURE_____

_____
(NAME PRINTED)

MY PRINCIPAL PLACE OF BUSINESS IS
IN _____ COUNTY

MY COMMISSION EXPIRES _____
MY COMMISSION NUMBER _____

SIGNATURE OMISSIONS

THE SIGNATURES OF THE PARTIES NAMED, HOLDERS OF AN INTEREST AS STATED BELOW, HAVE BEEN OMITTED PURSUANT TO THE PROVISIONS OF SECTION 66436 (a)(3)(A)(i–viii) OF THE SUBDIVISION MAP ACT, THEIR INTEREST IS SUCH THAT IT CANNOT RIPEN INTO A FEE TITLE AND SAID SIGNATURES ARE NOT REQUIRED BY THE LOCAL AGENCY:

THE SIGNATURE(S) OF PACIFIC TELEPHONE AND TELEGRAPH COMPANY, A CORPORATION, HOLDER OF AN EASEMENT FOR AERIAL AND UNDERGROUND TELEPHONE, TELEGRAPH, COMMUNICATION STRUCTURES AND INCIDENTAL PURPOSES PER DOCUMENT RECORDED FEBRUARY 28, 1956 AS INSTRUMENT NO. 3283 OF OFFICIAL RECORDS.

THE SIGNATURE(S) OF THE CITY OF PALMDALE, HOLDER OF AN EASEMENT FOR PUBLIC ROAD, HIGHWAY, SLOPE AND INCIDENTAL PURPOSES PER DOCUMENT RECORDED MAY 8, 1990 AS INSTRUMENT NO. 90–839642 OF OFFICIAL RECORDS.

THE SIGNATURE(S) OF THE CITY OF PALMDALE, HOLDER OF AN EASEMENT FOR PUBLIC UTILITIES, QUASI–PUBLIC UTILITIES AND INCIDENTAL PURPOSES PER DOCUMENT RECORDED MAY 29, 1992 AS INSTRUMENT NO. 92–968380 OF OFFICIAL RECORDS.

THE SIGNATURE(S) OF THE CITY OF PALMDALE, HOLDER OF AN EASEMENT FOR PUBLIC UTILITIES, QUASI–PUBLIC UTILITIES AND INCIDENTAL PURPOSES PER DOCUMENT RECORDED MAY 29, 1992 AS INSTRUMENT NO. 92–968381 OF OFFICIAL RECORDS.

THE SIGNATURE(S) OF THE CITY OF PALMDALE, HOLDER OF AN EASEMENT FOR PUBLIC UTILITIES, QUASI–PUBLIC UTILITIES AND INCIDENTAL PURPOSES PER DOCUMENT RECORDED MAY 29, 1992 AS INSTRUMENT NO. 92–968382 OF OFFICIAL RECORDS.

THE SIGNATURE(S) OF THE CITY OF PALMDALE, HOLDER OF AN EASEMENT FOR STREET RIGHT OF WAY FOR AVENUE "Q" AND INCIDENTAL PURPOSES PER DOCUMENT RECORDED JULY 7, 1992 AS INSTRUMENT NO. 92–1230917 OF OFFICIAL RECORDS.

(NOTE – AT THE TIME OF CONVEYANCE OF THE ABOVE REFERENCED EASEMENT THE GRANTOR, PALMDALE PLAZA 14, A CALIFORNIA GENERAL PARTNERSHIP, HAD NO APPARENT INTEREST IN SAID LAND, NOR HAS THE GRANTOR SUBSEQUENTLY ACQUIRED A RECORD INTEREST.)

MONUMENT AND ESTABLISHMENT NOTES

1. SW COR, N 1/2, NE 1/4, SEC 27, T6N, R12W, SBM – FOUND 2.5" BRASS COUNTY ENGINEER'S MONUMENT, STAMPED AS SHOWN, PER R1 & R2, DOWN 0.7' IN WELL.
2. CL INT 5TH STREET & WEST PARK DRIVE – FOUND SPIKE AND WASHER STAMPED "PLS 7850", PER PWFB 3224/748, FLUSH.
3. POINT ON W LINE E 1/2, NW 1/4, NE 1/4, SEC 27, T. 6 N., R. 12 W., SBM – FOUND C–NAIL, NO REFERENCE, FLUSH, HELD FOR SAID W LINE ONLY. PONT LINES N1°07'48"W, 0.13' FROM CL TERMINUS OF WEST PARK DRIVE (VACATED PORTION), SAID TERMINUS ESTABLISHED BY PRORATION USING R1 DATA.
4. N 1/4 COR, SEC 27, T6N, R12W, SBM – FOUND BOAT SPIKE AND WASHER, TAG ILLEGIBLE, PER R1, DOWN 1.25' IN WELL.
5. NW COR, E 1/2, NW 1/4, NE 1/4, SEC 27, T6N, R12W, SBM – FOUND SPIKE AND WASHER TAGGED "RCE 19233", PER R3, FLUSH.
6. CL INT AVENUE "Q" & CARRIAGE WAY – FOUND SPIKE AND WASHER TAGGED "RCE 19233", PER R3, FLUSH.
7. P.O.B. D1 – SEARCHED NOTHING FOUND. ESTABLISHED BY HOLDING RECORD DISTANCE (1356.43') PER D1.
8. NE COR, SEC 27, T6N, R12W, SBM – FOUND 3" BRASS COUNTY SURVEYOR'S MONUMENT, STAMPED AS SHOWN, PER R1, R2 AND R3, DOWN 1.1' IN WELL.
9. SE COR, N 1/2, NE 1/4, SEC 27, T6N, R12W, SBM – SEARCHED NOTHING FOUND. ESTABLISHED BY PRORATION.
10. E 1/4 COR, SEC 27, T6N, R12W, SBM – FOUND CALIFORNIA DIVISION OF HIGHWAYS MONUMENT, STAMPED AS SHOWN, PER R1 & R2, DOWN 1.1' IN WELL.
11. SEARCHED NOTHING FOUND. ESTABLISHED BY HOLDING RECORD DATA PER D1.
12. SEARCHED NOTHING FOUND. ESTABLISHED BY INTERSECTION.
13. SE COR, W 1/2, NW 1/4, NE 1/4, SEC 27, T6N, R12W, SBM – SEARCHED NOTHING FOUND. ESTABLISHED BY PRORATION.
14. SEARCHED NOTHING FOUND. ESTABLISHED BY HOLDING RECORD DATA PER D2.
15. SEARCHED NOTHING FOUND. ESTABLISHED BY INTERSECTION OF D2 AND THE SOUTHERLY LINE OF AVENUE "Q", 80 FEET WIDE, PER D2.
16. SEARCHED NOTHING FOUND. ESTABLISHED ALONG THE SOUTHERLY LINE OF AVENUE "Q", 80 FEET WIDE, AT RECORD DISTANCE (129.00' D2) FROM THE NORTHEAST CORNER OF D2, PER D2.
17. SEARCHED NOTHING FOUND. ESTABLISHED BY HOLDING RECORD ANGLE (45°01'59" D2) AND DISTANCE (38.21' D2), PER R2.
18. SEARCHED NOTHING FOUND. ESTABLISHED BY HOLDING RADIAL, 70.00' OFFSET FROM SW'LY CURVE (R=335.00') OF CORPORATE COURT TO ESTABLISH B.C.
19. SEARCHED NOTHING FOUND. ESTABLISHED THE E.C. BY HOLDING RECORD DATA (Δ=51°07'49" R=265.00' L=236.48' D2) PER D2.

4 PARCELS
16.75 ACRES
SCALE: 1" = 100'

SHEET 3 OF 5 SHEETS

PARCEL MAP NO. 82361

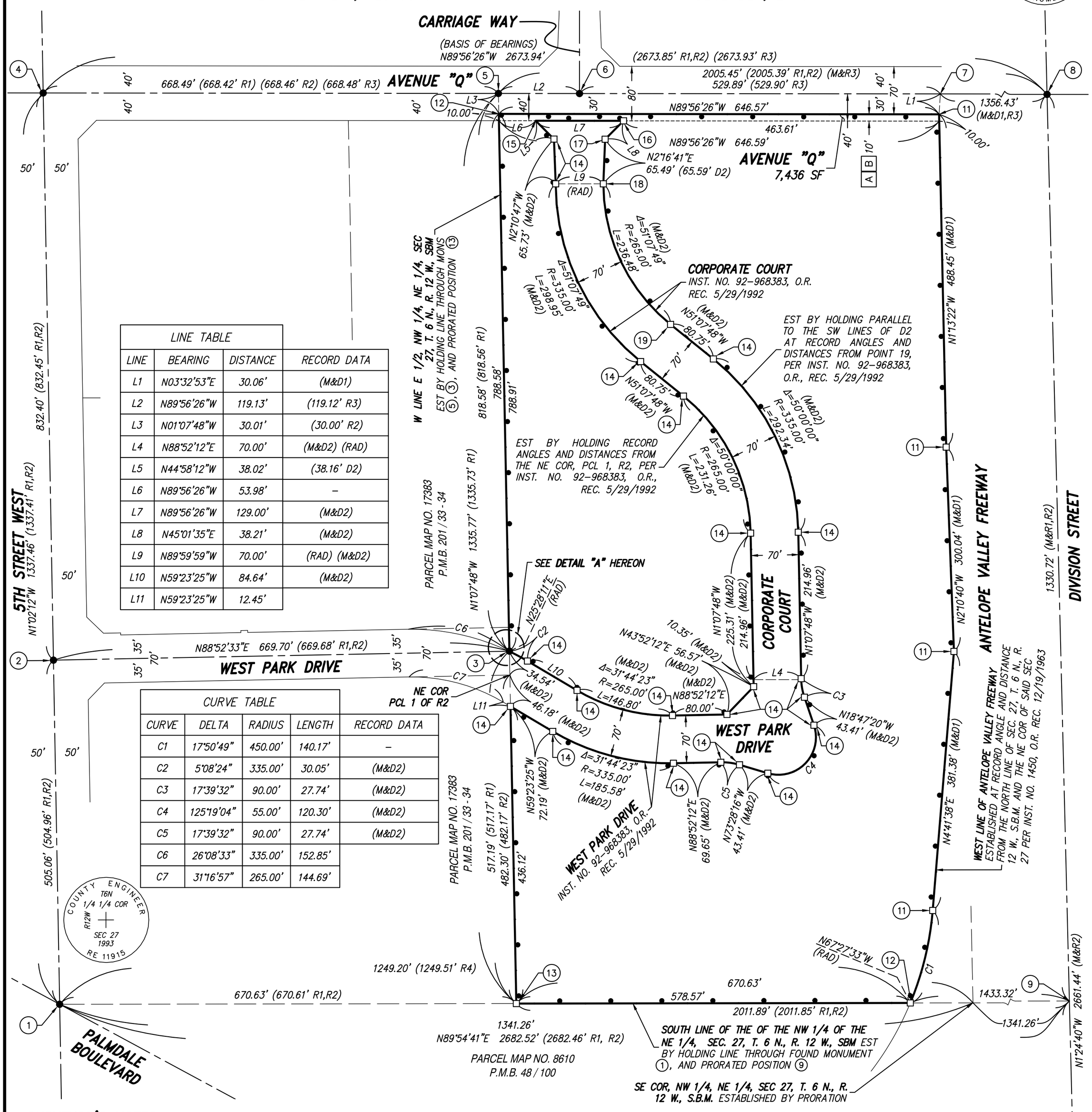
IN THE CITY OF PALMDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

DRC ENGINEERING, INC.
JAKE W. LAPPERT, PLS 9303

DRC Engineering, Inc.
Civil Engineering/Land Surveying/Land Planning

DATE OF SURVEY:
DECEMBER, 2019

COUNTY SURVEYOR'S MONUMENT
T6N
R12W
22 23
27 26

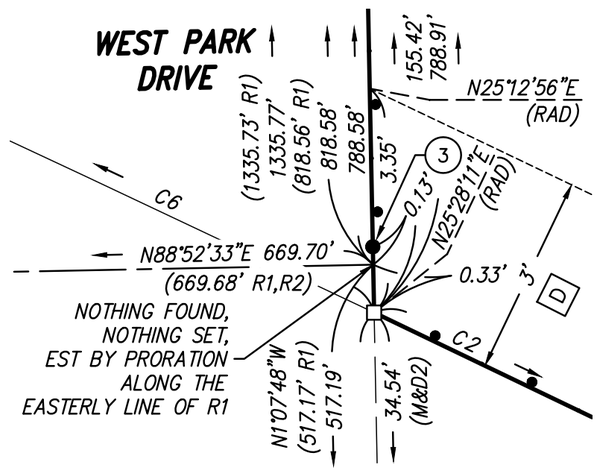


LINE TABLE			
LINE	BEARING	DISTANCE	RECORD DATA
L1	N03°32'53"E	30.06'	(M&D1)
L2	N89°56'26"W	119.13'	(119.12' R3)
L3	N01°07'48"W	30.01'	(30.00' R2)
L4	N88°52'12"E	70.00'	(M&D2) (RAD)
L5	N44°58'12"W	38.02'	(38.16' D2)
L6	N89°56'26"W	53.98'	–
L7	N89°56'26"W	129.00'	(M&D2)
L8	N45°01'35"E	38.21'	(M&D2)
L9	N89°59'59"W	70.00'	(RAD) (M&D2)
L10	N59°23'25"W	84.64'	(M&D2)
L11	N59°23'25"W	12.45'	

CURVE TABLE				
CURVE	DELTA	RADIUS	LENGTH	RECORD DATA
C1	17°50'49"	450.00'	140.17'	–
C2	5°08'24"	335.00'	30.05'	(M&D2)
C3	17°39'32"	90.00'	27.74'	(M&D2)
C4	125°19'04"	55.00'	120.30'	(M&D2)
C5	17°39'32"	90.00'	27.74'	(M&D2)
C6	26°08'33"	335.00'	152.85'	
C7	31°16'57"	265.00'	144.69'	

SURVEYOR'S NOTES

- ● INDICATES FOUND MONUMENT AS DESCRIBED
- □ INDICATES 2" IP L.S. 9303 TO BE SET IN DIRT OR 8" S&W L.S. 9303 SET IN ASPHALT OR LT&T L.S. 9303 SET IN CONCRETE.
- ○ INDICATES 1" IP L.S. 9303 TO BE SET IN DIRT OR 8" S&W L.S. 9303 SET IN ASPHALT OR LT&T L.S. 9303 SET IN CONCRETE.
- ◎ INDICATES LT&T L.S. 9303 TO BE SET IN CONCRETE AT PARCEL LINE PROLONGATION ON TOP OF CURB.
- (...) INDICATES RECORD OR CALCULATED FROM RECORD DATA AS NOTED.
- [LTR] SEE EASEMENT NOTES ON SHEET 5.
- (#) SEE MONUMENT NOTES ON SHEET 2.
- INDICATES RESTRICTED VEHICULAR ACCESS RIGHTS DEDICATED TO THE CITY OF PALMDALE PER THIS MAP SEE SHEETS 4 AND 5.
- INDICATES THE BOUNDARY OF THE LAND BEING SUBDIVIDED BY THIS MAP



DETAIL "A"
NOT TO SCALE

REFERENCES

D1 GRANT DEED, REC. 12/19/1963 AS INST. NO. 1450, O.R.

D2 GRANT DEED, REC. 05/29/1992 AS INST. NO. 92-968383, O.R.

R1 PARCEL MAP NO. 062644, P.M.B. 358/11-12

R2 PARCEL MAP NO. 17383, P.M.B. 201/33-34

R3 TRACT NO. 46586, M.B. 1145/52-57

R4 PARCEL MAP NO. 3610, P.M.B. 48/100

CALIFORNIA DIVISION OF HIGHWAYS

SEE SHEET 5 FOR EASEMENT NOTES

4 PARCELS
16.75 ACRES
SCALE: 1" = 50'

PARCEL MAP NO. 82361

IN THE CITY OF PALMDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

NOTE

CROSS ACCESS EASEMENTS TO BE RESERVED IN SEPARATE DOCUMENTS.

DRC ENGINEERING, INC.
JAKE W. LAPPERT, PLS 9303

DRC Engineering, Inc.
Civil Engineering/Land Surveying/Land Planning

DATE OF SURVEY:
DECEMBER, 2019

(BASIS OF BEARINGS)
N89°56'26"W 2673.94'

(2673.85' R1,R2) (2673.93' R3)
2005.45' (2005.39' R1,R2) (M&R3)
529.89' (529.90' R3)

668.49'
(668.42' R1)
(668.46' R2)
(668.48' R3)

AVENUE "Q"
N89°56'26"W 646.57'

AVENUE "Q"
7,436 SF

N89°56'26"W 646.59'

463.61'

PARCEL 1
2.75 ACRES
(GROSS/NET)

PARCEL 2
1.87 ACRES
(GROSS/NET)

PARCEL 3
6.08 ACRES
(GROSS/NET)

PARCEL 4

ANTELOPE VALLEY FREEWAY

CORPORATE COURT

WEST PARK DRIVE

DRIVEWAY ACCESS

SEE DETAIL "A" ON SHEET 3

SEE DETAIL "B"

SEE DETAIL "C"

SEE DETAIL "D"

SEE DETAIL "E"

SEE DETAIL "F"

SEE SHEET 5

SEE SHEET 5 FOR EASEMENT NOTES

DETAIL "B"
SCALE 1" = 10'

DETAIL "C"
SCALE 1" = 10'

DETAIL "D"
SCALE 1" = 10'

DETAIL "E"
SCALE 1" = 10'

DETAIL "F"
SCALE 1" = 10'

PARCEL MAP NO. 17383
P.M.B. 201 / 33 - 34

LINE TABLE			
LINE	BEARING	DISTANCE	RECORD DATA
L1	N03°32'53"E	30.06'	(M&D1)
L2	N89°56'26"W	119.13'	(119.12' R3)
L3	N01°07'48"W	30.01'	(30.00' R2)
L4	N88°52'12"E	70.00'	(M&D2) (RAD)
L5	N44°58'12"W	38.02'	(38.16' D2)
L6	N89°56'26"W	53.98'	–
L7	N89°56'26"W	129.00'	(M&D2)
L8	N45°01'35"E	38.21'	(M&D2)
L9	N89°59'59"W	70.00'	(RAD) (M&D2)
L10	N59°23'25"W	84.64'	(M&D2)
L11	N59°23'25"W	12.45'	
L12	N89°56'26"W	53.76'	
L13	N44°59'01"W	38.65'	
L14	N01°07'48"W	35.00'	
L15	N01°07'48"W	35.00'	
L16	N88°52'12"E	35.00'	
L17	N88°52'12"E	35.00'	
L18	N89°59'59"W	35.00'	
L19	N89°59'59"W	35.00'	

CURVE TABLE				
CURVE	DELTA	RADIUS	LENGTH	RECORD DATA
C2	5°08'24"	335.00'	30.05'	(M&D2)
C3	17°39'32"	90.00'	27.74'	(M&D2)
C4	125°19'04"	55.00'	120.30'	(M&D2)
C5	17°39'32"	90.00'	27.74'	(M&D2)
C6	26°08'33"	335.00'	152.85'	
C7	31°16'57"	265.00'	144.69'	

4 PARCELS
16.75 ACRES
SCALE: 1" = 60'

PARCEL MAP NO. 82361

IN THE CITY OF PALMDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

DRC ENGINEERING, INC.
JAKE W. LAPPERT, PLS 9303

DRC Engineering, Inc.
Civil Engineering/Land Surveying/Land Planning

DATE OF SURVEY:
DECEMBER, 2019

LINE TABLE			
LINE	BEARING	DISTANCE	RECORD DATA
L4	N88°52'12"E	70.00'	(M&D2) (RAD)

CURVE TABLE				
CURVE	DELTA	RADIUS	LENGTH	RECORD DATA
C1	17°50'49"	450.00'	140.17'	–
C3	17°39'32"	90.00'	27.74'	(M&D2)
C4	125°19'04"	55.00'	120.30'	(M&D2)
C5	17°39'32"	90.00'	27.74'	(M&D2)

EXISTING EASEMENT NOTES

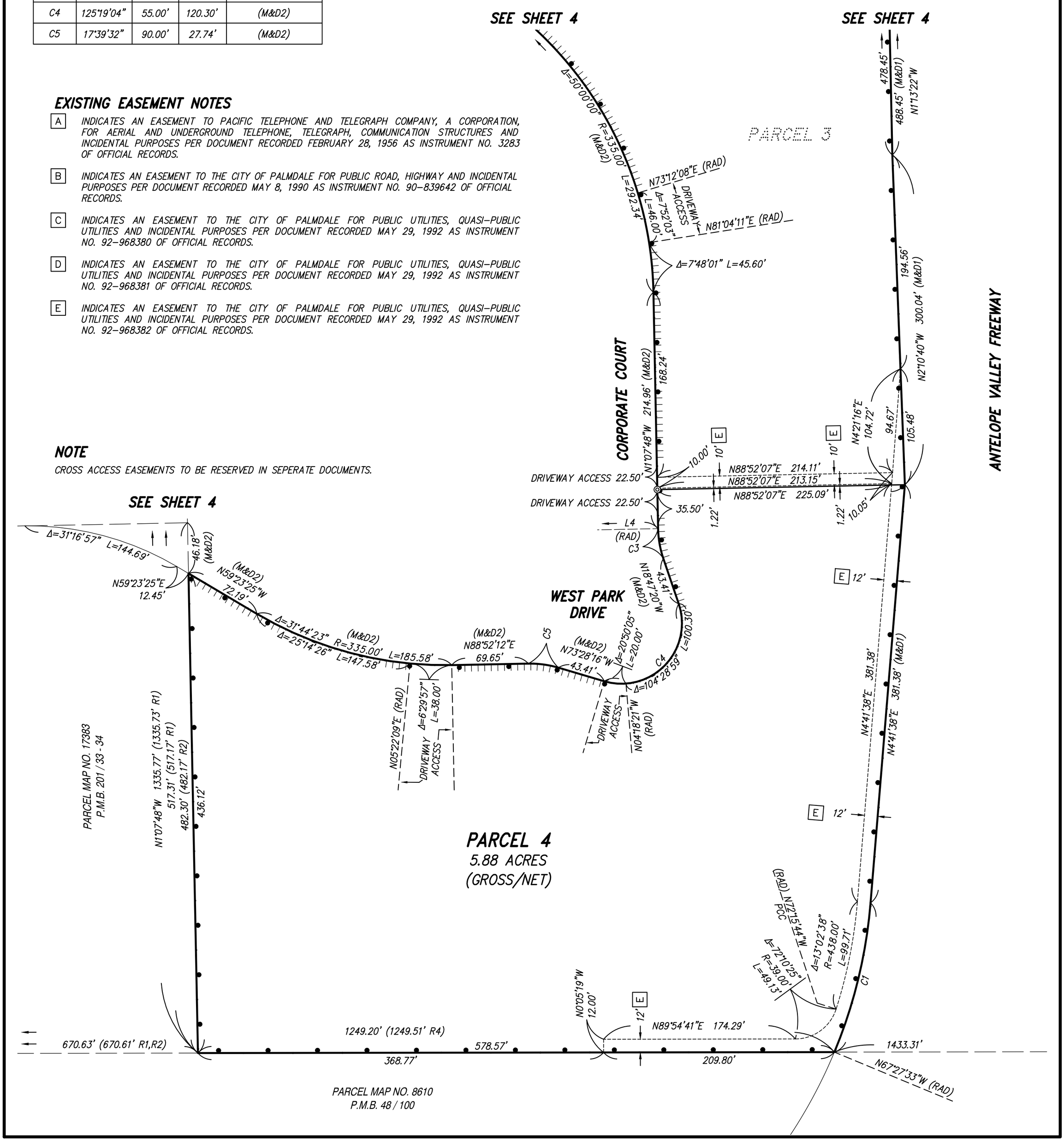
A — INDICATES AN EASEMENT TO PACIFIC TELEPHONE AND TELEGRAPH COMPANY, A CORPORATION, FOR AERIAL AND UNDERGROUND TELEPHONE, TELEGRAPH, COMMUNICATION STRUCTURES AND INCIDENTAL PURPOSES PER DOCUMENT RECORDED FEBRUARY 28, 1956 AS INSTRUMENT NO. 3283 OF OFFICIAL RECORDS.

B — INDICATES AN EASEMENT TO THE CITY OF PALMDALE FOR PUBLIC ROAD, HIGHWAY AND INCIDENTAL PURPOSES PER DOCUMENT RECORDED MAY 8, 1990 AS INSTRUMENT NO. 90–839642 OF OFFICIAL RECORDS.

C — INDICATES AN EASEMENT TO THE CITY OF PALMDALE FOR PUBLIC UTILITIES, QUASI–PUBLIC UTILITIES AND INCIDENTAL PURPOSES PER DOCUMENT RECORDED MAY 29, 1992 AS INSTRUMENT NO. 92–968380 OF OFFICIAL RECORDS.

D — INDICATES AN EASEMENT TO THE CITY OF PALMDALE FOR PUBLIC UTILITIES, QUASI–PUBLIC UTILITIES AND INCIDENTAL PURPOSES PER DOCUMENT RECORDED MAY 29, 1992 AS INSTRUMENT NO. 92–968381 OF OFFICIAL RECORDS.

E — INDICATES AN EASEMENT TO THE CITY OF PALMDALE FOR PUBLIC UTILITIES, QUASI–PUBLIC UTILITIES AND INCIDENTAL PURPOSES PER DOCUMENT RECORDED MAY 29, 1992 AS INSTRUMENT NO. 92–968382 OF OFFICIAL RECORDS.



City Council Staff Report

DATE: **OCTOBER 5, 2021**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **PUBLIC WORKS DEPARTMENT**
CAPITAL IMPROVEMENT PROGRAM DIVISION

DISTRICT: **ALL**

SUBJECT: **APPROVE SUPPLEMENTAL AGREEMENT NO. 2 WITH MANHOLE ADJUSTING, INC. IN ASSOCIATION WITH PN 806, 2021 LOCAL STREETS CAPE SEAL PROJECT, IN THE AMOUNT OF $1,046,773**

ISSUE

Approve Supplemental Agreement No. 2with Manhole Adjusting, Inc. in association with PN 806, 2021 Local Streets Cape Seal Project, in the amount of $1,046,773.

RECOMMENDATION

Staff recommends that the City Council:

1. Approve Supplemental Agreement No. 2 to Agreement No. A-7505 for PN 806, 2021 Local Streets Cape Seal Project, in the amount of $1,046,773.
2. Authorize the City Manager or his designee to execute Supplemental Agreement No. 2 to Agreement No. A-7505, with Manhole Adjusting, Inc., including making minimal and/or non-substantive changes.

BACKGROUND

Project No. 806, the 2021 Local Street Cape Seal Project, provides for resurfacing of approximately 2.525 million square feet of local streets throughout the City with a System 1 ARAM cape seal treatment. This project was awarded to Manhole Adjusting, Inc. in June 2021 and construction has commenced with approximately 70% complete. Supplemental Agreement No. 1 provided for installation of a leveling course along a section of the original streets and surface preparation of additional streets prior to the cape seal installation.

DISCUSSION

In response to complaints received from concerned residents, City staff reviewed and assessed the condition of additional streets to receive a cape seal treatment and to potentially be included in Project No. 806. The additional local streets are residential and collector streets located north of Avenue S between Parkland Dr. and The Groves. The Contractor submitted a proposal for System 1 ARAM cape seal installation, in accordance with the contract documents, and agreed to perform the extra work at the original bid unit prices without markup if remobilizations were not required. The initial project scope was completed sooner than anticipated and therefore time is available to complete the

additional streets before cold weather sets in. It is beneficial to the City to resurface these local streets now as budget for street resurfacing is available. In addition, with construction material and labor costs continually increasing, waiting until the next resurfacing season would result in a higher cost to the City.

The total additional square footage of resurfacing is 1,181,445. Supplemental Agreement No. 2 provides for additional traffic control, remaining surface preparation, cape seal installation, striping replacement, and utility adjustment on the added streets.

FISCAL IMPACT

The additional work is in the amount of $1,046,773 and will be funded from Account S0025, Street Resurfacing. The fiscal impact and remaining account balance can be seen in the following table:

SCOPE OF WORK		COST
PN 806 2021 Cape Seal Project		$2,564,325
Supplemental Agreement No. 1		$256,432.37
Supplemental Agreement No. 2		$1,046,773
Account Number	**Starting Balance**	**Remaining Balance**
S0025	$10,782,583	$9,735,810

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:	Chuck Heffernan, P.E., Public Works Director
Certified as to availability of Funds:	Keith Kang, Finance Manager
Approved by:	J.J. Murphy, ICMA-CM, City Manager
Approved as to form:	Christopher Beck, City Attorney

ATTACHMENTS

Supplemental Agreement No. 2 to Agreement No. A-7505

Agreement A-7505

SUPPLEMENTAL AGREEMENT

PALMDALE
a place to call home

Agreement No: 2

Project Title: **2021 Local Street Cape Seal Project**

Manhole Adjusting, Inc.
9500 Beverly Rd
Pico Rivera, CA 90660

Project No: **806** **Account No.** **S0025201-724525** **Contract Date:** **June 1, 2021**

The following changes are hereby made to the Contract Documents:

See attached change order summary - Exhibit "A"

TOTAL $ 1,046,773.00

Justification:

See attached change order summary - Exhibit "A"

Change to Contract Price:

Original Contract Amount:	$	2,564,325.00
Supplemental Agreement No. 1:	$	256,432.37
The Contract Price due to this Supplemental Agreement will be increased by:	$	1,046,773.00
The new Contract Price due to this Supplemental Agreement will be:	$	3,611,098.00

Change to Contract Time: none

Contract Time:	90	[calendar days]
The Contract Time has been increased by:	33	[calendar days]
The new date for completion of all work under the contract is:	11/17/2021	

APPROVALS REQUIRED:

To be effective, this order must be approved by the Owner if it changes the scope or objective of the project, or as may otherwise be required under the terms of the Supplementary General Conditions of the Contract.

Contractor: _____ Date: _____
John Velez, Project Manager

Project Manager: _____ Date: _____
Marc Zuber

Director of Public Works: _____ Date: _____
Chuck Heffernan, P.E.

City Manager: _____ Date: _____
J.J. Murphy, ICMA-CM

ATTEST:

_____
Shanae S. Smith,
City Clerk

APPROVED AS TO FORM:

_____
Christopher L. Beck,
City Attorney

-$69.44						
-$3,513.60				6/20/2019	9/18/2019	
-$31,575.95						
$134,750.40						
-$3,879.30						
$65,469.20						
$161,181.31						
$2,472,900.00	$2,634,081.31			$2,634,081.32	$0.01	
	$161,181.31					
	0.065179065	134750.4				
		134750.4				56079.2
						3879.3
						65469.2
		46950		9390		

EXHIBIT "A"

CHANGE ORDER SUMMARY
Supplemental Agreement No. 2 to Agreement No. A-7505
for City Project No. 806, the 2021 Local Streets Cape Seal Project

ITEM NO.	DESCRIPTION OF CHANGE	JUSTIFICATION	AMOUNT OF CHANGE
1	**CCO #2: Bid Item No. 2 – Increase lump sum bid amount for Traffic Control by $20,552**	In accordance with the contract documents of Agreement No. A-7505, Bid Item No. 2 represents the traffic control planning and setup on project streets that are scheduled to receive a cape seal as part of Project No. 806. As mutually agreed by the City and the Contractor, this lump sum item is increased by $20,552 to account for traffic control on the local streets that were added to the cape seal project scope. The additional cost includes traffic control plans, traffic control letters, and the provision and setup of traffic control devices on the added streets.	$20,552.00
2	**CCO #2: Bid Item No. 3 – Increase bid quantity of roadway preparation by 274,219 square feet**	In accordance with the contract documents of Agreement No. A-7505, Bid Item No. 3 represents the necessary surface preparation to a project street that is scheduled for a cape seal on Project No. 806. This bid item's unit price includes all material, labor, equipment, and appurtenances necessary to complete one square foot (SF) of surface preparation, in accordance with the project plans and specifications. As mutually agreed by the City and the Contractor, the overall quantity of this bid item has been increased to account for the addition of local streets to the cape seal project scope. Supplemental Agreement No. 1 to Agreement No. A-7505 increased this bid item by 907,226 SF to provide surface preparation on local streets added to the project. Supplemental Agreement No. 2 increases the quantity of this bid item by 274,219 SF to provide surface preparation on the remainder of the added local streets. At the original bid unit price of $0.084 per SF, this represents a cost increase of $23,034.40 on Bid Item No. 3.	$23,034.40

It is understood that with the signing and execution of this supplemental agreement, the Contractor waives any and all rights to claim, seek, and demand additional compensation for this contract, including those from subcontractors, suppliers, or vendors. The City of Palmdale shall in no way have obligations beyond the adjusted Contract amount reflected herein. The Contractor shall provide proof of all releases from subcontractors, suppliers, vendors, and shall hold the City of Palmdale harmless from any and all claims associated with this Contract.

Contractor Initials: _____

EXHIBIT "A"

CHANGE ORDER SUMMARY
Supplemental Agreement No. 2 to Agreement No. A-7505
for City Project No. 806, the 2021 Local Streets Cape Seal Project

ITEM NO.	DESCRIPTION OF CHANGE	JUSTIFICATION	AMOUNT OF CHANGE
3	**CCO #2: Bid Item No. 4 – Increase bid quantity of standard ARAM System 1 Cape Seal by 1,095,848 square feet**	In accordance with the contract documents of Agreement No. A-7505, Bid Item No. 4 represents the total square footage of standard System 1 ARAM Cape Seals constructed on project streets scheduled for a cape seal (does not include the specialized work done at intersection stop points and cul-de-sacs). The bid item unit price includes all material, labor, equipment, and appurtenances necessary to complete installation of one SF of standard System 1 ARAM Cape Seal (a 3/8-inch ARAM chip and a Type II RAP slurry), in accordance with the project plans and specifications. As mutually agreed by the City and the Contractor, the overall quantity of this bid item has been increased to account for the addition of local streets to the cape seal project scope. The total square footage of pavement on the added streets is 1,181,445 SF. The total square footage of standard ARAM cape seal treatment on the added streets is 1,095,848 SF. The Contractor agreed to perform this additional work at the original contract unit price for Bid Item No. 4 at $0.755 per SF. This represents an increase of $827,365.24 on Bid Item No. 4.	$827,365.24

It is understood that with the signing and execution of this supplemental agreement, the Contractor waives any and all rights to claim, seek, and demand additional compensation for this contract, including those from subcontractors, suppliers, or vendors. The City of Palmdale shall in no way have obligations beyond the adjusted Contract amount reflected herein. The Contractor shall provide proof of all releases from subcontractors, suppliers, vendors, and shall hold the City of Palmdale harmless from any and all claims associated with this Contract.

Contractor Initials: _____

EXHIBIT "A"

CHANGE ORDER SUMMARY
Supplemental Agreement No. 2 to Agreement No. A-7505
for City Project No. 806, the 2021 Local Streets Cape Seal Project

ITEM NO.	DESCRIPTION OF CHANGE	JUSTIFICATION	AMOUNT OF CHANGE
4	**CCO #2: Bid Item No. 5 – Increase bid quantity of specialized ARAM System 1 Cape Seal at cul-de-sacs by 85,597 square feet**	In accordance with the contract documents of Agreement No. A-7505, Bid Item No. 5 represents the total square footage of specialized System 1 ARAM Cape Seals constructed on the cul-de-sacs of the project streets scheduled for a cape seal. The specialized System 1 ARAM cape seal provides a stronger chip seal for pavement that endures heavy wheel-turning action, which is typical within cul-de-sacs. The bid item unit price includes all material, labor, equipment, and appurtenances necessary to complete installation of one SF of specialized System 1 ARAM Cape Seal (a 3/8-inch ARAM chip, including a modified polymer binder and a specialized heating process, and a Type II RAP slurry), in accordance with the project plans and specifications. As mutually agreed by the City and the Contractor, the overall quantity of this bid item has been increased to account for the addition of local streets to the cape seal project scope. The total square footage of pavement on the added streets is 1,181,445 SF. The total square footage of specialized ARAM cape seal treatment on the cul-de-sacs of the added streets is 85,597 SF. The Contractor agreed to perform this additional work at the original contract unit price for Bid Item No. 5 at $1.88 per SF. This represents an increase of $160,922.36 on Bid Item No. 5.	$160,922.36
5	**CCO #2: Bid Item No. 6 – Increase lump sum bid amount for Striping Inventory and Thermoplastic Replacement by $5,438**	In accordance with the contract documents of Agreement No. A-7505, Bid Item No. 6 represents the striping inventory and the thermoplastic striping replacement on project streets that are scheduled to receive a cape seal as part of Project No. 806. As mutually agreed by the City and the Contractor, this lump sum item is increased by $5,438 to account for striping replacement on the local streets that were added to the cape seal project scope (striping needs have already been inventoried as part of the extra work proposal). The additional cost includes cat tracking and placement of new thermoplastic striping on the added streets.	$5,438.00

It is understood that with the signing and execution of this supplemental agreement, the Contractor waives any and all rights to claim, seek, and demand additional compensation for this contract, including those from subcontractors, suppliers, or vendors. The City of Palmdale shall in no way have obligations beyond the adjusted Contract amount reflected herein. The Contractor shall provide proof of all releases from subcontractors, suppliers, vendors, and shall hold the City of Palmdale harmless from any and all claims associated with this Contract.

Contractor Initials: _____

EXHIBIT "A"

CHANGE ORDER SUMMARY
Supplemental Agreement No. 2 to Agreement No. A-7505
for City Project No. 806, the 2021 Local Streets Cape Seal Project

ITEM NO.	DESCRIPTION OF CHANGE	JUSTIFICATION	AMOUNT OF CHANGE
6	**CCO #2: Bid Item No. 7 – Increase lump sum bid amount for Adjust Utilities to Grade by $9,461**	In accordance with the contract documents of Agreement No. A-7505, Bid Item No. 7 represents the adjustment of utilities to grade on project streets that are scheduled to receive a cape seal as part of Project No. 806. As mutually agreed by the City and the Contractor, this lump sum item is increased by $9,461 to account for utility adjustment on the local streets that were added to the cape seal project scope. The additional cost includes adjustment of sewer manholes and other utility infrastructure to grade, where necessary, upon installation of the 3/8" ARAM System 1 cape seal.	$9,461.00
SIX (6) ITEMS		**TOTAL AMOUNT OF CHANGES**	**$1,046,733.00**

It is understood that with the signing and execution of this supplemental agreement, the Contractor waives any and all rights to claim, seek, and demand additional compensation for this contract, including those from subcontractors, suppliers, or vendors. The City of Palmdale shall in no way have obligations beyond the adjusted Contract amount reflected herein. The Contractor shall provide proof of all releases from subcontractors, suppliers, vendors, and shall hold the City of Palmdale harmless from any and all claims associated with this Contract.

Contractor Initials: _____

MINUTES
CITY COUNCIL
CITY HALL COUNCIL CHAMBER
38300 SIERRA HIGHWAY, SUITE B
PALMDALE, CALIFORNIA
AUGUST 26, 2021

www.cityofpalmdale.org

1) CALL TO ORDER 6:00 P.M. CLOSED SESSION MEETING

Mayor Hofbauer called the meeting to order at 6:00 p.m.

2) ROLL CALL MAYOR HOFBAUER, MAYOR PRO TEM BETTENCOURT, COUNCILMEMBERS CARRILLO, LOA, BISHOP

PRESENT: Steven Hofbauer, Laura Bettencourt, Richard J Loa, Juan Carrillo, Austin Bishop.

ABSENT: None.

3) PUBLIC COMMENTS

Public Comments: None

4) PRESENTATION BY CITY ATTORNEY

4.1) CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION Initiation of litigation pursuant to paragraph (4) of subdivision(d) of Section 54956.9: Number of cases – One.

City Attorney Beck confirmed the item would be heard as listed.

5) ANNOUNCEMENT BY CITY ATTORNEY

Item 4.1 Anticipated Litigation: The Council was provided an update on this matter and provided direction to staff with Councilmember Carrillo dissenting. There is no further reportable action at this time.

6) ADJOURNMENT

Mayor Hofbauer adjourned the meeting at 6:38 p.m.

PASSED, APPROVED, and ADOPTED this 5th day of October 2021

_____

Steven D. Hofbauer, Mayor

ATTEST:

_____

Shanae S. Smith, City Clerk

MINUTES
CITY COUNCIL
CITY HALL COUNCIL CHAMBER
38300 SIERRA HIGHWAY, SUITE B
PALMDALE, CALIFORNIA
SEPTEMBER 7, 2021

www.cityofpalmdale.org

5:00 P.M.

1) MAYOR TO CALL MEETINGS TO ORDER

Mayor Pro Tem Bettencourt called the meeting to order at 5:06 p.m.

2) ROLL CALL MAYOR/CHAIR HOFBAUER, MAYOR PRO TEM/VICE CHAIR BETTENCOURT COUNCILMEMBERS/DIRECTORS/COMMISSIONERS CARRILLO, LOA, BISHOP

PRESENT: Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop.
ABSENT: Steven Hofbauer.
Motion: Excuse the absence of Mayor Hofbauer.
Moved by Laura Bettencourt, seconded by Austin Bishop.

Vote: Motion carried (4-0)
Yes: Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop.
Absent: Steven Hofbauer.

Mayor Hofbauer arrived after the roll call.

3) PUBLIC COMMENTS

David Paul, resident of Lancaster, spoke in support of City Manager Murphy.

4) PRESENTATION BY CITY ATTORNEY

City Attorney Beck confirmed that all items would be heard as listed.

4.1) CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

Nicholas Tomaszewski v. City of Palmdale, et al.Los Angeles County Superior Court Case No. MC 026 483
This closed session is being held pursuant to the authority of California Government Code Section 54956.9(d)(1).

4.2) CONFERENCE WITH REAL PROPERTY NEGOTIATORS
The reason for holding a closed session is for the purpose of obtaining authorization and direction from the City Council to its designated negotiators regarding the possible purchase of the following property:
Property: 38580 9th Street East (APN 3008-039-022)
Property Owner: VP Family Properties, LLC
City Negotiators: J.J. Murphy, City Manager, Mike Miller, Director of Neighborhood Services, and Sophia Reyes, Housing Manager
This Closed Session is being held pursuant to the authority of California Government Code Section 54956.8. Closed session is recommended because the City Council will be instructing the negotiators regarding terms and conditions, including price, for the possible acquisition of the real property identified above.

4.3) CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATIONSignificant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: One case.

A point has been reached where, in the opinion of the City on the advice of the City Attorney, based on existing facts and circumstances, there is a significant exposure to litigation against the City. The City believes that the facts and circumstances that might result in litigation against the City are not yet known to a potential plaintiff or plaintiffs.

4.4) CONFERENCE WITH LABOR NEGOTIATORSCity representatives: City Attorney Unrepresented employee: City Manager

The City Council will confer with the City Attorney in connection with possible changes to contract terms and compensation (including fringe benefits) in the existing Employment Agreement between the City and the City Manager.
This Closed Session is being held pursuant to the authority of California Government Code Section 54957.6

4.5) CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

Stirlie Cox v. City of Palmdale, et al.Los Angeles County Superior Court Case No. 20AVCV00324
This closed session is being held pursuant to the authority of California Government Code Section 54956.9(d)(1).

5) ANNOUNCEMENT BY CITY ATTORNEY

All members of the City Council were present and able to participate on all items.

Item 4.1 Existing Litigation: Nicholas Tomaszewski v. City of Palmdale – The Council was provided an update on this matter. There is no further reportable action.

Item 4.2 Conference with Real Estate Negotiators - The Council was

provided an update on this matter and provided unanimous direction to staff. There is no further reportable action.

Item 4.3 Anticipated Litigation – The Council was provided an update on this matter and provided unanimous direction to staff. There is no further reportable action.

Item 4.4 Conference with Labor Negotiators – The council conducted the Labor Negotiations and provided unanimous direction of staff. There is no further reportable action.

Item 4.5 Existing Litigation: Stirlie Cox v. City of Palmdale– The Council was provided an update on this matter and gave unanimous direction. There is no further reportable action.

6) ADJOURN CLOSED SESSION MEETING

7:00 P.M.

7) PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE IN HONOR OF OUR TROOPS

8) ROLL CALL HOUSING AUTHORITY
MAYOR/CHAIR HOFBAUER, MAYOR PRO TEM/VICE CHAIR BETTENCOURT, COUNCILMEMBERS/DIRECTORS/COMMISSIONERS CARRILLO, LOA, BISHOP, COMMISSIONER FRAGA-SAENZ

PRESENT: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop, Christina Fraga-Saenz

9) PRESENTATIONS

9.1) City Manager Murphy presented the City of Palmdale's Warrior Award to Ruben Hovanesian, Associate Engineer.

9.2) Mayor Hofbauer presented a Certificate of Recognition to Little Miss California Vivianna Fox.

9.3) Mayor Hofbauer presented a Proclamation designating September 5th through 11th as "National Suicide Prevention Week" in the City of Palmdale.

9.4) Mayor Hofbauer presented a Proclamation declaring Hispanic Heritage Month in the City of Palmdale.

9.5) Mayor Hofbauer presented a cute critter available for adoption at the Palmdale Animal Care Center.

10) WAIVER OF FULL READING OF RESOLUTION(S) and ORDINANCE (S)

Motion: Move to waive full reading of the Resolution (s) and/or Ordinance (s) to be considered and voted on at this meeting.
Moved by Richard J. Loa, seconded by Juan Carrillo.

Vote: Motion carried (5-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop.

11) PUBLIC COMMENTS

The following individuals were in opposition to the community violence associated with the Los Angeles County Sheriff's Department and demanded transparency: Dave Bowman, Christian Green, Ruth Luevanos, Arthur Calloway, Vladimir Gomez, Marcos Alvarez, Xavier Flores, Victor Segura, and John Parsamean. Mayor Hofbauer announced an upcoming meeting with Sheriff Alex Villanueva and stated he is on the Liability Trust Fund Board.

Resident Corbin Ingram, spoke regarding a planned multi-family affordable housing project for District 3, the CAPER report, and requested a meeting with Mayor Pro Tem Bettencourt.

The following individuals expressed their support of City Manager Murphy related to Item 16.1:
Christian Green, Stacia Nemeth, Ruth Luevanos, Ruth Sanchez, Arthur Calloway, Vladimir Gomez, John Parsamean, Victoria Garcia, Rafael Cornya, and Juan Blanco.

The following individuals commented in opposition to City Manager Murphy related to Item 16.1:
Resident J.J. (last name not provided), and Guest Users (4)

Donald Hoperich, via e-Comment, in support of Palmdale Tourism Improvement District related to Item 15.4.

The following individuals commented on street vendors and stringent requirements related to Item 16.2:
Christian Green, Ruth Sanchez, Arthur Calloway, Vladimir Gomez, Victoria Garcia, Rafael Cornya, and Steve Hutson.

Resident Mark spoke in opposition to the affordable housing projects in East Palmdale vs West Palmdale; unincorporated streets; graffiti; and crime levels.

Resident Rosie Mainella announced "Suicide Awareness Month," and commented on the street vendor licensing opportunities and affordable housing.

Gus Camacho made comments supporting the art sculpture for the Palmdale Auto Mall related to Item 14.9.

Alyssa Gonzalez shared thoughts in support of the Palmdale Tourism Improvement District (Item 15.4).

Marsha Abbott spoke regarding homeless housing projects that are placed in small condensed areas (Item 15.2).

Randy Miranda, Manager of Courtyard by Marriott, commented in support of formation of Tourism Improvement District (Item 15.4).

12) HOUSING AUTHORITY CONSENT CALENDAR

12.1) Approval and acceptance of the Housing Authority of the City of Palmdale's Annual Report prepared and submitted per Health and Safety Code Section 34328 and 34328.1 and authorize the Executive Director or his designee to submit the report to the State of California Department of Housing and Community Development. (Staff Reference: Director of Neighborhood Services Miller Presented by Sr. Housing Coordinator Razo)
Neighborhood Services

12.2) Approve the minutes from the following meetings. (Staff Reference: City Clerk Smith)

May 18, 2021
June 1, 2021
June 15, 2021
July 13, 2021

Motion: Approve all items listed on the Housing Authority Consent Calendar.
Moved by Richard J. Loa, seconded by Juan Carrillo.

Vote: Motion carried (5-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop.

13) ADJOURN HOUSING AUTHORITY MEETING

Chair Hofbauer adjourned the Housing Authority meeting at 8:49 p.m.

14) CONSENT CALENDAR

14.1) Receive and File the Monthly Investment Activity Reports for July 2021. (Staff Reference: Finance Manager Kang)

14.2) Adopt Resolution No. CC 2021-018, a Resolution of the City Council of the City of Palmdale to terminate interfund loan agreement between the City of Palmdale and the Community Choice Aggregation, and enter into a new interfund loan agreement between the City of Palmdale and the Community Choice Aggregation. (Staff Reference: Finance Manager Kang)

Councilmember Loa pulled this item for discussion.

Finance Manager Kang and City Manager Murphy provided clarification to Council on the term of the agreement.

Motion: Adopt Resolution No. CC 2021-018.
Moved by Richard J. Loa, seconded by Juan Carrillo.

Vote: Motion carried (5-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop.

14.3) Adopt Resolution No. CC 2021-089, a Resolution of the City Council of the City of Palmdale designating by title and name of those officials who are authorized to sign checks and warrants, and repeal Resolution No. CC 2021-065. (Staff Reference: Finance Manager Kang)

14.4) Approve Agreement with Eide Bailly, LLC to provide Auditor services in an amount not to exceed $323,792 for a two (2) year term. (Staff Reference: Finance Manager Kang)

14.5) Adopt Resolution No. CC 2021-090, a Resolution of the City Council of the City of Palmdale approving the issuance of Revenue Bonds by the California Public Financing Authority (’CALPFA") for the purpose of Financing or Refinancing the acquisition and construction of a multifamily rental housing project located at the southeast corner of Palmdale Blvd and 52nd Street East located in Palmdale, California to be owned by a Limited Partnership to be formed by Ravello Holdings, Incorporated. (Staff Reference: Finance Manager Kang)

This item was tabled to the September 13, 2021 item due to a typographical error.

14.6) Approve Professional Services Agreement with Shuster Advisory Group, LLC for Defined Contribution Plan Consulting and Investment Fiduciary Services in an amount not to exceed $150,000 for a term of three (3) years. (Staff Reference: Finance Manager Kang)

14.7) Approve two Agreement(s) with NBS Government Finance Group: 1) Agreement to provide Assessment District administration, Community Facilities Districts administration, other related consulting services, and continuing disclosure services on all debts issued by the City; 2) Agreement to provide continuing disclosure services for Successor Agency debts. (Staff Reference: Finance Manager Kang)

14.8) Adopt Resolution No. CC 2021-076, a Resolution of the City Council of the City of Palmdale approving the CDBG/HOME Section 3 Plan in compliance with the Housing and Urban Development Act of 1968. (Staff Reference: Director of Neighborhood Services Miller - Presented by Housing Manager Reyes)

14.9) Approve the Agreement with Heath Satow Sculpture, Inc. for a steel sculpture to be installed into the Palmdale Auto Mall roundabout, located at the intersection of Auto Vista Drive and Carriage Way in an amount not to exceed $185,000. (Staff Reference: Director of Parks and Recreation Smith)

Councilmember Loa pulled this item for discussion and requested that the image be shown to the public.

Motion: Approve the Agreement with Heath Satow Sculpture, Inc.
Moved by Richard J. Loa, seconded by Austin Bishop.

Vote: Motion carried (5-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop.

14.10) Adopt Resolution No. CC 2021-075, a Resolution of the City Council of the City of Palmdale accepting the Irrevocable Offer to Dedicate road easement for public road and highway purposes along the south side of Palmdale Boulevard (SR 138) and along the west side of Division Street as shown in Instrument No. 99-2266508 which was recorded in the Los Angeles County Recorder's Office on December 8, 1999. (Staff Reference: Director of Public Works Heffernan - Presented by Deputy Director of Public Works Glidden)

14.11) Approve Purchase Order No. 20220093 for one (1) new Caterpillar 930M Front Loader, including standard and optional equipment, plus multipurpose bucket with Quinn Rental Services in an amount not to exceed $228,775.75 for FY 2021/2022. (Staff Reference: Director of Public Works Heffernan)

14.12) Adopt Resolution No. CC 2021-077, a Resolution of the City Council of the City of Palmdale authorizing the execution of Administering Agency-State Agreement for state-funded projects, Master Agreement 07-5378S21, to receive state funding through the California Department of Transportation, City Agreement No. A-7628. (Staff Reference: Director of Public Works Heffernan - Presented by Deputy Director of Public Works Glidden)

14.13) Adopt Resolution Nos. CC 2021-078 and CC 2021-079. (Staff Reference: Director of Public Works Heffernan)

Resolution No. CC 2021-078, a Resolution of the City Council of the City of Palmdale initiating proceeding for the annexation of territory to the City of Palmdale Landscape Maintenance Assessment District, as Annexation No. 2020-324, describing the proposed improvements to serve said district, and ordering the preparation of the annexation and annual levy report.

Resolution No. CC 2021-079, a Resolution of the City Council of the City of Palmdale declaring its intention to annex territory into

the City of Palmdale Landscape Maintenance Assessment District, as Annexation No. 2020-324, approving the annexation and annual levy, setting a time and place for a Public Hearing and ordering the initiation of assessment ballot procedures.

14.14) Adopt Resolution Nos. CC 2021-082 and CC 2021-085. (Staff Reference: Director of Public Works Heffernan)

Resolution No. CC 2021-082, 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 2019-186, describing the proposed improvements to serve said district, and ordering the preparation of the the annexation and annual levy report.

Resolution No. CC 2021-085, a Resolution of the City Council of the City of Palmdale declaring its intention to annex territory into the City of Palmdale Streetlight Maintenance Assessment District No. 1, as Annexation 2019-186, approving the annexation and annual levy, setting a time and place for a Public Hearing and ordering the initiation of assessment ballot procedures.

14.15) Award construction contract with MLC Constructors, Inc. for Project No. 712, Maintenance Yard Improvements, in the amount of $1,449,900. (Staff Reference: Director of Public Works Heffernan - Presented by Deputy Director of Public Works Glidden)

14.16) Award construction contract with Interior Demolition Inc. for Project No. 832, Avenue R Abatement and Demolition of 2 commercial buildings, in the amount of $96,607. (Staff Reference: Director of Public Works Heffernan - Presented by Deputy Director of Public Works Glidden)

14.17) Approve Amendment No. 2 to agreement with AECOM Technical Services, Inc. for additional landscape architectural design, appraisal, and acquisition services for Project Number 669, 10th Street West Widening/SR 14 Interchange Project, in the amount of $529,238. (Staff Reference: Director of Public Works Heffernan - Presented by Deputy Director of Public Works Glidden)

Councilmember Loa pulled this item for discussion.

Deputy Director of Public Works Glidden provided a brief overview of the project and answered questions from Council.

Motion: Approve Amendment No. 2 to agreement with AECOM Technical Services, Inc., including a solution for impedes for the bus sop that impedes the flow of traffic on 10th St. West.
Moved by Steven Hofbauer, seconded by Richard J. Loa.

Vote: Motion carried (5-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop.

14.18) Approval of Letter of Authorization to partner with the City of Lancaster for the resurfacing of Avenue M from 3rd Street East to 4th Street East in the amount of $185,160. (Staff Reference: Director of Public Works Heffernan - Presented by Deputy Director of Public Works Glidden)

14.19) Award construction contract with Cedro Construction, Inc. for Project Number 741-A, Water Improvements at Avenue S-8 and 40th Street East, in the amount of $444,477. (Staff Reference: Director of Public Works Heffernan - Presented by Deputy Director of Public Works Glidden)

14.20) Adopt Resolution No CC 2021-095, A Resolution of the City Council of the City of Palmdale to continue the proclamation of a local emergency resulting from the Coronavirus Disease (COVID-19). (Staff Reference: Director of Neighborhood Services Miller - Presented by Public Safety Supervisor German)

14.21) Approve the minutes from the previous meetings. (Staff Reference: City Clerk/Agency Secretary Smith)

CC - August 17, 2021
SA - August 17, 2021

Motion: Approve all items on the Consent Calendar with the exception of Items 14.2, 14.9, and 14.17.
Moved by Richard J. Loa, seconded by Juan Carrillo.

Vote: Motion carried (5-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop.

15) PUBLIC HEARING

15.1) Public Hearing to hear public comments on the Draft Consolidated Annual Performance Evaluation Report (CAPER) for Fiscal Year 2020-2021 and obtain citizen input on community needs for the 2022-2023 Action Plan; review and approve the 2020-2021 CAPER; and authorize the City Manager or his designee to make necessary changes and submit the CAPER report to the U.S. Department of Housing and Urban Development (HUD) by September 28, 2021 in compliance with HUD Regulations. (Staff Reference: Director of Neighborhood Services Miller - Presented by Housing Manager Reyes)

Housing Manager Reyes provided a brief overview of the staff report.

Mayor Hofbauer opened the Public Hearing.

Testimony: None

A motion was made and carried unanimously to close the Public Hearing.

Discussion ensued regarding mental health services.

Motion: Approve the recommendations and findings listed on the staff report.
Moved by Richard J. Loa, seconded by Juan Carrillo.

Vote: Motion carried (5-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop.

15.2) Public Hearing and Review of Proposed Resolution No. CC 2021-093 for adoption. (Staff Reference: Interim Director of Economic and Community Development Garibay - Presented by Associate Planner Sauder)

Associate Planner Sauder read the title of Resolution No. CC 2021-093 and provided a brief overview of the staff report.

RESOLUTION NO. CC 2021-093, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE APPROVING DENSITY BONUS AGREEMENT 20-001 (A-7437); PERTAINING TO THE CONSTRUCTION OF AN AFFORDABLE MULTIPLE-FAMILY RESIDENTIAL DEVELOPMENT LOCATED ON THE NORTHEAST CORNER OF EAST AVENUE R AND 30TH STREET EAST (APN: 3020-005-031)

Mayor Hofbauer opened the Public Hearing.

Testimony: None.

A motion was made and carried unanimously to close the Public Hearing.

Discussion ensued regarding affordable housing throughout the city and State mandates.

Moe Mohanna, President of Highridge Costa Development, provided clarification regarding the management security plan.

Councilmember Carrillo recused himself from this item.

City Manager Murphy mentioned the citywide security initiative.

Motion: Adopt Resolution No. CC 2021-093
Moved by Richard J. Loa, seconded by Steven Hofbauer.

Vote: Motion carried (3-1)
Yes: Steven Hofbauer, Richard J. Loa, Austin Bishop.
No:
Laura Bettencourt.

15.3) Public Hearing and Review of Proposed Resolution No. CC 2021-086 for adoption. (Staff Reference: Interim Director of Economic and Community Development Garibay - Presented by Senior Planner Benjamin Fiss)

Senior Planner Fiss read the title of Resolution No. CC 2021-086 and provided a PowerPoint presentation.

RESOLUTION NO. CC 2021-086, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE APPROVING DENSITY BONUS AGREEMENT 21-001 (A-7438) PERTAINING TO THE CONSTRUCTION OF A 151 UNIT AFFORDABLE HOUSING DEVELOPMENT LOCATED AT THE SOUTHEAST CORNER OF 25TH STREET EAST AND EAST AVENUE Q-12 (APN: 3018-027-036)

Mayor Hofbauer opened the Public Hearing.

Testimony: None

A motion was made and carried unanimously to close the Public Hearing.

Discussion ensued regarding the security plan and income qualification of participants.

Tim Soule, Vice President of Meta Housing Corporation, provided project details.

Motion: Adopt Resolution No. CC 2021-086.
Moved by Steven Hofbauer, seconded by Austin Bishop.

Vote: Motion carried (4-0)
Yes: Steven Hofbauer, Laura Bettencourt, Richard J. Loa, Austin Bishop.

15.4) Public Hearing to hear comments on the formation of the Palmdale Tourism Improvement District. (Staff Reference: Interim Director of Economic and Community Development Garibay - Presented by Economic Development Coordinator Gonzalez)

Economic Development Coordinator Gonzalez provided a detailed overview of the Tourism Improvement District.

Mayor Hofbauer opened the Public Hearing.

Testimony: None.

A motion was made and carried unanimously to close the Public Hearing.

15.5) Public Hearing and Review of Proposed Ordinance No. 1569 for adoption. (Staff Reference: City Attorney Beck)

City Attorney Beck read the title of Ordinance No. 1569 and provided a brief overview of the staff report.

ORDINANCE NO. 1569, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PALMDALE AMENDING PALMDALE MUNICIPAL CODE SECTION 2.08.040 RELATING TO THE SETTING OF REGULAR MEETING DATES OF THE CITY COUNCIL

A motion was made and carried unanimously to introduce Ordinance No. 1569.

Mayor Hofbauer opened the Public Hearing.

Testimony: None.

A motion was made and carried unanimously to close the Public Hearing.

Council confirmed first Wednesdays as the new meeting day for a 4-month period, starting on the second meeting in October.

Motion: Adopt Ordinance No. 1569.
Moved by Austin Bishop, seconded by Richard J. Loa.

Vote: Motion carried (5-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop.

16) NEW BUSINESS

16.1) Discussion regarding possible revisions to Palmdale Municipal Code Section 2.04.100 regarding removal procedure of the City Manager. (Staff Reference: City Attorney Beck)

City Attorney Beck provided a brief overview of the staff report.

City Manager Murphy suggested to Council that compromise language be brought back to a future meeting. Councilmember Loa commented language should be consistent with discussions in closed session and there should be a balance between City Manager, staff, and City Council. Carrillo stated Mayor RRex Parris said it would set us years back removing City Manager Murphy. Bishop improving the quality of life and working together.

Motion: Council directed City Attorney and City Manager discuss the ordinance and that the ordinance be brought forward with language consistent as discussed in the Closed Session meeting regarding the employment contract.
Moved by Richard J. Loa, seconded by Steven Hofbauer.

Vote: Motion carried (5-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop.

Mayor Hofbauer recessed the meeting at 8:48 p.m.

16.2) Discuss City regulation of sidewalk vendors. (Staff Reference: City Attorney Beck)

Discussion ensued regarding fingerprinting, protection laws SB946, business hours, ordinance more restrictive than the State, sales tax, safety, inclusiveness, brick an mortar.

Mayor Hofbauer recessed the meeting at 9:44 p.m.

17) INFORMATIONAL REPORT FROM MAYOR AND / OR COUNCILMEMBERS ON THEIR VARIOUS COMMITTEE MEMBERSHIPS AND MEETINGS ATTENDED AT PUBLIC EXPENSE

17.1) COMMITTEE MEMBERSHIPS.

- ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT - Councilmember Bishop reported the AVAQMD discussed funding $15,000 for consulting of contractors to switch to electric equipment and funding for alternative fuel vehicles. Mayor Hofbauer announced the AVAQMD distributed approximately $500,000 in grants.
- ANTELOPE VALLEY TRANSIT AUTHORITY - Councilmember Loa attended the AVTA meeting and road on an all-electric commuter bus.
- CALIFORNIA CONTRACT CITIES ASSOCIATION - Mayor Hofbauer reported legislative items and assembly bills were discussed at the meeting.
- LEAGUE OF CALIFORNIA CITIES - Mayor Hofbauer reported legislative items and assembly bills were discussed at the meeting.
- SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS REGIONAL COUNCIL - Councilmember Loa and Carrillo reported attending the meeting.
- UNITED STATES/MEXICO SISTER CITIES ASSOCIATION - Mayor Hofbauer announced a visitation for the week of September 21st.

Councilmember Bishop attended the Sheriff's Boosters meeting; Joe Davies tribute; concerts in the park; and announced the 911 Remembrance ceremony at the Antelope Valley Mall.

Councilmember Loa attended the Sheriff's Booster meeting; summer concerts; Joe Davies tribute; graduation ceremony at BYD; and the Advisory Redistricting Commission meeting.

Councilmember Carrillo attended the Advisory Redistricting Commission meeting (via Zoom); and attended concerts.

Councilmember Bettencourt thanked Council, staff and the public for their support and kindness.

Mayor Hofbauer attended the Advisory Redistricting Commission meeting; industrial maintenance technician graduation; Joe Davies tribute; and Chamber luncheons.

17.2) MEETINGS ATTENDED AT PUBLIC EXPENSE

18) CITY MANAGER'S REPORT

19) CITY COUNCIL REQUESTS FOR NEW AGENDA ITEMS

20) ADJOURN.

Mayor Hofbauer adjourned the meeting at 9:56 p.m.

APPROVED, PASSED, and ADOPTED this 5th day of October 2021

_____
Steven D. Hofbauer, Mayor

ATTEST:

_____
Shanae S. Smith, City Clerk

MINUTES
CITY COUNCIL
CITY HALL COUNCIL CHAMBER
38300 SIERRA HIGHWAY, SUITE B
PALMDALE, CALIFORNIA
SEPTEMBER 13, 2021

www.cityofpalmdale.org

1) CALL TO ORDER 5:00 P.M.

May Hofbauer called the meeting to order at 5:00 p.m.

2) PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE IN HONOR OF OUR TROOPS

3) ROLL CALL MAYOR HOFBAUER, MAYOR PRO TEM BETTENCOURT, COUCILMEMBERS CARRILLO, LOA, BISHOP

PRESENT: Steven Hofbauer, Laura Bettencourt, Richard J Loa, Juan Carrillo.
ABSENT: Austin Bishop.
Motion: Excuse the absence of Councilmember Bishop.
Moved by Richard J Loa, seconded by Steven Hofbauer.

Vote: Motion carried (4-0)
Yes: Steven Hofbauer, Laura Bettencourt, Richard J Loa, Juan Carrillo.
Absent: Austin Bishop.

4) PUBLIC COMMENTS

Public Comments: None.

5) CONSENT CALENDAR

5.1) Adopt Resolution No. CC 2021-090, a Resolution of the City Council of the City of Palmdale approving the issuance by the California Municipal Financing Authority ("CMFA") of multifamily housing revenue bonds in an aggregate principal amount not the exceed $30,000,000 for the purpose of Financing or Refinancing the acquisition and construction of Maison's Palmdale Apartments and certain other matter relating thereto. (Staff Reference: Finance Manager Kang)

Finance Manager Kang provided a brief overview of the staff report and stated the public hearing was held at the staff level.

Motion: Adopt Resolution No. CC 2021-090.
Moved by Richard J Loa, seconded by Steven Hofbauer.

Vote: Motion carried (4-0)
Yes: Steven Hofbauer, Laura Bettencourt, Richard J Loa, Juan Carrillo.
Absent: Austin Bishop.

6) BOND PRESENTATION

6.1) Presentation on the Basics of Debt Issuance. (Staff Reference: Finance Manager Kang)

Finance Manager Kang introduced Municipal Advisor Susan Harrell, and Bond Counsel Brian Quint and Paul Thimmig. Ms. Harrell, Mr. Quint, and Mr. Thimmig provided a detailed PowerPoint presentation to Council. Council requested the annual allocation and debt obligation of the city bonds, inquired regarding the maturity date of Ritter Ranch, Sierra Gateway, and Godde Hills Estates projects, and cost involved with issuing bonds. Finance Manager Kang and Ms. Harrell provided clarification on the cost of issuing the bonds versus savings.

7) ADJOURNMENT

Mayor Hobauer adjourned the meeting at 5:49 p.m.

PASSED, APPROVED, and ADOPTED this 5th day of October 2021.

_____
Steven D. Hofbauer, Mayor

ATTEST:

_____
Shanae S. Smith, City Clerk

City Council Staff Report

DATE: **OCTOBER 5, 2021**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

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

SUBJECT: **ADOPT RESOLUTION NO. CC 2021-096, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE DECLARING RESULTS OF MAJORITY PROTEST PROCEEDINGS AND ESTABLISHING THE PALMDALE TOURISM IMPROVEMENT DISTRICT**

ISSUE

Adopt Resolution No. CC 2020-096, a Resolution of the City Council of the City of Palmdale declaring results of majority protest proceedings and establishing the Palmdale Tourism Improvement District (PTID).

RECOMMENDATION

Staff recommends that the City Council:

1. Hold a public meeting and receive public comments on the formation of the PTID;

2. Adopt Resolution No. CC 2021-096, a Resolution of the City Council of the City of Palmdale declaring results of majority protest proceedings and establishing the PTID; and,

3. Authorize the City Manager or his designee to execute any actions related to the establishment of the PTID.

BACKGROUND

As outlined in the Property and Business Improvement Law of 1994, Streets and Highways Code § 36600 et seq. (94 Law), which allows a City to form a Tourism Improvement District (TID), the City of Palmdale, as part of the PTID formation process, carried out the following:

August 17, 2021 RESOLUTION OF INTENTION HEARING
The City Council approved the Resolution of Intention No. CC 2021-070 to establish the PTID. The City Council received a public comment in support of the PTID.

August 18, 2021 NOTICE MAILED TO OWNERS
The 94 Law requires the City to mail written notice to the owners of all businesses proposed to be within the PTID. Mailing the notice begins a mandatory forty-five (45) day period in which owners may protest PTID formation. City staff mailed the notice, a copy of the approved resolution, and a draft of the Management District Plan.

September 7, 2021 PUBLIC HEARING
The City held a Public Hearing to allowed public testimony on the formation of the PTID and levy of assessments. No actions were required at the council meeting. The City Council received multiple public comments in support of the PTID.

October 5, 2021 FINAL PUBLIC HEARING
The City Council will hold a public meeting and receive public comments on the formation of the PTID. If the Council, following the public hearing, decides to establish the PTID, the Council shall adopt a resolution of formation.

As of the writing of this staff report, the City has not received comments against the formation of the proposed PTID.

The proposed PTID would be a partnership between the City and the hotels in Palmdale to create additional tourism and visitor opportunities that both visitors and residents can enjoy. The benefits a TID can come in a variety of forms such as signature events, enhancing the current tourism attractions, development of additional destinations and infrastructure improvements. This increase in tourism and business travel would positively impact hotels, restaurants, and local small businesses.

DISCUSSION

The hotel owners and managers in Palmdale are proposing to form the PTID for a five-year term. The proposed services include sales, marketing and communication programs, destination development and promotion of special events. All services provided by the PTID are intended to attract new visitors and increase demand for overnight visitation to assessed businesses. All services provided by the PTID are intended to attract new and weekend visitation when hotels experience lower occupancy. If established, the PTID would generate approximately $900,000 annually.

The Management District Plan (Attachment 1) includes the proposed boundary of the proposed PTID, a service plan and budget, and governance. The PTID will include all current and future lodging businesses within the boundaries of Palmdale. The City met with representatives of several of the Palmdale lodging businesses to discuss and review the proposed Management District Plan.

As proposed, the PTID is expected to have a five-year term, beginning November 1, 2021 through October 31, 2026. The self-assessment will be implemented beginning November 1, 2021. Once per year, beginning on the anniversary of the TID formation, there is a 30-day period in which business owners paying 50% or more of the total self-assessment may protest and begin proceedings to terminate the TID.

The annual self-assessment rate is two percent of gross short-term room rental revenue. Based on the benefit received, assessments will not be collected on stays of more than 30 consecutive days; stays of any officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty; and stays pursuant to contracts executed prior to November 1, 2021.

The City will collect the self-assessment from each lodging business located within the PTID boundaries and distribute the assessment to Visit Palmdale. Visit Palmdale will have the responsibility of managing TID programs as provided in the Management District Plan. The PTID shall pay the City a fee equal to one percent of the amount of assessment collected to cover the costs of collection and administration.

The proposed PTID program includes regional marketing efforts. These efforts would allow the PTID to collaborate on joint tourism and marketing opportunities with the County of Los Angeles and City of Lancaster to enhance tourism throughout the Antelope Valley. Regional marketing efforts would benefit business, hotels, and entertainment venues throughout the Antelope Valley.

FISCAL IMPACT

If the PTID is approved, the City would receive a fee of one percent of the total amount collected to cover the costs of administration. In addition, there may be an increase in transient occupancy tax and sales tax revenues as PTID programs are intended to increase visitation to the City.

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:	Luis Gonzalez, Economic Development Coordinator
Certified as to availability of Funds:	Keith Kang, Finance Manager
Approved by:	J.J. Murphy, ICMA-CM, City Manager
Approved as to form:	Christopher Beck, City Attorney

ATTACHMENTS

1. Palmdale Tourism Improvement District Management District Plan
2. Resolution No. 2021-096

2021-2026



PALMDALE TOURISM IMPROVEMENT DISTRICT MANAGEMENT DISTRICT PLAN

Prepared pursuant to the Property and Business Improvement District Law of 1994, Streets and Highways Code section 36600 et seq.

~~July 8~~September 23, 2021

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DRAFT

Prepared by
Civitas

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I. OVERVIEW

Developed by local hoteliers and the City of Palmdale (City), the Palmdale Tourism Improvement District (PTID) is an assessment district proposed to provide specific benefits to payors, by funding marketing and sales promotion efforts for assessed businesses. This approach has been used successfully in other destination areas throughout the country to provide the benefit of additional room night sales directly to payors.

Location: The PTID includes all lodging businesses, existing and in the future, available for public occupancy located within the boundaries of the City of Palmdale, as shown on the map in Section III.

Services: The PTID is designed to provide specific benefits directly to payors by increasing awareness and demand for room night sales. Sales, marketing & communications and destination development programs will increase demand for overnight tourism and market payors as tourist, meeting and event destinations, thereby increasing demand for room night sales.

Budget: The total PTID annual assessment budget for the initial year of its five (5) year operation is anticipated to be approximately $900,000. A similar budget is expected to apply to subsequent years, but this budget is expected to fluctuate as room sales do.

Cost: The annual assessment rate is two percent (2%) of gross short-term room rental revenue. Based on the benefit received, assessments will not be collected on: stays of more than thirty (30) consecutive days; stays of any officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty; and stays pursuant to contracts executed prior to November 1, 2021.

Collection: The City shall be responsible for collecting the assessment on a monthly basis (including any delinquencies, penalties and interest) from each lodging business located in the boundaries of the PTID. The City shall take all reasonable efforts to collect the assessments from each lodging business.

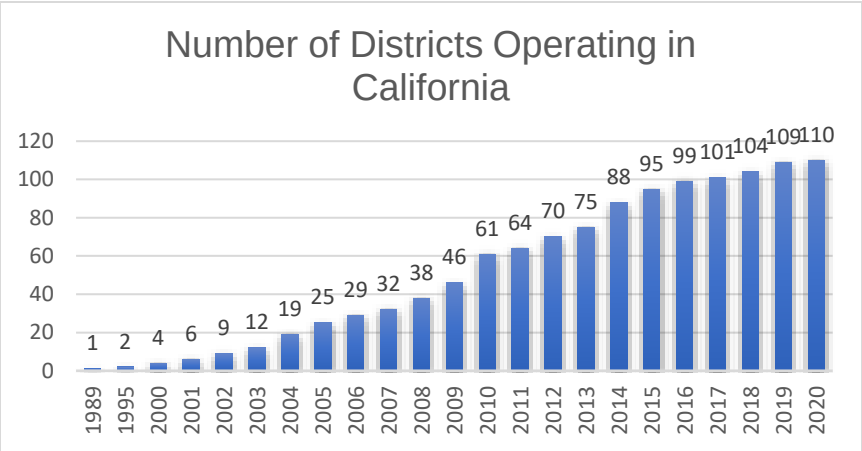
Duration: The PTID will have a five (5) year life, beginning November 1, 2021 through October 31, 2026. Once per year, beginning on the anniversary of PTID formation, there is a thirty (30) day period in which owners paying fifty percent (50%) or more of the assessment may protest and initiate a City Council hearing on PTID termination.

Management: Visit Palmdale (VP) will serve as the PTID's Owners' Association. The Owners' Association is charged with managing funds and implementing programs in accordance with this Plan, and must provide annual reports to the City Council.

DRAFT

II. BACKGROUND

TIDs are an evolution of the traditional Business Improvement District. The first TID was formed in West Hollywood, California in 1989. Since then, over 100 California destinations have followed suit. In recent years, other states have begun adopting the California model – Montana, South Dakota, Washington, Colorado, Texas and Louisiana have adopted TID laws. Several other states are in the process of adopting their own legislation. The cities of Wichita, Kansas and Newark, New Jersey used an existing business improvement district law to form a TID. And, some cities, like Portland, Oregon and Memphis, Tennessee have utilized their home rule powers to create TIDs without a state law.



California's TIDs collectively raise over $300 million annually for local destination marketing. With competitors raising their budgets, and increasing rivalry for visitor dollars, it is important that Palmdale lodging businesses invest in stable, lodging-specific marketing programs.

TIDs utilize the efficiencies of private sector operation in the market-based promotion of tourism districts. TIDs allow lodging business owners to organize their efforts to increase demand for room night sales. Lodging business owners within the TID pay an assessment and those funds are used to provide services that increase demand for room night sales.

In California, most TIDs are formed pursuant to the Property and Business Improvement District Law of 1994. This law allows for the creation of a benefit assessment district to raise funds within a specific geographic area. *The key difference between TIDs and other benefit assessment districts is that funds raised are returned to the private non-profit corporation governing the district.*

There are many benefits to TIDs:

- Funds must be spent on services and improvements that provide a specific benefit only to those who pay;
- Funds cannot be diverted to general government programs;
- They are customized to fit the needs of payors in each destination;
- They allow for a wide range of services;
- They are ***designed, created and governed by those who will pay*** the assessment; and
- They provide a stable, long-term funding source for tourism promotion.

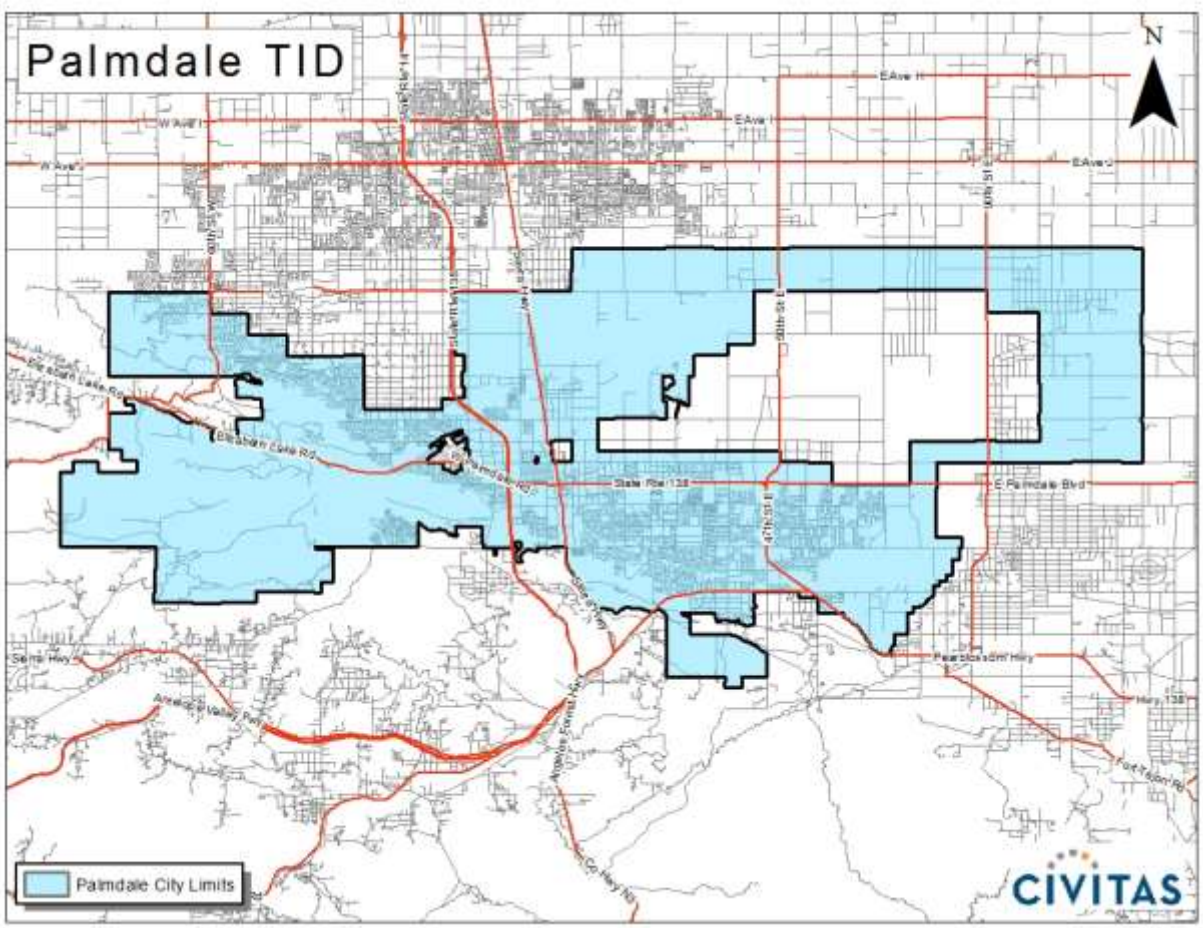
DRAFT

III. BOUNDARY

The PTID will include all lodging businesses, existing and in the future, available for public occupancy within the boundaries of the City of Palmdale.

Lodging business means: any structure, or any portion of any such structure, which is occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes, and includes any hotel, inn, tourist home or house, motel, studio hotel, bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, mobile home or house trailer at a fixed location, or other similar structure or portion thereof.

The boundary, as shown in the map below, currently includes ~~eighteen~~ nineteen (19~~8~~) lodging businesses. A complete listing of lodging businesses within the PTID can be found in Appendix 2.

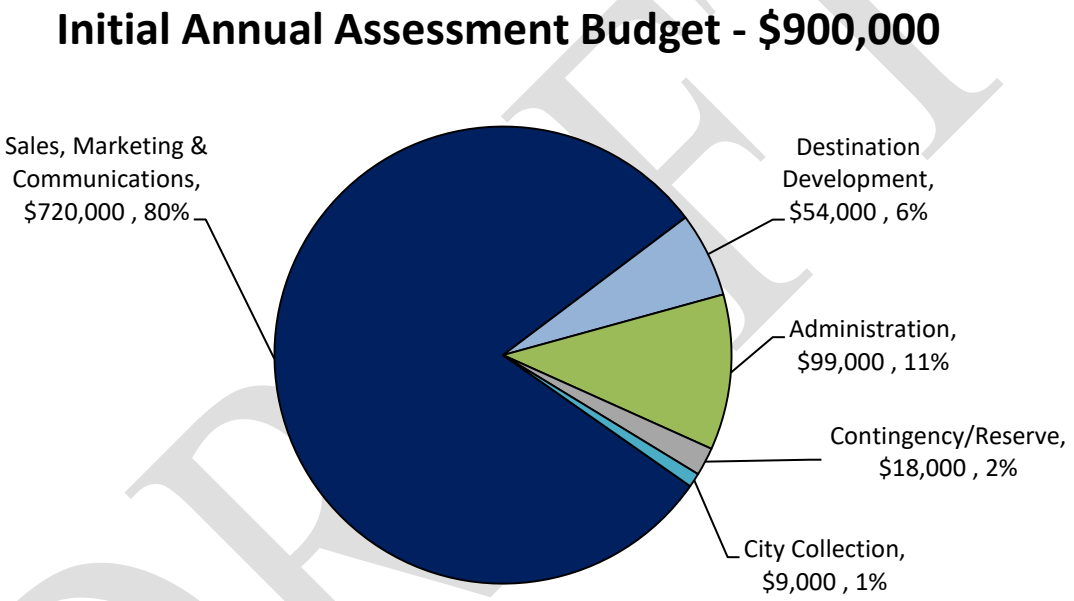


IV. BUDGET AND SERVICES

A. Annual Service Plan

Assessment funds will be spent to provide specific benefits conferred or privileges granted directly to the payors that are not provided to those not charged, and which do not exceed the reasonable cost to the City of conferring the benefits or granting the privileges. The privileges and services provided with the PTID funds are sales, marketing & communications and destination development programs available only to assessed businesses.

A service plan assessment budget has been developed to deliver services that benefit the assessed businesses. A detailed annual assessment budget will be developed and approved by VP. The table below illustrates the initial annual assessment budget allocations. The total initial assessment budget is $900,000.



Although actual revenues will fluctuate due to market conditions, the proportional allocations of the budget shall remain the same. However, the VP Board and the City shall have the authority to adjust budget allocations between the categories by no more than fifteen percent (15%) of the total budget per year. A description of the proposed improvements and activities for the initial year of operation is below. The same activities are proposed for subsequent years. In the event of a legal challenge against the PTID, any and all assessment funds may be used for the costs of defending the PTID. In the first year of operation, the costs of creating the PTID may be repaid by deducting repayment funds proportionally from budget categories. Repayment costs shall not exceed $42,000.

Each budget category includes all costs related to providing that service. For example, the sales, marketing & communications budget includes the cost of staff time dedicated to overseeing and implementing the sales, marketing & communications program. Staff time dedicated purely to administrative tasks is allocated to the administrative portion of the budget. The costs of an individual staff member may be allocated to multiple budget categories. The staffing levels necessary to provide the services below will be determined by the VP on an as-needed basis.

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Sales, Marketing, and Communications

A sales, marketing and communications program will promote assessed businesses as tourist, meeting, and event destination. The sales, marketing and communications program will have a central theme of promoting the destination as a desirable place for overnight visits. The program will have the goal of increasing demand for overnight visitation and sales at assessed businesses, and may include the following activities:

- Development of a marketing plan to ensure district funds are strategically spent to market assessed businesses;
- Internet marketing efforts to increase awareness and optimize internet presence to drive overnight visitation to assessed businesses;
- Content development for photoshoots and video shoots for digital promotion, featuring assessed businesses to drive overnight visitation and sales to assessed businesses;
- Preparation and production of collateral promotional materials such as brochures, visitor guides, promotional items, postcards, flyers and maps featuring assessed businesses;
- Advertising targeted at potential visitors to drive overnight visitation and sales to assessed businesses;
- Implementation of a public relations and communications strategy, inclusive of social media outlets and press release distribution designed to drive overnight visitation and increase sales at assessed businesses;
- Attendance of trade shows, professional industry conferences, and affiliation events to promote assessed businesses;
- Lead generation activities designed to attract tourists, business travelers, and group events to assessed businesses;
- Familiarization tours of assessed businesses;
- Visitor Service programs and enhancements, such as kiosks and Visitor Centers, that will enhance the visitor experience;
- Director of Sales and General Manager meetings to plan and coordinate tourism promotion efforts for assessed businesses;
- Joint partnerships with local businesses as well as local and state tourism organizations to increase overnight visitation at assessed businesses; and
- Development of Visitor Studies and Return on Investment (ROI) analysis on effectiveness of district funds to improve effectiveness and increase demand for overnight visitation at assessed businesses;

Destination Product Development

The Destination Project Development projects may include:

- Infrastructure improvements that enhance the destination's competitive position to attract visitors, filming, sporting events, and special events year-round, to increase sales at assessed businesses;
- Comprehensive and integrated wayfinding signage system and/or banner program targeted to increase demand for visitation and increase sales at assessed businesses; and
- Other programs and activities that will enhance the visitor experience to increase sales at assessed businesses.

Administration and Operations

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The administration and operations portion of the budget shall be utilized for administrative staffing costs, office costs, and other general administrative costs such as insurance, audits, legal, and accounting fees.

Contingency/Reserve

The budget includes a contingency line item to account for uncollected assessments, or higher than anticipated program costs, if any. If there are contingency funds collected, they may be held in a reserve fund or utilized for other program or administration costs at the discretion of the Board. Policies relating to contributions to the reserve fund, the target amount of the reserve fund, and expenditure of monies from the reserve fund shall be set by the Board of the Owners' Association. Additionally, in the event there are contingency/reserve funds remaining near the end of the PTID's term, contingency/reserve funds may be used for the cost of renewing the PTID.

City Collection Fee

The City shall retain a fee equal to one percent (1%) of the amount of assessments collected, to cover collection and administration costs.

B. Annual Budget

The total five (5) year improvement and service plan budget is projected at approximately $900,000 annually, or $4,740,570 through 2026. This budget may fluctuate as room sales do. A similar budget is expected to apply to subsequent years, but this budget is expected to fluctuate as room sales do.

The table below demonstrates the maximum cost of improvements and services over the PTID's five (5) year term. A two percent (2%) annual increase in the cost of improvements and services is projected to account for anticipated increases in gross short term room rental revenue as a result of PTID efforts.

Year	Sales, Marketing & Communications	Destination Development	Admin & Operations	Contingency & Reserve	City Fee	Total
2021/22	$720,000	$54,000	$99,000	$18,000	$9,000	$900,000
2022/23	$734,400	$55,080	$100,980	$18,360	$9,180	$918,000
2023/24	$756,432	$56,732	$104,009	$18,911	$9,455	$945,540
2024/25	$779,125	$58,434	$107,130	$19,478	$9,739	$973,906
2025/26	$802,499	$60,187	$110,344	$20,062	$10,031	$1,003,123
Total	**$3,792,456**	**$284,434**	**$521,463**	**$94,811**	**$47,406**	**$4,740,570**

C. California Constitutional Compliance

The PTID assessment is not a property-based assessment subject to the requirements of Proposition 218. Courts have found Proposition 218 limited the term 'assessments' to levies on real property.[1] Rather, the PTID assessment is a business-based assessment, and is subject to Proposition 26. Pursuant to Proposition 26 all levies are a tax unless they fit one of seven exceptions. Two of these exceptions apply to the PTID, a "specific benefit" and a "specific government service." Both require that the costs of benefits or services do not exceed the reasonable costs to the City of conferring the benefits or providing the services.

1. Specific Benefit

Proposition 26 requires that assessment funds be expended on, "a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not

[1] *Jarvis v. the City of San Diego* 72 Cal App. 4th 230

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exceed the reasonable costs to the local government of conferring the benefit or granting the privilege."[2] The services in this Plan are designed to provide targeted benefits directly to assessed businesses, and are intended only to provide benefits and services directly to those businesses paying the assessment. These services are tailored not to serve the general public, businesses in general, or parcels of land, but rather to serve the specific businesses within the PTID. The activities described in this Plan are specifically targeted to increase demand for room night sales for assessed lodging businesses within the boundaries of the PTID, and are narrowly tailored. PTID funds will be used exclusively to provide the specific benefit of increased demand for room night sales directly to the assessees. Assessment funds shall not be used to feature non-assessed lodging businesses in PTID programs, or to directly generate sales for non-assessed businesses. The activities paid for from assessment revenues are business services constituting and providing specific benefits to the assessed businesses.

The assessment imposed by this PTID is for a specific benefit conferred directly to the payors that is not provided to those not charged. The specific benefit conferred directly to the payors is an increase in demand for room night sales. The specific benefit of an increase in demand for room night sales for assessed lodging businesses will be provided only to lodging businesses paying the district assessment, with marketing and sales programs promoting lodging businesses paying the PTID assessment. The marketing, sales & communications and destination development programs will be designed to increase room night sales at each assessed lodging businesses. Because they are necessary to provide the marketing, sales & communications and destination development programs that specifically benefit the assessed lodging businesses, the administration and contingency services also provide the specific benefit of increased demand for room night sales to the assessed lodging businesses.

Although the PTID, in providing specific benefits to payors, may produce incidental benefits to non-paying businesses, the incidental benefit does not preclude the services from being considered a specific benefit. The legislature has found that, "A specific benefit is not excluded from classification as a 'specific benefit' merely because an indirect benefit to a nonpayor occurs incidentally and without cost to the payor as a consequence of providing the specific benefit to the payor."[3]

2. Specific Government Service

The assessment may also be utilized to provide, "a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product."[4] The legislature has recognized that marketing and promotions services like those to be provided by the PTID are government services within the meaning of Proposition 26[5]. Further, the legislature has determined that "a specific government service is not excluded from classification as a 'specific government service' merely because an indirect benefit to a nonpayor occurs incidentally and without cost to the payor as a consequence of providing the specific government service to the payor."[6]

3. Reasonable Cost

PTID services will be implemented carefully to ensure they do not exceed the reasonable cost of such services. The full amount assessed will be used to provide the services described herein. Funds will

[2] Cal. Const. art XIII C § 1(e)(1)
[3] Government Code § 53758(a)
[4] Cal. Const. art XIII C § 1(e)(2)
[5] Government Code § 53758(b)
[6] Government Code § 53758(b)

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be managed by VP, and reports submitted on an annual basis to the City. Only assessed lodging businesses will be featured in marketing materials, receive sales leads generated from PTID-funded activities, be featured in advertising campaigns, and benefit from other PTID-funded services. Non-assessed lodging businesses will not receive these, nor any other, PTID-funded services and benefits.

The PTID-funded programs are all targeted directly at and feature only assessed businesses. It is, however, possible that there will be a spill over benefit to non-assessed businesses. If non-assessed lodging businesses receive incremental room nights, that portion of the promotion or program generating those room nights shall be paid with non-PTID funds. PTID funds shall only be spent to benefit the assessed businesses, and shall not be spent on that portion of any program which directly generates incidental room nights for non-assessed businesses.

D. Assessment

The annual assessment rate is two percent (2%) of gross short term room rental revenue. Based on the benefit received, assessments will not be collected on: stays of more than thirty (30) consecutive days; stays of any officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty; and stays pursuant to contracts executed prior to November 1, 2021.

The term "gross room rental revenue" as used herein means: the consideration charged, whether or not received, for the occupancy of space in a hotel, valued in money, whether to be received in money, goods, labor or otherwise, including all receipts, cash credits and property and services of any kind or nature, without any deduction therefrom whatsoever. Gross room rental revenue shall not include any federal, state or local taxes collected, including but not limited to transient occupancy taxes.

The assessment is levied upon and a direct obligation of the assessed lodging business. However, the assessed lodging business may, at its discretion, pass the assessment on to transients. The amount of assessment, if passed on to each transient, shall be disclosed in advance and separately stated from the amount of rent charged and any other applicable taxes, and each transient shall receive a receipt for payment from the business. If the PTID assessment is identified separately it shall be disclosed as the "PTID Assessment." As an alternative, the disclosure may include the amount of the PTID assessment and the amount of the assessment imposed pursuant to the California Tourism Marketing Act, Government Code §13995 et seq. and shall be disclosed as the "Tourism Assessment." The assessment is imposed solely upon, and is the sole obligation of the assessed lodging business even if it is passed on to transients. The assessment shall not be considered revenue for any purpose, including calculation of transient occupancy taxes.

Bonds shall not be issued.

E. Penalties and Interest

The PTID shall reimburse the City of Palmdale for any costs associated with collecting unpaid assessments. If sums in excess of the delinquent PTID assessment are sought to be recovered in the same collection action by the City, the PTID shall bear its pro rata share of such collection costs. Assessed businesses which are delinquent in paying the assessment shall be responsible for paying:

1. *Original Delinquency:* Any lodging business owner who fails to remit any assessment imposed by this section within the time required shall pay a penalty of 10 percent (10%) of the amount of the unpaid assessment in addition to the amount of the assessment.

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2. *Continued Delinquency:* Any lodging business owner who fails to remit any delinquent remittance on or before a period of thirty (30) days following the date on which the remittance first became delinquent shall pay a second delinquency penalty of 10 percent (10%) of the amount of unpaid assessment, in addition to the amount of the assessment and the 10 percent (10%) penalty first imposed.

3. *Fraud:* If the City determines that the nonpayment of any remittance due under this section is due to fraud, a penalty of 25 percent (25%) of the amount of the assessment shall be added thereto in addition to the penalties stated in this section.

4. *Interest:* In addition to the penalties imposed, any lodging business owner who fails to remit any assessment imposed by this section shall pay interest at the rate of one and one-half percent (1.50%) per month or fraction thereof on the amount of unpaid assessment, exclusive of penalties, from the date on which the remittance first became delinquent until paid.

5. *Penalties Merged with Assessment:* Every penalty imposed and such interest as accrues under the provisions of this chapter shall become a part of the assessment herein required to be paid.

F. Time and Manner for Collecting Assessments

The PTID assessment will be implemented beginning November 1, 2021 and will continue for five (5) years through October 31, 2026. The City will be responsible for collecting the assessment on a monthly basis (including any delinquencies, penalties and interest) from each lodging business. The City shall take all reasonable efforts to collect the assessments from each lodging business. The City shall forward the assessments collected to the Owners' Association.

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V. GOVERNANCE

A. Owners' Association

The City Council, through adoption of this Management District Plan, has the right, pursuant to Streets and Highways Code §36651, to identify the body that shall implement the proposed program, which shall be the Owners' Association of the PTID as defined in Streets and Highways Code §36612. The City Council has determined that the to-be-formed nonprofit corporation, Visit Palmdale (VP), will serve as the Owners' Association for the PTID.

VP shall be comprised of ~~five (5) to~~ seven (7) directors, in which a majority of the directors shall be owners or owner representatives of businesses paying the PTID assessment. The Board will also include representation from the City and may include businesses with an interest in tourism. VP shall have full authority to manage matters related to the PTID including, but not limited to, management of assessment funds and full decision-making authority regarding PTID programs in accordance with this Plan.

B. Brown Act and California Public Records Act Compliance

An Owners' Association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. The Owners' Association is, however, subject to government regulations relating to transparency, namely the Ralph M. Brown Act and the California Public Records Act. These regulations are designed to promote public accountability. The Owners' Association acts as a legislative body under the Ralph M. Brown Act (Government Code §54950 et seq.). Thus, meetings of the VP board and certain committees must be held in compliance with the public notice and other requirements of the Brown Act. The Owners' Association is also subject to the record keeping and disclosure requirements of the California Public Records Act. Accordingly, the Owners' Association shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

C. Annual Report

VP shall present an annual report at the end of each year of operation to the City Council pursuant to Streets and Highways Code §36650 (see Appendix 1). The annual report shall include:

- Any proposed changes in the boundaries of the improvement district or in any benefit zones or classification of businesses within the district.
- The improvements and activities to be provided for that fiscal year.
- An estimate of the cost of providing the improvements and the activities for that fiscal year.
- The method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment to be levied against his or her business for that fiscal year.
- The estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year.
- The estimated amount of any contributions to be made from sources other than assessments levied pursuant to this part.

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APPENDIX 1 – LAW

*** THIS DOCUMENT IS CURRENT THROUGH THE 2021 SUPPLEMENT ***
(ALL 2020 LEGISLATION)

STREETS AND HIGHWAYS CODE
DIVISION 18. PARKING
PART 7. PROPERTY AND BUSINESS IMPROVEMENT DISTRICT LAW OF 1994

CHAPTER 1. General Provisions

ARTICLE 1. Declarations

36600. Citation of part

This part shall be known and may be cited as the "Property and Business Improvement District Law of 1994."

36601. Legislative findings and declarations; Legislative guidance

The Legislature finds and declares all of the following:

(a) Businesses located and operating within business districts in some of this state's communities are economically disadvantaged, are underutilized, and are unable to attract customers due to inadequate facilities, services, and activities in the business districts.

(b) It is in the public interest to promote the economic revitalization and physical maintenance of business districts in order to create jobs, attract new businesses, and prevent the erosion of the business districts.

(c) It is of particular local benefit to allow business districts to fund business related improvements, maintenance, and activities through the levy of assessments upon the businesses or real property that receive benefits from those improvements.

(d) Assessments levied for the purpose of conferring special benefit upon the real property or a specific benefit upon the businesses in a business district are not taxes for the general benefit of a city, even if property, businesses, or persons not assessed receive incidental or collateral effects that benefit them.

(e) Property and business improvement districts formed throughout this state have conferred special benefits upon properties and businesses within their districts and have made those properties and businesses more useful by providing the following benefits:

(1) Crime reduction. A study by the Rand Corporation has confirmed a 12-percent reduction in the incidence of robbery and an 8-percent reduction in the total incidence of violent crimes within the 30 districts studied.

(2) Job creation.

(3) Business attraction.

(4) Business retention.

(5) Economic growth.

(6) New investments.

(f) With the dissolution of redevelopment agencies throughout the state, property and business improvement districts have become even more important tools with which communities can combat blight, promote economic opportunities, and create a clean and safe environment.

(g) Since the enactment of this act, the people of California have adopted Proposition 218, which added Article XIII D to the Constitution in order to place certain requirements and restrictions on the formation of, and activities, expenditures, and assessments by property-based districts. Article XIII D of the Constitution provides that property-based districts may only levy assessments for special benefits.

(h) The act amending this section is intended to provide the Legislature's guidance with regard to this act, its interaction with the provisions of Article XIII D of the Constitution, and the determination of special benefits in property-based districts.

(1) The lack of legislative guidance has resulted in uncertainty and inconsistent application of this act, which discourages the use of assessments to fund needed improvements, maintenance, and activities in property-based districts, contributing to blight and other underutilization of property.

(2) Activities undertaken for the purpose of conferring special benefits upon property to be assessed inherently produce incidental or collateral effects that benefit property or persons not assessed. Therefore, for special benefits to exist as a separate and distinct category from general benefits, the

incidental or collateral effects of those special benefits are inherently part of those special benefits. The mere fact that special benefits produce incidental or collateral effects that benefit property or persons not assessed does not convert any portion of those special benefits or their incidental or collateral effects into general benefits.

(3) It is of the utmost importance that property-based districts created under this act have clarity regarding restrictions on assessments they may levy and the proper determination of special benefits. Legislative clarity with regard to this act will provide districts with clear instructions and courts with legislative intent regarding restrictions on property-based assessments, and the manner in which special benefits should be determined.

36602. Purpose of part

The purpose of this part is to supplement previously enacted provisions of law that authorize cities to levy assessments within property and business improvement districts, to ensure that those assessments conform to all constitutional requirements and are determined and assessed in accordance with the guidance set forth in this act. This part does not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes.

36603. Preemption of authority or charter city to adopt ordinances levying assessments

Nothing in this part is intended to preempt the authority of a charter city to adopt ordinances providing for a different method of levying assessments for similar or additional purposes from those set forth in this part. A property and business improvement district created pursuant to this part is expressly exempt from the provisions of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (Division 4 (commencing with Section 2800)).

36603.5. Part prevails over conflicting provisions

Any provision of this part that conflicts with any other provision of law shall prevail over the other provision of law, as to districts created under this part.

36604. Severability

This part is intended to be construed liberally and, if any provision is held invalid, the remaining provisions shall remain in full force and effect. Assessments levied under this part are not special taxes.

ARTICLE 2. Definitions

36606. "Activities"

"Activities" means, but is not limited to, all of the following that benefit businesses or real property in the district:

(a) Promotion of public events.

(b) Furnishing of music in any public place.

(c) Promotion of tourism within the district.

(d) Marketing and economic development, including retail retention and recruitment.

(e) Providing security, sanitation, graffiti removal, street and sidewalk cleaning, and other municipal services supplemental to those normally provided by the municipality.

(f) Other services provided for the purpose of conferring special benefit upon assessed real property or specific benefits upon assessed businesses located in the district.

36606.5. "Assessment"

"Assessment" means a levy for the purpose of acquiring, constructing, installing, or maintaining improvements and providing activities that will provide certain benefits to properties or businesses located within a property and business improvement district.

36607. "Business"

"Business" means all types of businesses and includes financial institutions and professions.

36608. "City"

"City" means a city, county, city and county, or an agency or entity created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code, the public member agencies of which includes only cities, counties, or a city and county, or the State of California.

36609. "City council"

"City council" means the city council of a city or the board of supervisors of a county, or the agency, commission, or board created pursuant to a joint powers agreement and which is a city within the meaning of this part.

36609.4. "Clerk"

"Clerk" means the clerk of the legislative body.

36609.5. "General benefit"

"General benefit" means, for purposes of a property-based district, any benefit that is not a "special benefit" as defined in Section 36615.5.

36610. "Improvement"

"Improvement" means the acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years or more including, but not limited to, the following:

(a) Parking facilities.
(b) Benches, booths, kiosks, display cases, pedestrian shelters and signs.
(c) Trash receptacles and public restrooms.
(d) Lighting and heating facilities.
(e) Decorations.
(f) Parks.
(g) Fountains.
(h) Planting areas.
(i) Closing, opening, widening, or narrowing of existing streets.
(j) Facilities or equipment, or both, to enhance security of persons and property within the district.
(k) Ramps, sidewalks, plazas, and pedestrian malls.
(l) Rehabilitation or removal of existing structures.

36611. "Management district plan"; "Plan"

"Management district plan" or "plan" means a proposal as defined in Section 36622.

36612. "Owners' association"

"Owners' association" means a private nonprofit entity that is under contract with a city to administer or implement improvements, maintenance, and activities specified in the management district plan. An owners' association may be an existing nonprofit entity or a newly formed nonprofit entity. An owners' association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. Notwithstanding this section, an owners' association shall comply with the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code), at all times when matters within the subject matter of the district are heard, discussed, or deliberated, and with the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code), for all records relating to activities of the district.

36614. "Property"

"Property" means real property situated within a district.

36614.5. "Property and business improvement district"; "District"

"Property and business improvement district," or "district," means a property and business improvement district established pursuant to this part.

36614.6. "Property-based assessment"

"Property-based assessment" means any assessment made pursuant to this part upon real property.

36614.7. "Property-based district"

"Property-based district" means any district in which a city levies a property-based assessment.

36615. "Property owner"; "Business owner"; "Owner"

"Property owner" means any person shown as the owner of land on the last equalized assessment roll or otherwise known to be the owner of land by the city council. "Business owner" means any person recognized by the city as the owner of the business. "Owner" means either a business owner or a property owner. The city council has no obligation to obtain other information as to the ownership of land or businesses, and its determination of ownership shall be final and conclusive for the purposes of this part. Wherever this part requires the signature of the property owner, the signature of the authorized agent of the property owner shall be sufficient. Wherever this part requires the signature of the business owner, the signature of the authorized agent of the business owner shall be sufficient.

36615.5. "Special benefit"

"Special benefit" means, for purposes of a property-based district, a particular and distinct benefit over and above general benefits conferred on real property located in a district or to the public at large. Special benefit includes incidental or collateral effects that arise from the improvements, maintenance, or activities of property-based districts even if those incidental or collateral effects benefit property or persons not assessed. Special benefit excludes general enhancement of property value.

36616. "Tenant"

"Tenant" means an occupant pursuant to a lease of commercial space or a dwelling unit, other than an owner.

ARTICLE 3. Prior Law

36617. Alternate method of financing certain improvements and activities; Effect on other provisions

This part provides an alternative method of financing certain improvements and activities. The provisions of this part shall not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes. Every improvement area established pursuant to the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500) of this division) is valid and effective and is unaffected by this part.

CHAPTER 2. Establishment

36620. Establishment of property and business improvement district

A property and business improvement district may be established as provided in this chapter.

36620.5. Requirement of consent of city council

A county may not form a district within the territorial jurisdiction of a city without the consent of the city council of that city. A city may not form a district within the unincorporated territory of a county without the consent of the board

of supervisors of that county. A city may not form a district within the territorial jurisdiction of another city without the consent of the city council of the other city.

36621. Initiation of proceedings; Petition of property or business owners in proposed district

(a) Upon the submission of a written petition, signed by the property or business owners in the proposed district who will pay more than 50 percent of the assessments proposed to be levied, the city council may initiate proceedings to form a district by the adoption of a resolution expressing its intention to form a district. The amount of assessment attributable to property or a business owned by the same property or business owner that is in excess of 40 percent of the amount of all assessments proposed to be levied, shall not be included in determining whether the petition is signed by property or business owners who will pay more than 50 percent of the total amount of assessments proposed to be levied.

(b) The petition of property or business owners required under subdivision (a) shall include a summary of the management district plan. That summary shall include all of the following:

(1) A map showing the boundaries of the district.

(2) Information specifying where the complete management district plan can be obtained.

(3) Information specifying that the complete management district plan shall be furnished upon request.

(c) The resolution of intention described in subdivision (a) shall contain all of the following:

(1) A brief description of the proposed improvements, maintenance, and activities, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property or businesses within the district, a statement as to whether bonds will be issued, and a description of the exterior boundaries of the proposed district, which may be made by reference to any plan or map that is on file with the clerk. The descriptions and statements do not need to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements, maintenance, and activities, and the location and extent of the proposed district.

(2) A time and place for a public hearing on the establishment of the property and business improvement district and the levy of assessments, which shall be consistent with the requirements of Section 36623.

36622. Contents of management district plan

The management district plan shall include, but is not limited to, all of the following:

(a) If the assessment will be levied on property, a map of the district in sufficient detail to locate each parcel of property and, if businesses are to be assessed, each business within the district. If the assessment will be levied on businesses, a map that identifies the district boundaries in sufficient detail to allow a business owner to reasonably determine whether a business is located within the district boundaries. If the assessment will be levied on property and businesses, a map of the district in sufficient detail to locate each parcel of property and to allow a business owner to reasonably determine whether a business is located within the district boundaries.

(b) The name of the proposed district.

(c) A description of the boundaries of the district, including the boundaries of benefit zones, proposed for establishment or extension in a manner sufficient to identify the affected property and businesses included, which may be made by reference to any plan or map that is on file with the clerk. The boundaries of a proposed property assessment district shall not overlap with the boundaries of another existing property assessment district created pursuant to this part. This part does not prohibit the boundaries of a district created pursuant to this part to overlap with other assessment districts established pursuant to other provisions of law, including, but not limited to, the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500)). This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with another business assessment district created pursuant to this part. This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with a property assessment district created pursuant to this part.

(d) The improvements, maintenance, and activities proposed for each year of operation of the district and the maximum cost thereof. If the improvements, maintenance, and activities proposed for each year of operation are the same, a description of the first year's proposed improvements, maintenance, and activities and a statement that the same improvements, maintenance, and activities are proposed for subsequent years shall satisfy the requirements of this subdivision.

(e) The total annual amount proposed to be expended for improvements, maintenance, or activities, and debt service in each year of operation of the district. If the assessment is levied on businesses, this amount may be estimated based upon the assessment rate. If the total annual amount proposed to be expended in each year of operation of the district is not significantly different, the amount proposed to be expended in the initial year and a statement that a similar amount applies to subsequent years shall satisfy the requirements of this subdivision.

(f) The proposed source or sources of financing, including the proposed method and basis of levying the assessment in sufficient detail to allow each property or business owner to calculate the amount of the assessment to be levied against his or her property or business. The plan also shall state whether bonds will be issued to finance improvements.

(g) The time and manner of collecting the assessments.

(h) The specific number of years in which assessments will be levied. In a new district, the maximum number of years shall be five. Upon renewal, a district shall have a term not to exceed 10 years. Notwithstanding these limitations, a district created pursuant to this part to finance capital improvements with bonds may levy assessments until the maximum maturity of the bonds. The management district plan may set forth specific increases in assessments for each year of operation of the district.

(i) The proposed time for implementation and completion of the management district plan.

(j) Any proposed rules and regulations to be applicable to the district.

(k) (1) A list of the properties or businesses to be assessed, including the assessor's parcel numbers for properties to be assessed, and a statement of the method or methods by which the expenses of a district will be imposed upon benefited real property or businesses, in proportion to the benefit received by the property or business, to defray the cost thereof.

(2) In a property-based district, the proportionate special benefit derived by each identified parcel shall be determined exclusively 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 activities. An assessment shall not be imposed on any parcel that exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and a property-based district shall separate the general benefits, if any, from the special benefits conferred on a parcel. Parcels within a property-based district that are owned or used by any city, public agency, the State of California, or the United States shall not be exempt from assessment unless the governmental entity can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit. The value of any incidental, secondary, or collateral effects that arise from the improvements, maintenance, or activities of a property-based district and that benefit property or persons not assessed shall not be deducted from the entirety of the cost of any special benefit or affect the proportionate special benefit derived by each identified parcel.

(l) In a property-based district, the total amount of all special benefits to be conferred upon the properties located within the property-based district.

(m) In a property-based district, the total amount of general benefits, if any.

(n) In a property-based district, a detailed engineer's report prepared by a registered professional engineer certified by the State of California supporting all assessments contemplated by the management district plan.

(o) Any other item or matter required to be incorporated therein by the city council.

36623. Procedure to levy assessment

(a) If a city council proposes to levy a new or increased property assessment, the notice and protest and hearing procedure shall comply with Section 53753 of the Government Code.

(b) If a city council proposes to levy a new or increased business assessment, the notice and protest and hearing procedure shall comply with Section 54954.6 of the Government Code, except that notice shall be mailed to the owners of the businesses proposed to be assessed. A protest may be made orally or in writing by any interested person. Every written protest shall be filed with the clerk at or before the time fixed for the public hearing. The city council may waive any irregularity in the form or content of any written protest. A written protest may be withdrawn in writing at any time before the conclusion of the public hearing. Each written protest shall contain a description of the business in which the person subscribing the protest is interested sufficient to identify the business and, if a person subscribing is not shown on the official records of the city as the owner of the business, the protest shall contain or be accompanied by written evidence that the person subscribing is the owner of the business or the authorized representative. A written protest that does not comply with this section shall not be counted in determining a majority protest. If written protests are received from the owners or authorized representatives of businesses in the proposed district that will pay

50 percent or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than 50 percent, no further proceedings to levy the proposed assessment against such businesses, as contained in the resolution of intention, shall be taken for a period of one year from the date of the finding of a majority protest by the city council.

(c) If a city council proposes to conduct a single proceeding to levy both a new or increased property assessment and a new or increased business assessment, the notice and protest and hearing procedure for the property assessment shall comply with subdivision (a), and the notice and protest and hearing procedure for the business assessment shall comply with subdivision (b). If a majority protest is received from either the property or business owners, that respective portion of the assessment shall not be levied. The remaining portion of the assessment may be levied unless the improvement or other special benefit was proposed to be funded by assessing both property and business owners.

36624. Changes to proposed assessments

At the conclusion of the public hearing to establish the district, the city council may adopt, revise, change, reduce, or modify the proposed assessment or the type or types of improvements, maintenance, and activities to be funded with the revenues from the assessments. Proposed assessments may only be revised by reducing any or all of them. At the public hearing, the city council may only make changes in, to, or from the boundaries of the proposed property and business improvement district that will exclude territory that will not benefit from the proposed improvements, maintenance, and activities. Any modifications, revisions, reductions, or changes to the proposed assessment district shall be reflected in the notice and map recorded pursuant to Section 36627.

36625. Resolution of formation

(a) If the city council, following the public hearing, decides to establish a proposed property and business improvement district, the city council shall adopt a resolution of formation that shall include, but is not limited to, all of the following:

(1) A brief description of the proposed improvements, maintenance, and activities, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property, businesses, or both within the district, a statement on whether bonds will be issued, and a description of the exterior boundaries of the proposed district, which may be made by reference to any plan or map that is on file with the clerk. The descriptions and statements need not be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements, maintenance, and activities and the location and extent of the proposed district.

(2) The number, date of adoption, and title of the resolution of intention.

(3) The time and place where the public hearing was held concerning the establishment of the district.

(4) A determination regarding any protests received. The city shall not establish the district or levy assessments if a majority protest was received.

(5) A statement that the properties, businesses, or properties and businesses in the district established by the resolution shall be subject to any amendments to this part.

(6) A statement that the improvements, maintenance, and activities to be conferred on businesses and properties in the district will be funded by the levy of the assessments. The revenue from the levy of assessments within a district shall not be used to provide improvements, maintenance, or activities outside the district or for any purpose other than the purposes specified in the resolution of intention, as modified by the city council at the hearing concerning establishment of the district. Notwithstanding the foregoing, improvements and activities that must be provided outside the district boundaries to create a special or specific benefit to the assessed parcels or businesses may be provided, but shall be limited to marketing or signage pointing to the district.

(7) A finding that the property or businesses within the area of the property and business improvement district will be benefited by the improvements, maintenance, and activities funded by the proposed assessments, and, for a property-based district, that property within the district will receive a special benefit.

(8) In a property-based district, the total amount of all special benefits to be conferred on the properties within the property-based district.

(b) The adoption of the resolution of formation and, if required, recordation of the notice and map pursuant to Section 36627 shall constitute the levy of an assessment in each of the fiscal years referred to in the management district plan.

36627. Notice and assessment diagram

Following adoption of the resolution establishing district assessments on properties pursuant to Section 36625, the clerk shall record a notice and an assessment diagram pursuant to Section 3114. No other provision of Division 4.5 (commencing with Section 3100) applies to an assessment district created pursuant to this part.

36628. Establishment of separate benefit zones within district; Categories of businesses

The city council may establish one or more separate benefit zones within the district based upon the degree of benefit derived from the improvements or activities to be provided within the benefit zone and may impose a different assessment within each benefit zone. If the assessment is to be levied on businesses, the city council may also define categories of businesses based upon the degree of benefit that each will derive from the improvements or activities to be provided within the district and may impose a different assessment or rate of assessment on each category of business, or on each category of business within each zone.

36628.5. Assessments on businesses or property owners

The city council may levy assessments on businesses or on property owners, or a combination of the two, pursuant to this part. The city council shall structure the assessments in whatever manner it determines corresponds with the distribution of benefits from the proposed improvements, maintenance, and activities, provided that any property-based assessment conforms with the requirements set forth in paragraph (2) of subdivision (k) of Section 36622.

36629. Provisions and procedures applicable to benefit zones and business categories

All provisions of this part applicable to the establishment, modification, or disestablishment of a property and business improvement district apply to the establishment, modification, or disestablishment of benefit zones or categories of business. The city council shall, to establish, modify, or disestablish a benefit zone or category of business, follow the procedure to establish, modify, or disestablish a property and business improvement district.

36630. Expiration of district; Creation of new district

If a property and business improvement district expires due to the time limit set pursuant to subdivision (h) of Section 36622, a new management district plan may be created and the district may be renewed pursuant to this part.

CHAPTER 3. Assessments

36631. Time and manner of collection of assessments; Delinquent payments

The collection of the assessments levied pursuant to this part shall be made at the time and in the manner set forth by the city council in the resolution levying the assessment. Assessments levied on real property may be collected at the same time and in the same manner as for the ad valorem property tax, and may provide for the same lien priority and penalties for delinquent payment. All delinquent payments for assessments levied pursuant to this part may be charged interest and penalties.

36632. Assessments to be based on estimated benefit; Classification of real property and businesses; Exclusion of residential and agricultural property

(a) The assessments levied on real property pursuant to this part shall be levied on the basis of the estimated benefit to the real property within the property and business improvement district. The city council may classify properties for purposes of determining the benefit to property of the improvements and activities provided pursuant to this part.

(b) Assessments levied on businesses pursuant to this part shall be levied on the basis of the estimated benefit to the businesses within the property and business improvement district. The city council may classify businesses for purposes of determining the benefit to the businesses of the improvements and activities provided pursuant to this part.

(c) Properties zoned solely for residential use, or that are zoned for agricultural use, are conclusively presumed not to benefit from the improvements and service funded through these assessments, and shall not be subject to any assessment pursuant to this part.

36633. Time for contesting validity of assessment

The validity of an assessment levied under this part shall not be contested in an action or proceeding unless the action or proceeding is commenced within 30 days after the resolution levying the assessment is adopted pursuant to Section 36625. An appeal from a final judgment in an action or proceeding shall be perfected within 30 days after the entry of judgment.

36634. Service contracts authorized to establish levels of city services

The city council may execute baseline service contracts that would establish levels of city services that would continue after a property and business improvement district has been formed.

36635. Request to modify management district plan

The owners' association may, at any time, request that the city council modify the management district plan. Any modification of the management district plan shall be made pursuant to this chapter.

36636. Modification of plan by resolution after public hearing; Adoption of resolution of intention

(a) Upon the written request of the owners' association, the city council may modify the management district plan after conducting one public hearing on the proposed modifications. The city council may modify the improvements and activities to be funded with the revenue derived from the levy of the assessments by adopting a resolution determining to make the modifications after holding a public hearing on the proposed modifications. If the modification includes the levy of a new or increased assessment, the city council shall comply with Section 36623. Notice of all other public hearings pursuant to this section shall comply with both of the following:

(1) The resolution of intention shall be published in a newspaper of general circulation in the city once at least seven days before the public hearing.

(2) A complete copy of the resolution of intention shall be mailed by first class mail, at least 10 days before the public hearing, to each business owner or property owner affected by the proposed modification.

(b) The city council shall adopt a resolution of intention which states the proposed modification prior to the public hearing required by this section. The public hearing shall be held not more than 90 days after the adoption of the resolution of intention.

36637. Reflection of modification in notices recorded and maps

Any subsequent modification of the resolution shall be reflected in subsequent notices and maps recorded pursuant to Division 4.5 (commencing with Section 3100), in a manner consistent with the provisions of Section 36627.

CHAPTER 3.5. Financing

36640. Bonds authorized; Procedure; Restriction on reduction or termination of assessments

(a)The city council may, by resolution, determine and declare that bonds shall be issued to finance the estimated cost of some or all of the proposed improvements described in the resolution of formation adopted pursuant to Section 36625, if the resolution of formation adopted pursuant to that section provides for the issuance of bonds, under the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500)) or in conjunction with Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code). Either act, as the case may be, shall govern the proceedings relating to the issuance of bonds, although proceedings under the Bond Act of 1915 may be modified by the city council as necessary to accommodate assessments levied upon business pursuant to this part.

(b) The resolution adopted pursuant to subdivision (a) shall generally describe the proposed improvements specified in the resolution of formation adopted pursuant to Section 36625, set forth the estimated cost of those improvements, specify the number of annual installments and the fiscal years during which they are to be collected. The amount of debt service to retire the bonds shall not exceed the amount of revenue estimated to be raised from assessments over 30 years.
(c) Notwithstanding any other provision of this part, assessments levied to pay the principal and interest on any bond issued pursuant to this section shall not be reduced or terminated if doing so would interfere with the timely retirement of the debt.

CHAPTER 4. Governance

36650. Report by owners' association; Approval or modification by city council

(a) The owners' association shall cause to be prepared a report for each fiscal year, except the first year, for which assessments are to be levied and collected to pay the costs of the improvements, maintenance, and activities described in the report. The owners' association's first report shall be due after the first year of operation of the district. The report may propose changes, including, but not limited to, the boundaries of the property and business improvement district or any benefit zones within the district, the basis and method of levying the assessments, and any changes in the classification of property, including any categories of business, if a classification is used.
(b) The report shall be filed with the clerk and shall refer to the property and business improvement district by name, specify the fiscal year to which the report applies, and, with respect to that fiscal year, shall contain all of the following information:

(1) Any proposed changes in the boundaries of the property and business improvement district or in any benefit zones or classification of property or businesses within the district.
(2) The improvements, maintenance, and activities to be provided for that fiscal year.
(3) An estimate of the cost of providing the improvements, maintenance, and activities for that fiscal year.
(4) The method and basis of levying the assessment in sufficient detail to allow each real property or business owner, as appropriate, to estimate the amount of the assessment to be levied against his or her property or business for that fiscal year.
(5) The estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year.
(6) The estimated amount of any contributions to be made from sources other than assessments levied pursuant to this part.

(c) The city council may approve the report as filed by the owners' association or may modify any particular contained in the report and approve it as modified. Any modification shall be made pursuant to Sections 36635 and 36636.
The city council shall not approve a change in the basis and method of levying assessments that would impair an authorized or executed contract to be paid from the revenues derived from the levy of assessments, including any commitment to pay principal and interest on any bonds issued on behalf of the district.

36651. Designation of owners' association to provide improvements, maintenance, and activities

The management district plan may, but is not required to, state that an owners' association will provide the improvements, maintenance, and activities described in the management district plan. If the management district plan designates an owners' association, the city shall contract with the designated nonprofit corporation to provide services.

CHAPTER 5. Renewal

36660. Renewal of district; Transfer or refund of remaining revenues; District term limit

(a) Any district previously established whose term has expired, or will expire, may be renewed by following the procedures for establishment as provided in this chapter.
(b) Upon renewal, any remaining revenues derived from the levy of assessments, or any revenues derived from the sale of assets acquired with the revenues, shall be transferred to the renewed district. If the renewed district includes additional parcels or businesses not included in the prior district, the remaining revenues

shall be spent to benefit only the parcels or businesses in the prior district. If the renewed district does not include parcels or businesses included in the prior district, the remaining revenues attributable to these parcels shall be refunded to the owners of these parcels or businesses.

(c) Upon renewal, a district shall have a term not to exceed 10 years, or, if the district is authorized to issue bonds, until the maximum maturity of those bonds. There is no requirement that the boundaries, assessments, improvements, or activities of a renewed district be the same as the original or prior district.

CHAPTER 6. Disestablishment

36670. Circumstances permitting disestablishment of district; Procedure

(a) Any district established or extended pursuant to the provisions of this part, where there is no indebtedness, outstanding and unpaid, incurred to accomplish any of the purposes of the district, may be disestablished by resolution by the city council in either of the following circumstances:

(1) If the city council finds there has been misappropriation of funds, malfeasance, or a violation of law in connection with the management of the district, it shall notice a hearing on disestablishment.

(2) During the operation of the district, there shall be a 30-day period each year in which assessees may request disestablishment of the district. The first such period shall begin one year after the date of establishment of the district and shall continue for 30 days. The next such 30-day period shall begin two years after the date of the establishment of the district. Each successive year of operation of the district shall have such a 30-day period. Upon the written petition of the owners or authorized representatives of real property or the owners or authorized representatives of businesses in the district who pay 50 percent or more of the assessments levied, the city council shall pass a resolution of intention to disestablish the district. The city council shall notice a hearing on disestablishment.

(b) The city council shall adopt a resolution of intention to disestablish the district prior to the public hearing required by this section. The resolution shall state the reason for the disestablishment, shall state the time and place of the public hearing, and shall contain a proposal to dispose of any assets acquired with the revenues of the assessments levied within the property and business improvement district. The notice of the hearing on disestablishment required by this section shall be given by mail to the property owner of each parcel or to the owner of each business subject to assessment in the district, as appropriate. The city shall conduct the public hearing not less than 30 days after mailing the notice to the property or business owners. The public hearing shall be held not more than 60 days after the adoption of the resolution of intention.

36671. Refund of remaining revenues upon disestablishment or expiration without renewal of district; Calculation of refund; Use of outstanding revenue collected after disestablishment of district

(a) Upon the disestablishment or expiration without renewal of a district, any remaining revenues, after all outstanding debts are paid, derived from the levy of assessments, or derived from the sale of assets acquired with the revenues, or from bond reserve or construction funds, shall be refunded to the owners of the property or businesses then located and operating within the district in which assessments were levied by applying the same method and basis that was used to calculate the assessments levied in the fiscal year in which the district is disestablished or expires. All outstanding assessment revenue collected after disestablishment shall be spent on improvements and activities specified in the management district plan.

(b) If the disestablishment occurs before an assessment is levied for the fiscal year, the method and basis that was used to calculate the assessments levied in the immediate prior fiscal year shall be used to calculate the amount of any refund.

APPENDIX 2 – ASSESSED BUSINESSES

Lodging Business	Business Address
Best Western	600 W Palmdale Blvd, Palmdale, CA 93551
Courtyard by Marriott	530 W Rancho Vista Blvd, Palmdale, CA 93551
Doubletree *(under construction)*	300 W Palmdale Blvd, Palmdale, CA 93551
Element Hotel	39325 Trade Center Drive, Palmdale, CA 93551
Embassy Suites	39375 5th St W, Palmdale, CA 93551
EZ 8 Motel	430 W Palmdale Blvd, Palmdale, CA 93551
Fairfield Inn *(under construction)*	1052 W Ave O-8, Palmdale, CA 93551
Hampton Inn and Suites	9428 Trade Center Dr, Palmdale, CA 93551
Hilton Garden Inn Palmdale	1309 W Rancho Vista Blvd, Palmdale, CA 93551
Holiday Inn	38630 5th St W, Palmdale, CA 93551
Home2 Suites	38750 5th St W, Palmdale, CA 93551
Knights Inn Motel	130 E Palmdale Blvd, Palmdale, CA 93550
Motel 6	407 West Palmdale Blvd, Palmdale, CA, 93551
OYO Hotel	217 E Palmdale Blvd, Palmdale, CA 93550
Palm Motel	38535 6th St E, Palmdale, CA 93550
Red Roof Inn	200 W Palmdale Blvd, Palmdale, CA 93551
Residence Inn by Marriot	514 West Avenue P, Rancho Vista Blvd, Palmdale, CA 93551
Sherwood Motel	1331 E Palmdale Blvd, Palmdale, CA 93550
Staybridge Suites Palmdale	420 W Park Dr, Palmdale, CA 9355

**Hotel List as of July 2021*

DRAFT

CITY COUNCIL
CITY OF PALMDALE, CALIFORNIA
RESOLUTION NO. CC 2021-096

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE DECLARING RESULTS OF MAJORITY PROTEST PROCEEDINGS AND ESTABLISHING THE PALMDALE TOURISM IMPROVEMENT DISTRICT (PTID)

WHEREAS, the Property and Business Improvement District Law of 1994 (Streets and Highways Code §36600 et. seq.) authorizes the City to establish business improvement districts upon petition by a weighted majority of the business owners located within the boundaries of the district; and

WHEREAS, lodging business owners who will pay more than fifty percent (50%) of the proposed assessment, as weighted according to the amount of the assessment to be paid by the petitioner, within the boundaries of the PTID have petitioned the City Council to establish the PTID; and

WHEREAS, included with the petitions was a Management District Plan (Plan) that describes the proposed assessment to be levied on lodging businesses within the PTID to pay for sales, marketing, and communications programs, and other improvements and activities set forth in the Plan; and

WHEREAS, the assessed lodging businesses within the PTID will receive a specific benefit from the activities and improvements set forth in the Plan; and

WHEREAS, on August 17, 2021 at 7:00 PM at Council Chambers located at 38300 Sierra Highway, Suite B, Palmdale, CA 93550, the City Council adopted a Resolution of Intention, Resolution No. CC 2021-070; and

WHEREAS, the public meeting and public hearing to consider the establishment of the PTID have been properly noticed in accordance with Streets and Highways Code §36623; and

WHEREAS, on September 7, 2021 at 7:00 PM at Council Chambers located at 38300 Sierra Highway, Suite B, Palmdale, CA 93550, the City Council held a public meeting regarding the establishment of the PTID, and the City Council heard and received objections and protests, if any, to the establishment of the PTID and the levy of the proposed assessment; and

WHEREAS, on October 5, 2021, at 7:00 PM at Council Chambers located at 38300 Sierra Highway, Suite B, Palmdale, CA 93550, the City Council held a public

hearing regarding the establishment of the PTID, and the City Council heard and received all objections and protests, if any, to the establishment of the PTID and the levy of the proposed assessment; and

WHEREAS, the City Clerk has determined that there was no majority protest. A majority protest is defined as written protests received from owners of businesses in the proposed PTID which would pay fifty percent (50%) or more of the assessments proposed to be levied. Protests are weighted based on the assessment proposed to be levied on each lodging business; and

WHEREAS, the City bears the burden of proving by a preponderance of the evidence that an assessment imposed for a specific benefit or specific government service is not a tax, that the amount is no more than necessary to cover the costs to the City in providing the specific benefit or specific government service, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the specific benefits or specific government services received by the payor.

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 recitals set forth herein are adopted by the City Council as findings and they are true and correct.

a. The PTID is hereby established for a five (5) year term, beginning November 1, 2021 through October 31, 2026.

b. The Plan dated September 23, 2021 is hereby adopted and approved.

c. The activities to be provided to benefit businesses in the PTID will be funded by the levy of the assessment. The revenue from the assessment levy shall not be used: to provide activities that directly benefit businesses outside the PTID; to provide activities or improvements outside the PTID; or for any purpose other than the purposes specified in this Resolution, the Resolution of Intention, and the Plan. Notwithstanding the foregoing, improvements and activities that must be provided outside the PTID boundaries to create a specific benefit to the assessed businesses may be provided, but shall be limited to marketing or signage pointing to the PTID.

d. The activities funded by the assessment will provide a specific benefit to assessed businesses within the PTID that is not provided to those not paying the assessment.

e. The assessment is a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege.

f. The assessment is a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product.

g. Assessments imposed pursuant to the PTID are levied solely upon the assessed business, and the business owner is solely responsible for payment of the assessment when due. If the owner chooses to collect any portion of the assessment from a transient, that portion shall be specifically called out and identified for the transient in any and all communications from the business owner as the "PTID Assessment" or "Tourism Assessment" as specified in the Plan.

h. The assessments levied for the PTID shall be applied towards sales, marketing, and communications programs to market Palmdale lodging businesses as tourist, meeting and event destinations, and other improvements and activities as set forth in the Plan.

i. Assessments levied on lodging businesses pursuant to this resolution shall be levied on the basis of benefit. Because the services provided are intended to increase room rentals, an assessment based on room rentals is the best measure of benefit.

j. The assessments for the entire PTID will total approximately $900,000 in year one.

k. Bonds shall not be issued to fund the PTID.

l. The PTID shall include all lodging businesses, existing and in the future, located within the boundaries of the City of Palmdale. A boundary map is attached hereto and incorporated herein by reference.

m. The assessments shall be used for the purposes set forth above and any funds remaining at the end of any year may be used in subsequent years in which the PTID assessment is levied as long as they are used consistent with the requirements set forth herein.

n. The assessments to fund the activities and improvements for the PTID will be collected by the City on a monthly basis, and in accordance with Streets and Highways Code §36631.

o. The City Council, through adoption of this Resolution and the Plan, has the right pursuant to Streets and Highways Code §36651, to identify the body that shall implement the proposed program, which shall be the Owners' Association of the PTID as defined in Streets and Highways Code §36612. The City Council has determined that Visit Palmdale shall be the PTID Owners' Association.

p. Visit Palmdale, pursuant to Streets and Highways Code §36650, shall cause to be prepared a report for each fiscal year, except the first year, for which assessments are to be levied and collected to pay the costs of the improvement and activities described in the report. The first report shall be due after the first year of operation of the PTID.

q. The PTID established pursuant to this resolution will be subject to any amendments to the Property and Business Improvement District Law of 1994 (California Streets and Highways Code §36600 et. seq.).

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

PASSED, APPROVED and **ADOPTED** this 5th day of October, 2021

Approved as to form:

_____
Christopher L. Beck
City Attorney

_____
Steven D. Hofbauer, Mayor

ATTEST:

_____
Shanae S. Smith, City Clerk

I, Shanae S. Smith, 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 5th day of October, 2021 by the following roll call vote:

AYES: _____

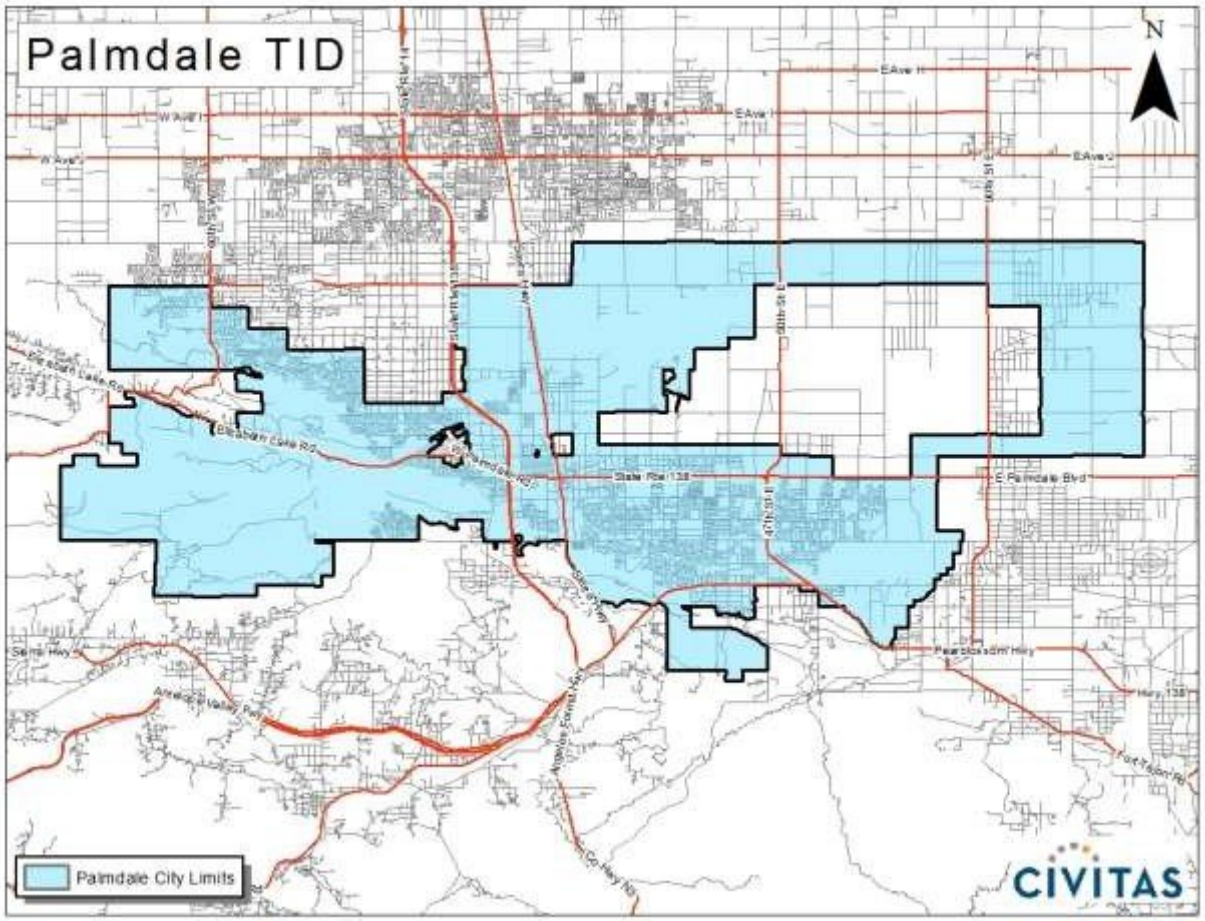
NOES:_____

ABSTAIN:_____ABSENT:_____

Date: _____ _____
Shanae S. Smith, City Clerk

EXHIBIT A
MANAGEMENT DISTRICT PLAN SUMMARY

Boundary Map



City Council Staff Report

DATE: **OCTOBER 5, 2021**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

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

DISTRICT: **ALL**

SUBJECT: **APPROVE PURCHASE AND SALE AGREEMENT WITH COVINGTON INVESTMENTS, LLC FOR THE SALE OF 96 ACRES OF CITY OWNED LAND LOCATED AT THE SOUTHEAST CORNER OF SIERRA HIGHWAY AND AVENUE M**

ISSUE

Approve Purchase and Sale Agreement No. A-7575 with Covington Investments, LLC for the sale of 96 acres of City owned land located at the southeast corner of Sierra Highway and Avenue M.

RECOMMENDATION

Staff recommends that City Council:

1. Approve Purchase and Sale Agreement No. A-7575 with Covington Investments, LLC for the sale of 96 acres of City owned land located at the southeast corner of Sierra Highway and Avenue M; and

2. Authorize the City Manager or his designee to prepare and execute all necessary documents.

BACKGROUND

The City of Palmdale (City) acquired 616 total acres of vacant land at the southeast corner of Avenue M and Sierra Highway in May 2007 with the intent to provide the opportunity to be able to support future development and job creation. Currently plans are in place to develop approximately 200 acres of the property for a solar land lease project and to serve as the future site of the new Palmdale Airport terminal building. Covington Investments, LLC (Covington) representatives contacted the City and expressed interest in acquiring a portion of remaining land (96 acres) to develop industrial, aerospace industrial and employment flex space aimed at supporting and enhancing operations at U.S. Air Force Plant 42.

Covington is an entrepreneurial real estate development investment organization that focuses on complex, creatively financed projects across the United States. The

company has been in operation for over 30 years and has completed development of over 25 million square feet of commercial and industrial property in more than 25 states.

Under the Purchase and Sale Agreement, Covington will purchase approximately 96 acres of vacant land located at the southeast corner of Avenue M and Sierra Highway in, Palmdale, California, APN: 3126-022-929 ("Property"), with a first right to negotiate the purchase of two additional, adjacent 86-acre parcels of vacant land from the City if the initial 1,000,000 square feet of building space is completed based on the schedule of performance outlined in the Purchase and Sales Agreement A-7575. At Covington's sole cost, they will pursue the obtainment of any required environmental clearance, zoning, platting, replatting, site plan, utility, parcel splits, and other entitlements, development approvals and permits from the applicable governmental authorities and from utility companies as necessary for the 96 acres in Phase I to be in "shovel ready" condition for Covington's intended development.

Under Assembly Bill (AB)1486, Surplus Land Act (SLA) local agencies are required to notice the disposal of surplus land. Therefore, in order to sell this Property, the City was required to declare this Property "surplus land" at a public meeting before taking any action to dispose of it. On April 6, 2021, City Council adopted Resolution CC 2021-023 declaring parcels APN 3126-022-926, APN 3126-022-927, APN 3126-022-928, and APN 3126-022-929 as surplus property. The City sent out a written notice of availability (NOA) to the Housing Sponsors list and other local public entities identified by the California Department of Housing and Community Development (HCD) on April 7, 2021. These entities had 60 days from April 7, 2021, to submit a notice of intent to negotiate purchase or lease of the property. The City did not receive any notices of interest within the 60-day time period in accordance with the guidelines of the SLA (Government Code Section 54220-54234).

DISCUSSION

Agreement No. A-7575 constitutes a purchase and sale agreement by which the City agrees to sell to Covington and Covington agrees to purchase the property and to construct, or cause to be constructed, a minimum 1,000,000 square feet of new Industrial, Aerospace Industrial and Employment Flex building(s) aimed to protect, support, and expand operations at U.S. Air Force Plant 42 and to create new employment opportunities for residents. This may include new buildings constructed for either sale or lease or through the direct sale of entitled parcels to businesses seeking to construct a new facility. Covington will work with the City and external agencies to obtain all entitlements needed for the construction and development of the Property. Covington will also work closely with Edwards Air Force Base and the U.S. Air Force Plant 42 to ensure this project will not negatively impact the Air Force or the contractors at U.S. Air Force Plant 42. The City estimates that over 800 permanent

full-time jobs and thousands of temporary construction jobs will be created from the onsite and offsite development associated with the Property.

As part of the entitlement process, Covington shall prepare a Specific Plan that shall address standards and restrictions regarding the construction and development of the Project including, but not limited to, maximum land coverage, setbacks, land use standards, architectural standards, building height, parking, and landscaping.

The Covington Project will not impact the development of the proposed solar land lease project or future airport project. Offsite improvements like the installation of new streets, will be built to accommodate all proposed projects in this area. Additionally, Covington shall construct and install all public improvements and utilities required by the City, and other approving agencies, and all other public improvements and utilities necessary for the Project.

If the initial 1,000,000 square feet of building space is completed based on the schedule of performance outlined in the Purchase and Sales Agreement No. A-7575, Covington will have the opportunity to negotiate the purchase of additional City owned land located adjacent to the Property.

FISCAL IMPACT

The sale price is $2.25 per square foot or $9,408,960 based on 96 acres. City and Covington agree to adjust the purchase price prior to Close of Escrow in the event and to the extent the Property is determined to be larger or smaller in size by a survey approved by City and Covington.

STRATEGIC PLAN

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

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

Prepared by:	Mica Schuler, Management Analyst II
Certified as to availability of Funds:	Keith Kang, Finance Manager
Approved by:	J.J. Murphy, ICMA-CM, City Manager
Approved as to form:	Christopher Beck, City Attorney

ATTACHMENTS

1. Purchase and Sales Agreement No. A-7575
2. Summary Report Gov. Code Section 52201

PURCHASE AND SALE AGREEMENT

By and Between

THE CITY OF PALMDALE,
a municipal corporation

City,

and

COVINGTON INVESTMENTS, LLC

Purchaser

Agreement No. A-7575

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PURCHASE AND SALE AGREEMENT

(AGREEMENT NO. A-7575)

THIS PURCHASE AND SALE AGREEMENT ("**Agreement**"), dated as of _____, 2021, is entered into by and between THE CITY OF PALMDALE, a municipal corporation ("**City**") and COVINGTON INVESTMENTS, LLC, a Nevada limited liability company ("**Purchaser**"). City and Purchaser agree as follows:

ARTICLE I. SUBJECT OF AGREEMENT

Section 101 Purpose of Agreement

This Agreement constitutes an agreement by which the City agrees to sell to Purchaser and Purchaser agrees to purchase, on the terms and conditions hereinafter set forth, the Property described in Section 103 below, and to develop the Project, as hereinafter defined. The sale to Purchaser of the Property and the development of the Project pursuant to this Agreement and the fulfillment generally of this Agreement are in the best interests of the City of Palmdale and the welfare of its residents, and are in accordance with the public purposes and provisions of applicable federal, state, and local laws and requirements under which the Project is being undertaken.

Section 102 Definitions

For purposes of this Agreement, the following capitalized terms shall have the following meanings:

"Agreement" means this Purchase and Sale Agreement and all attachments hereto.

"Anti-Terrorism Laws" means all laws relating to terrorism or money laundering, including, without limitation, the Currency and Foreign Transactions Reporting Act of 1970, Pub. L. No. 91-508, 84 Stat. 1305 (1970), as amended from time to time.

"**Broker's Commission**" means the commission to be paid to Craig Peters and Richard Ramirez at CBRE, Inc. at the Close of Escrow pursuant to Section 207 of this Agreement, in an amount equal to Three Hundred and Thirty-Two Thousand Two Hundred and Sixty-Eight Dollars ($332,268.00) calculated on the basis of 3.53% of the Purchase Price or as adjusted at the time of closing.

"**City**" means the City of Palmdale, California, a municipal corporation organized and existing under the Constitution of the State of California. The principal office of the City is located at 38300 Sierra Highway, Palmdale, California 93550. "City" as used in this Agreement includes the City of Palmdale, California and any assignee of or successor to its rights, powers and responsibilities.

"**Closing Date**" means a date that is sixty (60) days after the satisfaction or waiver of all conditions to closing but not later than twenty-six (26) months after the Effective Date, unless the Closing Date is extended in writing as set forth in this Agreement or pursuant to the Enforced Delay provisions set forth in Section 510 of this Agreement.

"**Close of Escrow**" means the date the Grant Deed is recorded in the official records of Los Angeles County in conformance with this Agreement.

"**Closing Documents**" mean this Agreement, the Grant Deed, and the Environmental Indemnity.

"**Completion**" means the point in time when all of the following shall have occurred: (1) issuance of a certificate of occupancy by the City; (2) recordation of a Notice of Completion by Purchaser or its contractor; (3) certification by the Purchaser's architect that the improvements (with the exception of minor "punch list" items) have been completed in a good and workmanlike manner and substantially in accordance with the City approved plans and specifications; and (4) any mechanic's liens that have been recorded or stop notices that have been delivered have been paid, settled or otherwise extinguished, discharged, released, waived, bonded around or insured against.

"**Due Diligence Commencement Date**" means the date which is the Effective Date of this Agreement.

"**Due Diligence Documents**" means studies, reports, records, correspondence and other written materials regarding the Property that are to the actual knowledge of the City in the City's possession (which for purposes of this definition shall be deemed the knowledge of the City Manager and/or Director of Public Works or the staff thereof).

"**Due Diligence Period**" means the ninety (90) day period beginning on the Due Diligence Commencement Date, during which time Purchaser may conduct the investigations described in Section 106 and 203 of this Agreement.

"**Entitlements**" means all land-use development approvals necessary to permit development of the Property and the Project, and includes all such required from the City or any other state or federal agency.

"**Environmental Indemnity**" means the indemnity by Purchaser for the benefit of the City of Palmdale, substantially in the form of the Environmental Indemnity attached to this Agreement as Attachment No. 5.

"**Escrow Agent**" means Chicago Title Company or another escrow company mutually satisfactory to the parties.

"**Good Faith Deposit**" means a deposit by Purchaser in the amount of Two Hundred and Fifty Thousand Dollars ($250,000) paid to City in accordance with Section 204 of this Agreement, and the Additional Deposit to be paid to City in accordance with Section 204 of this Agreement.

"**Grant Deed**" means the grant deed substantially in the form attached hereto as Attachment No. 4, conveying the Property to Purchaser.

"**Hazardous Materials**", "**Hazardous Substances**" or "**Hazardous Materials or Substances**" means (i) any chemical, compound, material, mixture or substance that is now or hereafter defined or listed in, or otherwise classified pursuant to, any laws as a "hazardous waste", "extremely hazardous substance", "extremely hazardous waste", "acutely hazardous waste", "hazardous substance", "hazardous material", "radioactive waste", "infectious waste",

"biohazardous waste", "pollutant", "toxic pollutant", "contaminant" or "toxic substance," as well as any formulation not mentioned herein intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity, "EP toxicity," or "RCLP toxicity"; (ii) petroleum, natural gas, natural gas liquids, liquified natural gas, synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas) and ash produced by a resource recovery facility utilizing a municipal solid waste stream, and drilling fluids, produced waters and other waters associated with the exploration, development or production of crude oil, natural gas, or geothermal resources; (iii) "hazardous substance" as defined in Section 25281 (f) of the California Health and Safety Code; (iv) "waste" as defined in Section 13050(d) of the California Water Code; (v) asbestos in any form; (vi) urea formaldehyde foam insulation; (vii) polychlorinated biphenyl ("PCBs"); (viii) radon; and (ix) any other chemical, material, or substance that, because of its quantity, concentration, or physical or chemical characteristics, exposure to which is limited or regulated for health and safety reasons by any governmental authority, or which poses a significant present or potential hazard to human and safety or of the environment if released into the work place or the environment.

"**Legal Description**" means the legal description of the Property, attached hereto as Attachment No. 2.

"Permitted Transfer" means any of the following:

a. A sale, transfer, conveyance or assignment of this Agreement or the Property to an entity which is an affiliate of Covington Investments, LLC and is owned and controlled by Covington Investments, LLC and/or the Persons owning and controlling Covington Investments, LLC, provided that the City has received and approved entity formation documents confirming the direct ownership and control of Covington Investments, LLC of such entity and has received a certificate from the California Secretary of State that such entity is in good standing to conduct business in the State of California, and the affiliate entity has assumed, in a written instrument reasonably approved by the City, all of Purchaser's obligations under this Agreement; or

b. The addition of investors to Purchaser so long as such Purchaser continues to be owned and controlled by the same Persons, the investor is not a Prohibited Person, and the addition of such investor would not otherwise violate Anti-Terrorism Laws; or

c. The conveyance or dedication of any portion of the Property to the City of Palmdale or other appropriate governmental agency, or the granting of easements or permits, reasonably necessary to facilitate the development of the Project; or

d. The conveyance of a security interest in the Property or any portion thereof or interest therein the proceeds of which are used for financing the development of the Project as all or part of the Evidence of Financing approved by the City pursuant to Section 217 of this Agreement; or

e. The leasing for occupancy of any improvements constructed on the Property.

f. The sale of any completed building to a third party end user, following the Completion of construction.

g. The conveyance of a portion of the Property to a third party end user/occupant in connection with a transaction whereby Purchaser is obligated to construct a building after the land sale, provided Purchaser and the end user/occupant execute an assignment and assumption agreement, in a form reasonably acceptable to the City, as to the portion of the property conveyed.

"**Person**" means an individual, partnership, limited partnership, trust, estate, association, corporation, limited liability company, or other entity, domestic or foreign.

"**Preliminary Report**" means a preliminary title report for the Property prepared by Chicago Title Company and copies of underlying documents and plotted easements.

"**Prohibited Person**" means any of the following:

a. a Person that is listed in or is otherwise subject to the prohibitions of, any Executive Order relating to money laundering or anti-terrorism;

b. a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in or is otherwise subject to the prohibitions of, any Executive Order relating to money laundering or anti-terrorism;

c. a person or entity with whom Purchaser is prohibited from dealing or otherwise engaging in any transaction by Anti-Terrorism Laws;

d. a Person that is named as a "specially designated national and blocked person" on the most current list published by the Office of Foreign Asset Control of the U.S. Treasury Department.

"**Project**" means Purchaser's construction, development and operation of the public and private improvements described in this Agreement, the attached Scope of Development (Attachment No. 6 of this Agreement) and a specific plan and other plans approved by the City in connection with Purchaser's applications for Entitlements and construction permits, to be located both on the Property and off-site as required for the development of the Property.

"**Property**" means the real property described in Section 103.

"**Purchase Price**" means the monetary purchase price for the Property in the amount of Nine Million Four hundred and Eight Thousand Nine Hundred and Sixty Dollars ($9,408,960.00). The Purchase Price has been calculated based on a purchase price of Two Dollars and Twenty-Five Cents ($2.25) per square foot and the Property being ninety-six (96) acres in size. City and Purchaser agree to adjust the Purchase Price prior to Close of Escrow in the event and to the extent the Property is determined to be larger or smaller in size by a survey approved by City and Purchaser.

"**Purchaser**" means Covington Investments, LLC, a Nevada limited liability company, and includes any successors or assigns of Purchaser as permitted by this Agreement and first approved

in writing by the City. The principal address of the Purchaser is 14180 Dallas Parkway, Suite 730, Dallas, Texas 75254.

"**Purchaser's Title Policy**" means a CLTA standard coverage owner's policy of title insurance to be issued to Purchaser in the amount of the Purchase Price, as provided in Section 214 of this Agreement.

"**Right of Entry**" means the Right of Entry granted to Purchaser under the terms of Section 203 of this Agreement.

"**Site Map**" means the document attached to this Agreement as Attachment No. 1.

"**Title Company**" means Chicago Title Company or another title company mutually agreed upon by the parties for the recording of the Grant Deed and issuance of the Purchaser Title Policy.

Section 103 Description of the Property

The real property to which this Agreement relates is designated as the Property on the "Site Map" and is described in the "Legal Description" attached hereto as Attachment No. 1 and Attachment No. 2, respectively ("Property"). The Property is located at the southeast corner of Sierra Highway and East Avenue M in the City of Palmdale and is approximately 96 gross acres of unimproved real property. The City owns fee title to the Property.

Section 104 Change in Ownership, Management and Control of Purchaser; Transfer of Agreement

1. Purchaser represents and agrees that its purchase of the Property and other undertakings pursuant to this Agreement are for the purpose of, and will be used for, development of the Project on the Property in accordance with the requirements and within the times set forth in this Agreement and not for speculation in landholding.

2. Purchaser recognizes that its qualifications and identity are of particular concern to the community and the City. Purchaser further recognizes that it is because of such qualifications and identity that the City is entering into this Agreement with Purchaser. Accordingly, no voluntary or involuntary successor in interest of Purchaser will acquire any rights or powers under this Agreement except as expressly set forth herein.

3. Purchaser must promptly notify the City of any and all changes whatsoever in the identity of the parties in control of Purchaser, or the degree thereof, of which it or any of its officers have been notified or otherwise have knowledge or information.

4. Until the development of the Property has been Completed and City has issued the Release of Construction Covenants for the Property, or a Partial Release of Construction Covenants for the portion of the Property involved, and except for a Permitted Transfer, Purchaser may not assign or attempt to assign all or any part of this Agreement or any right hereunder or make or attempt to make any total or partial sale, transfer, conveyance or assignment of the whole or any part of the Property or the improvements thereon or any interest therein, without the prior written consent of the City, which the City agrees to grant if, in its reasonable judgment, the proposed transferee possesses the financial capability and development experience to assure

completion of construction of the Property in accordance with the provisions and attachments of this Agreement and within the time frames set forth in the Schedule of Performance (Attachment No. 3). There shall be submitted to City for review all instruments and other legal documents proposed to effectuate any such transfer to confirm compliance with the requirements of this Section 104. The approved transferee must assume, in a written instrument reasonably approved by the City, all of Purchaser's obligations under this Agreement with respect to the Property.

5. In the absence of the City's prior written consent, no sale, transfer, conveyance or assignment of this Agreement or the Property shall be deemed to relieve Purchaser from any obligations under this Agreement.

6. Notwithstanding anything to the contrary set forth in this Section 104, the requirement for the City's written consent shall not apply to a Permitted Transfer. In the case of any proposed Permitted Transfer, as defined in Section 102 of this Agreement, Purchaser shall submit to the City Manager or designee documentation reasonably demonstrating that the proposed assignment or transfer complies with the standards for a Permitted Transfer described in the definition of the term "Permitted Transfer" in Section 102 of this Agreement. Upon receipt of such documentation, City Manager or designee shall confirm to Purchaser and the proposed assignee or transferee in writing within ten calendar days of such request that such transfer complies with the standards set forth in the respective provisions of this Agreement. Notwithstanding the foregoing, no such notice or supporting documentation shall be required for any lease for occupancy of a unit at the Project.

Section 105 Public Disclosure

Purchaser acknowledges and agrees that the City may hold noticed public meetings prior to their approval of this Agreement and may make this Agreement available to the public. Purchaser further acknowledges that the City cannot assure the confidentiality of this Agreement or of documents or information submitted to it under this Agreement, as such documents and information may be subject to disclosure under the California Public Records Act, the Brown Act, or other state or federal law.

Section 106 Due Diligence Period

During the Due Diligence Period, Purchaser may, at its sole cost and expense, inspect the Property pursuant to a Right of Entry issued by the City pursuant to Section 203 of this Agreement to determine the Property's suitability for the Project, including, without limitation, whether the physical condition of the Property (e.g., environmental, geotechnical analyses) is suitable for the Purchaser's intended use. Under the Right of Entry, the Purchaser will have inspection rights and access to and entry upon the entire Property, including the ability to commence its geotechnical evaluation of the Property.

To facilitate Purchaser's due diligence investigation, Seller will furnish the Due Diligence Documents to Purchaser within fifteen (15) days after the Effective Date,

Before the expiration of the Due Diligence Period, Purchaser must notify the City in writing whether the Purchaser has approved or disapproved the results of its investigation, such approval or disapproval to be given or withheld in Purchaser's sole and absolute discretion. If Purchaser

disapproves the results of the investigation, such disapproval will terminate this Agreement, in which case the parties will have no further obligations to the other under this Agreement and the Good Faith Deposit will be released to Purchaser. If Purchaser approves the results of its investigations, this Agreement will remain in full force and effect, and the parties hereto will have all of the rights and obligations as set forth herein. Purchaser's failure to notify the City of its approval or disapproval before expiration of the Due Diligence Period will be deemed disapproval hereunder.

ARTICLE II. SALE OF THE PROPERTY TO PURCHASER

Section 201 Agreement to Purchase and Sell

In accordance with and subject to all the terms, covenants and conditions of this Agreement, the City agrees to sell the Property to Purchaser for the Purchase Price, and Purchaser agrees to purchase the Property from the City and develop the Project in accordance with all of the terms and conditions set forth in this Agreement.

Section 202 As-Is Condition of Property

Purchaser expressly acknowledges and agrees, and represents and warrants to the City, that Purchaser is purchasing the Property "AS IS, WHERE IS", and "WITH ALL FAULTS", after such inspection, analysis, examination and investigation that Purchaser cares to make and expressly without City's covenant, warranty or representation as to physical condition, title, zoning or other regulation, compliance with law, suitability for particular purposes or any other matter whatsoever. City has no obligation to make repairs, replacements or improvements to the Property, or to pay any fees, costs or expenses related to the Property. Purchaser acknowledges and agrees that neither City, nor any of City's agents, contractors, consultants, attorneys or representatives have made or make, and specifically negate and disclaim, and Purchaser is not relying on, any representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, except as expressly set forth in this Agreement, whether express or implied, oral or written, past, present or future, concerning or with respect to the Property, including, but not limited to, (a) the value of the Property; (b) the income to be derived from the Property; (c) the suitability of the Property for any and all activities and uses which Purchaser may conduct thereon, including the possibilities for development of the Property; (d) the habitability, marketability, merchantability, profitability or fitness for a particular purpose of the Property; (e) the manner, quality, state of repair or lack of repair of the Property; (f) the nature, quality or condition of the Property, including without limitation, soils and geology; (g) the compliance of or by the Property or its operation with any laws, rules, ordinances or regulations of any applicable governmental authority or body; (h) compliance with any environmental protection, pollution or land use laws, rules, regulation, orders or requirements, including but not limited to, Title III of the Americans with Disabilities Act of 1990, California Health and Safety Code, the Federal Water Pollution Control Act, the Federal Resource Conservation and Recovery Act, the U.S. Environmental Protection Agency regulations at 40 CFR part 261, the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, the Resources Conservation and Recovery Act of 1976, the Clean Water Act, the Safe Drinking Water Act, the Hazardous Materials Transportation Act and the Toxic Substance Control Act, as any of the foregoing may be amended from time to time and regulations promulgated under any of the foregoing from time to time; (i)

the presence or absence of Hazardous Materials at, on, under, or adjacent to the Property; (j) the content, completeness or accuracy of the Preliminary Report; (k) the conformity of the Property to past, current or future applicable zoning or building requirements; (l) deficiency of any drainage or undershoring; (m) that the Property may be located on or near earthquake faults; (xiv) the existence or non-existence of land use, zoning or building entitlements affecting the Property; (n) the land use status of the Property, including, but not limited to, general plan status, specific plan status, zoning status, subdivision status under the California Subdivision Map Act or the subdivision ordinances of the City or any other Entitlements; (o) the applicability of the Federal or California endangered species acts and the existence of any species protected thereunder; (p) any non-compliance of the Property or any improvements thereon with California Civil Code Sections 895, et seq.; or (q) any other matter. Purchaser further acknowledges and agrees that, having been given the opportunity to inspect the Property and obtain and examine such information and documentation affecting the Property as Purchaser deems necessary or appropriate, Purchaser is relying solely on its own investigations and review, and not on any information provided or to be provided by City. Purchaser acknowledges and agrees that, it has adequate opportunity during the Due Diligence Period to conduct such surveys and to make such inspection of the Property as Purchaser, in its discretion, deems necessary or advisable as a condition precedent to Purchaser's purchase of the Property and to determine the characteristics listed in this paragraph and all other aspects of the Property. If the condition of the Property is not in all respects entirely suitable for the use or uses to which the Property will be put, then it is Purchaser's sole responsibility and obligation to place the Property in all respects in a condition entirely suitable for the development thereof, solely at Purchaser's cost and expense.

Nothing in this Agreement will obligate the City to approve any amendments to the City's General Plan, the Specific Plan, or zoning ordinances, which amendments must be processed in the manner required by the City, subject to the discretionary approval of the City.

Section 203 Right of Entry

1. Purchaser and representatives of Purchaser will have the right of access to and entry upon the Property ("**Right of Entry**") at all reasonable times for the purpose of inspecting the condition of the Property and obtaining data and making surveys and tests necessary to implement this Agreement, including, but not limited to, soil borings, percolation tests, test pits, environmental studies, water pressure tests, surveys and other related investigations, all at the sole cost and expense of Purchaser.

2. Single limit liability insurance in an amount not less than One Million Dollars ($1,000,000) in a form acceptable to the City must be provided prior and as a condition precedent to Purchaser's entry onto the Property. Said insurance must name the City, and its respective officers, employees, agents and contractors as additional insureds. Purchaser's right to enter the Property will not commence until, and will be conditioned upon, Purchaser's delivery to the City of a Certificate of Insurance and additional insured endorsement, demonstrating that the insurance required by this paragraph is in effect.

3. Purchaser hereby releases and agrees to protect, defend, hold harmless and indemnify the City, and its officers, employees, agents and contractors from and against all demands, claims, injury, liability, loss, damage, cost and expense, however caused (including all

costs and reasonable attorney's fees incurred in defending any claim), arising from Purchaser's activities on the Property in connection with this Right of Entry.

4. Purchaser must keep the Property free from all encumbrances and liens of whatever nature involved in its activities on the Property prior to Close of Escrow. Purchaser will defend, indemnify and hold harmless the City from any and all such encumbrances and/or liens (including all costs and attorney's fees in defending any claim or liability in any way connected with Purchaser or any affiliate of Purchaser to pay any person(s) referred to in Section 3181 of the California Civil Code or under any other applicable law, which claim or liability may be instituted or filed against the Property.

5. In the event of termination of this Agreement pursuant to Section 409 or Section 410 below, or upon the expiration or termination of any Right of Entry, Purchaser shall promptly and diligently restore (to the satisfaction of the City) the Property to a condition comparable to that existing as of the date of this Agreement and leave the Property in a safe, neat and protected condition. If Purchaser fails to leave the Property in such condition when so required, the City may (but is not required to) put the Property in such condition and charge Purchaser the reasonable third-party costs incurred for such work to Purchaser. Purchaser will pay all costs, direct and indirect, related to such work, within fifteen (15) days after submission of a written invoice therefore, itemizing the work performed by the City. Paragraphs 3 through 5 of this Section 203 will survive the termination of this Agreement.

Section 204 Good Faith Deposit

Purchaser will, within three (3) calendar days of the execution of the Agreement by the City ("Effective Date"), pay to the City a cash deposit of $250,000.00 (the "Good Faith Deposit"). The Good Faith Deposit will remain refundable until the expiration of the Due Diligence Period. Upon the expiration of the Due Diligence Period without disapproval of the Project by the Purchaser and termination of this Agreement, the City shall deposit the Good Faith Deposit into the Escrow upon opening of such Escrow in accordance with this Agreement. The Good Faith Deposit shall be credited in favor of Purchaser against the Purchase Price at the Close of Escrow. After the Due Diligence Period, the Good Faith Deposit will be non-refundable to Purchaser unless (i) Purchaser terminates the Agreement for an inability to obtain the Entitlements despite the good faith and diligent efforts of Purchaser, or (ii) following an uncured City default (subject to provisions to be set forth in this Agreement). Within two (2) business days after Purchaser receives notice from the City to the effect that the Entitlements for the Project are final, Purchaser will deposit with Escrow Agent an additional cash deposit of $750,000.00 (the "Additional Deposit"), which Additional Deposit will be credited in favor of Purchaser against the Purchase Price at the Close of Escrow. For purposes of the preceding sentence, the Entitlements shall be considered final 90 days after the date of the final discretionary approval necessary for the Project, if no lawsuit, challenge, appeal, or referendum challenging any of the Entitlements has been filed, or the date that the final remaining such lawsuit, challenge, appeal, or referendum is defeated, voted down, disapproved, overturned, withdrawn, dismissed or resolved on a non-appealable, non-challengeable and non-revocable basis unconditionally upholding the Entitlements. The Additional Deposit will be non-refundable to Purchaser except in the case of an uncured City default (subject to provisions to be set forth in this Agreement). The City shall be under no

obligation to earn interest on the Good Faith Deposit and/or the Additional Deposit, but any interest earned shall be added to and become a part of the Good Faith Deposit or Additional Deposit as applicable.

Section 205 Conditions Precedent to Sale of Property

The following are conditions precedent to the parties' obligation to close the hereinafter defined Escrow and transfer the Property to Purchaser:

1. City Closing Conditions. The City at its option may terminate this Agreement if any condition or obligation set forth below is not satisfied or waived in writing by the City within the times required by this Agreement:

a. Purchaser shall have submitted the Evidence of Financing required by Section 217 of this Agreement to the City Manager or designee within the time frame set forth in the Schedule of Performance (Attachment No. 3) and the City Manager or designee shall have approved the Evidence of Financing;

b. Purchaser shall have obtained approval of the Entitlements required for development of the Project on the Property from the City;

c. All environmental actions and approvals required by law for the Project, including all actions and approvals required by California's Environmental Quality Act, will have been granted;

d. Purchaser shall have deposited the balance of the Purchase Price in immediately available funds into Escrow;

e. Purchaser shall have executed, in recordable form where applicable, and deposited with the City or into Escrow the Closing Documents;

f. The deposit into Escrow of all other documents reasonably required for the Close of Escrow contemplated by this Agreement;

g. Purchaser will have deposited into Escrow Purchaser's share of Closing Costs as provided in paragraph 3 of Section 206 below;

h. Each of Purchaser's representations and warranties set forth in Section 508 shall be true and correct in all material respects as of the Closing Date;

i. The City will have approved the settlement statement prepared by Escrow Agent; and

j. Purchaser will not be in default hereunder, nor will there by any event or occurrence which with the passage of time or giving of notice or both would constitute such a default by the Purchaser.

2. Purchaser Closing Conditions. Purchaser at its option may terminate this Agreement if any condition set forth below is not satisfied or waived in writing by Purchaser within the times required by this Agreement:

a. The City will have signed and deposited into Escrow the Grant Deed in recordable form;

b. Purchaser will have obtained approval of the Entitlements required for development of the Project on the Property from the City;

c. The Title Company is prepared to issue the Purchaser Title Policy;

d. All environmental actions and approvals required by law for the Project, including all actions and approvals required by California's Environmental Quality Act, will have been granted;

e. The deposit into Escrow by City of all other documents reasonably required for the Close of Escrow contemplated by this Agreement;

f. The City shall have deposited into Escrow the City's share of Closing Costs as provided in paragraph 4 of Section 206 below;

g. Each of City's representations and warranties set forth in Section 509 shall be true and correct in all material respects as of the Closing Date;

h. Purchaser will have approved the settlement statement prepared by Escrow Agent; and

i. The City shall not be in default hereunder, nor shall there by any event or occurrence which with the passage of time or giving of notice or both would constitute such a default by the City.

Section 206 Escrow

1. Escrow Opening and Escrow Instruction. The City and Purchaser agree to open an escrow ("**Escrow**") for the sale of the Property with the Escrow Agent, not later than the date required by the Schedule of Performance. This ARTICLE II constitutes the joint escrow instructions of City and Purchaser with respect to the disposition of the Property, and a duplicate original of this Agreement will be delivered to the Escrow Agent upon the opening of Escrow hereunder. The City and Purchaser will provide additional escrow instructions mutually agreeable to both parties as may be necessary and consistent with this Agreement. The Escrow Agent is hereby empowered to act under this Agreement and, upon indicating its acceptance of the provisions of this ARTICLE II in writing, will carry out its duties as Escrow Agent hereunder.

2. Recordable Instruments. Prior to the Close of Escrow, City and Purchaser will execute and deliver to the Escrow Agent all documents required to be recorded hereunder, including but not limited to the Grant Deed and other recordable Closing Documents. The Escrow Agent will record such documents in accordance with these escrow instructions, and will buy, affix and cancel any transfer stamps required by applicable law, and pay any transfer tax required by law. Any insurance policies covering the Property or parts thereof are not to be transferred.

3. Purchaser's Escrow Expenses. The Purchaser will pay in Escrow to the Escrow Agent the following fees, charges and costs promptly after the Escrow Agent has notified the Purchaser of the amount of such fees, charges, and costs, but not earlier than five (5) days prior to the Closing Date for the Close of Escrow:

a. One-half (1/2) of the Escrow Agent's customary charges for document drafting, recording, and miscellaneous charges;

b. The additional cost to obtain an extended coverage Owner's Policy of title insurance and any additional endorsements desired by Purchaser; and

c. Any required prorations of taxes, if applicable, from the time of the conveyance of title.

4. City's Escrow Expenses. The City will pay the following fees, charges and costs promptly after the Escrow Agent has notified the City of the amount of such fees, charges and costs, but not earlier than five (5) days prior to the Closing Date for the Close of Escrow:

a. One-half (1/2) of the Escrow Agent's customary charges for document drafting, recording, and miscellaneous charges;

b. The cost of recording the Grant Deed and all other Closing Documents recorded at the Close of Escrow;

c. Any State, County, or City documentary stamps or transfer tax imposed in connection with the recording of the Grant Deed;

d. The cost of the Purchaser Title Policy;

e. Costs necessary to place the title in the condition for conveyance required by this Agreement; and

f. Ad valorem taxes, if any, for any time prior to conveyance of title.

5. Deposit of Closing Documents. The City and Purchaser will timely and properly execute, acknowledge and deliver to Escrow the recordable Closing Documents and such other instruments as are reasonably necessary to close Escrow in accordance with the terms of this ARTICLE II.

6. Escrow Agent Obligations. The Escrow Agent is authorized, after all conditions to Close of Escrow are satisfied, to:

a. Pay, and charge the City and the Purchaser respectively, for any fees, charges and costs payable under this Section 206. The Escrow Agent shall notify the City and Purchaser of the fees, charges and costs as early as possible;

b. When the conditions of the Escrow have been fulfilled by the City and Purchaser and the Escrow Agent has received authorization to close from all parties to this transaction, disburse funds deposited into Escrow to the parties entitled thereto, in accordance with a settlement statement approved by City and Purchaser, including without limitation provisions for the payment of the Broker's Commission required by Section 207 of this Agreement, and record and cause to be delivered the recordable documents to the parties entitled thereto.

7. Escrow Account. All funds deposited into this Escrow shall be held by the Escrow Agent with other escrow funds of the Escrow Agent in an interest-bearing general escrow account or accounts with any state or national bank acceptable to Purchaser and City doing business in the State of California, with interest accruing for the benefit of the depositing party. Such funds may

be transferred to any other such general escrow account or accounts upon similar conditions. All disbursements shall be made on the basis of a thirty (30) day month.

8. Termination of Escrow.

a. If this Escrow is not in condition to close by the Closing Date either party who has fully performed the acts to be performed by it before the conveyance of title may, in writing, terminate this Agreement after sixty (60) days' notice to the other party, and demand the return of its money, papers, or documents. Thereupon all rights, liabilities, duties and obligations of the parties under this Agreement will be as provided in Section 409 and Section 410 of this Agreement, respectively.

b. No termination or demand for return will be recognized until sixty (60) days after the Escrow Agent shall have mailed copies of such demand to the other party at the address of its principal place of business. If any objections are raised within the sixty (60) day period, the Escrow Agent is authorized to hold all money, papers and documents until instructed by mutual agreement of the parties or upon failure thereof by a court of competent jurisdiction. The Escrow Agent will not be obligated to return any such money, papers or documents except upon the written instructions of both the City and Purchaser, or until the party entitled thereto has been determined by a final decision of a court of competent jurisdiction.

9. Amendments to Escrow Instructions. Any amendment to these escrow instructions must be in writing and signed by both City and Purchaser. At the time of an amendment the Escrow Agent will agree to carry out its duties as Escrow Agent under such amendment.

10. Communications From Escrow Agent. All communications from the Escrow Agent to the City or Purchaser will be directed to the addresses and in the manner established in Section 502 of this Agreement for notices, demands, and communications between the City and the Purchaser.

11. Escrow Agent's Liability. The liability of the Escrow Agent under this Agreement is limited to performance of the obligations imposed upon it under Section 205 through Section 215, inclusive, and Section 219 of this Agreement.

Section 207 Real Estate Commissions; Brokerage Fees; Participation Payments

City shall pay the Broker's Commission to Craig Peters and Richard Ramirez at CBRE, Inc, solely from any funds actually received by the City at the Close of Escrow from the sale of the Property to Purchaser, in accordance with this Agreement. City and Purchaser each represent and warrant that they have engaged no other broker, agent, or finder in connection with this transaction and Purchaser agrees to hold the City harmless and defend and indemnify the City from any claim by any broker, agent, or finder relating to the Property or this transaction other than the Broker's Commission.

Purchaser shall make the following participation payments to the City as follows: (i) $.25 per building square foot within 30 business days of issuance of building permit on a per building basis; and (ii) $.25 per building square foot within 30 business days of issuance of certificate of occupancy on a per building basis.

The provisions of this Section 207 shall survive the termination of this Agreement and the Close of Escrow.

Section 208 Limited Obligation.

The City's obligation to pay any costs in connection with this Agreement is a limited obligation of the City payable exclusively from funds held by or payable to the City. Nothing contained herein will be construed to create any obligation payable from the City of Palmdale's general fund.

Section 209 Transfer of Title and Delivery of Possession

1. Conveyance to Purchaser of title to the Property in accordance with the provisions of ARTICLE II of this Agreement will be completed on or before the Closing Date.

2. The City and Purchaser agree to perform all acts necessary for the Close of Escrow to occur on or before the Closing Date in accordance with the provisions of this Agreement.

3. Possession of the Property will be delivered to the Purchaser concurrently with the closing of Escrow. The Purchaser will accept fee title and possession of the Property at the Close of Escrow.

Section 210 Form of Grant Deed

The City will convey to the Purchaser fee title to the Property pursuant to the Grant Deed attached hereto as Attachment No. 4 and incorporated herein by this reference.

Section 211 Condition of Title

The City will convey to the Purchaser good and marketable fee simple title to the Property free and clear of all recorded liens, encumbrances, covenants, conditions, restrictions, assessments, easements, leases and taxes, except those which are set forth in this Agreement or which are otherwise reasonably acceptable to Purchaser; provided, however, that Purchaser will not be required to accept the conveyance if title is subject to covenants, conditions, restrictions or equitable servitudes that prohibit the development of the Project.

Section 212 Time for Delivery of Closing Documents

The City and Purchaser will deposit the Grant Deed for the Property, duly executed by the City, acknowledged and in recordable form, and all other Closing Documents, in recordable form as applicable, with the Escrow Agent at least three days before the Closing Date.

Section 213 Recordation of Grant Deed

Concurrently with the conveyance of the Property to Purchaser, the Escrow Agent will file the Grant Deed for recordation among the land records in the Office of the County Recorder for Los Angeles County. Recordation of the Grant Deed will constitute conveyance of title and delivery of possession of the Property to the Purchaser.

Section 214 Title Insurance

Concurrent with the recording of the Grant Deed (and as a condition precedent thereto), the City shall cause the Title Company to issue the a CLTA title insurance policy (the "Purchaser

Title Policy"), insuring that the title to the Property is vested in Purchaser in the condition required by Section 211 of this Agreement. The Title Company will provide the Purchaser Title Policy in the amount of the Purchase Price for the Property effective as of the Closing Date.

The City will pay the cost of the Purchaser Title Insurance Policy only to the extent of a standard coverage CLTA title insurance policy on the Property in the amount of the Purchase Price. If the Purchaser desires to receive an ALTA policy insuring title to the Property, then the Purchaser shall pay for the difference in cost over and above a CLTA policy insuring title to the Property

Section 215 Taxes and Assessments

Ad valorem taxes and assessments, if any, on the Property and taxes upon this Agreement or any rights hereunder, if any, levied, assessed, or imposed for any period prior to the Close of Escrow, will be borne by the City. All such ad valorem taxes and assessments levied or imposed for any period after the Close of Escrow will be paid by Purchaser.

Section 216 Occupants of the Property

The Property shall be conveyed free of any possession or right of possession or use except that of Purchaser.

Section 217 Evidence of Financing

Within the time established in the Schedule of Performance (Attachment No. 3), the Purchaser shall submit to the City evidence reasonably satisfactory to the City Manager or designee that the Purchaser has obtained firm and binding commitments for financing which are sufficient for the acquisition, construction and development of the Property in accordance with this Agreement ("Evidence of Financing").

The Purchaser's submission of the Evidence of Financing shall include:

1. Unless the equity funding referred to in Section 217.3 below, either alone or in combination with other funds available to Purchaser at Closing, is sufficient to provide for the funding of the Project, a copy of the commitment or commitments obtained by the Purchaser for a Purchaser construction financing loan to assist in financing the cost of the acquisition, construction and development of the Project in accordance with this Agreement, certified by the Purchaser to be a true and correct copy or copies thereof. The commitment for financing shall be in such form and content acceptable to the City as reasonably evidences a firm commitment normally issued by an institutional lender.

2. Copies of the Purchaser's proposed construction loan documents, if applicable, including but not limited to the loan agreement, guarantee, if any, note and trust deed.

3. Documentary evidence satisfactory to the City of sources of equity capital, and/or other funds available to Purchaser at the Close of Escrow sufficient to demonstrate that the Purchaser has adequate funds legally committed to cover the difference, if any, between acquisition, construction and development costs minus any construction financing to be obtained by Purchaser.

The City Manager or designee shall approve or disapprove such submission of Evidence of Financing within the time established in the Schedule of Performance. Such approval shall not

be unreasonably withheld, conditioned or delayed. If the City shall disapprove any such evidence of financing, the City shall do so by written notice to the Purchaser stating the reasons for such disapproval.

Section 218 Exclusive Negotiations for Phase II, Phase III, and Phase IV

Subject to the conditions precedent set forth in Section 219 of this Agreement, City and Purchaser shall enter into exclusive good faith negotiations for a period of 180 days for the sale by City to Purchaser and the acquisition and development by Purchaser of those parcels of real property designated on the Site Map (Attachment No. 1) as Phase II, Phase III, and Phase IV.

Such exclusive good faith negotiations shall commence for each of Phase II, Phase III, and Phase IV at the times the conditions precedent for each phase set forth in Section 219 below have been satisfied. In the event such conditions precedent for the Phase II negotiations, Phase III negotiations and/or the Phase IV negotiations have not been satisfied on or before the third (3rd) anniversary of the conveyance to Purchaser of the prior phase of property, then the City shall be released from its obligations under this Agreement to negotiate with Purchaser for that phase and any subsequent phase of property, and the City shall be free to market for sale, negotiate with and/or sell such subsequent phase or phases of property to any third party, notwithstanding any provision of this Agreement to the contrary. The City Manager may at the sole discretion of the City Manager extend the third (3rd) anniversary time period set forth in the immediately preceding sentence for up to an additional one (1) year period providing the Purchaser has shown good faith and diligent efforts to satisfy the applicable conditions precedent.

Such negotiations shall include the following parameters:

a. A purchase price for Phase II of Eleven Million Two Hundred Thirty-Eight Thousand Four Hundred and Eighty Dollars ($11,238,480.00), based on $3.00 per square foot of land to be conveyed and Phase II being eighty-six (86) acres in size, subject to survey adjustment as provided herein for Phase I; and a purchase price for Phase III of Fourteen Million Forty-Eight Thousand One Hundred Dollars ($14,048,100.00) based on $3.75 per square foot of land to be conveyed and Phase III being eighty-six (86) acres in size, subject to survey adjustment as provided herein for Phase I. The Phase IV price shall be negotiated between the parties during the negotiation period.

b. The purchase and sale agreement for the phase involved to be comparable to the provisions of this Agreement.

c. The southern boundary of the Phase II and Phase III property shall be subject to adjustment as required by the City to accommodate City plans for public improvements and infrastructure in the vicinity. The boundaries of the Phase IV property shall similarly be subject to adjustment by the City to accommodate City plans for public improvements and infrastructure.

d. A Broker's Commission shall be included in any purchase and sale agreement for Phase II and Phase III comparable to the provisions of this Agreement, in the amount of Three Hundred Thirty-Seven Thousand One Hundred and Fifty-Four

Dollars and Forty Cents ($337,154.40) for Phase II, based on 3.00% of the Phase II purchase price; and in the amount of Four Hundred Twenty-One Thousand Four Hundred and Thirty-Three Dollars ($421,433.00) for Phase III, based on 3.00% of the Phase III purchase price.

e. The City's payment under the second paragraph of Section 207 shall be applied to Phase II, Phase III, and Phase IV.

f. Minimum initial and total development square footage requirements and associated timelines would apply to Phase II, III, and IV similar to Schedule of Performance and as referred to in the Scope of Development.

The provisions of this Section 218 are intended as a preliminary outline of the general business terms of potential purchase and sale transactions for the Phase II, Phase III, and Phase IV property and are expressly subject to the execution of binding purchase and sale agreements mutually acceptable to City and Purchaser which will contain more detailed terms and provisions. The approval of such agreement or agreements shall be required to be considered by the City Council in the manner required by law. Nothing in this Agreement is intended to create any liability or obligation of any kind which is legally binding upon or enforceable against Purchaser or City except for the duty to negotiate exclusively in good faith subject to the conditions precedent and enumerated negotiation parameters of this Section 218.

Section 219 Pre-Conditions to Exclusive Negotiations; Termination

The duty of the City to enter into the exclusive good faith negotiations required by Section 218 shall be subject to the following conditions precedent:

As to Phase II:

a. The Purchaser shall not be in default under the terms and conditions of this Agreement nor under the covenants of the Grant Deed.

b. Purchaser has complied with Close of Escrow, commencement and Completion of initial and total construction deadlines for the Project.

As to Phase III:

a. The Purchaser shall not be in default under the terms and conditions of the Purchase and Sale Agreement entered into between City and Purchaser for the Phase II property, nor under the covenants of the Grant Deed conveying Phase II to the Purchaser.

b. Purchaser has complied with Close of Escrow, commencement and Completion of initial and total construction deadlines for the Phase II Project.

As to Phase IV:

a. The Purchaser shall not be in default under the terms and conditions of the Purchase and Sale Agreement entered into between City and Purchaser for the Phase III property, nor under the covenants of the Grant Deed conveying Phase III to the Purchaser.

b. Purchaser has complied with Close of Escrow, commencement and Completion of initial and total construction deadlines for the Phase III Project.

Section 220 Good Faith Obligations of the City and Purchaser re Phase II, Phase III, and Phase IV

Subject to the preconditions set forth in Section 219, City agrees to deal only with Purchaser in connection with the proposed transactions for the Phase II, Phase III, and Phase IV properties, and agrees not to market any portion of the Property for sale so long as the City has an obligation to negotiate exclusively with Purchaser.

Section 221 Release of Construction Covenants

a. Promptly after Completion of the improvements, as generally and specifically required by this Agreement, the Scope of Development, and plans approved by the City for the Project, the City will furnish Purchaser with a Release of Construction Covenants upon written request therefor by Purchaser certifying that Purchaser has completed its construction obligations hereunder. The City will not unreasonably withhold such Release of Construction Covenants and such Release of Construction Covenants will be issued so long as Purchaser has Completed the construction and development of the Project substantially in accordance with this Agreement, the Scope of Development, and the City-approved plans. Such Release of Construction Covenants will be, and will so state, conclusive determination of satisfactory Completion of the construction required by this Agreement.

b. The Release of Construction Covenants will be in such form as to permit it to be recorded in the Recorder's Office of Los Angeles County.

c. If the City refuses or fails to furnish a Release of Construction Covenants after written request from Purchaser, the City will, within ten (10) days of the written request, provide Purchaser with a written statement of the reasons the City refused or failed to furnish a Release of Construction Covenants. The statement will also contain the City's opinion of the action Purchaser must take to obtain a Release of Construction Covenants. If the reason for such refusal is confined to the immediate availability of specific items or materials for landscaping, and/or minor items, the City will issue its Release of Construction Covenants upon the posting by Purchaser with the City of a bond in form and substance reasonably acceptable to the City Manager in an amount representing a fair value of the work not yet completed.

d. The Release of Construction Covenants is not a notice of completion under Section 3093 of the California Civil Code, provided that the City acknowledges Purchaser's right to record a Notice of Completion in accordance with applicable law.

e. A partial Release of Construction Covenants may be issued by the City for a portion of the Property comprising a significant portion of the Project, where reasonably required by Purchaser for financing or City-approved disposition purposes.

ARTICLE III. PURCHASER'S DEVELOPMENT AND USE OBLIGATIONS

Section 301 Project Development

a. City Plans and Permits. Purchaser shall construct and develop the Project in accordance with the Scope of Development (Attachment No. 6) and within the limitations and requirements established in the specific plan and other plans approved by, and permits issued by, the City of Palmdale within the times required by the Schedule of Performance. It is Purchaser's responsibility, without cost to the City, to ensure that zoning of the Property and all applicable City specific plan and land use requirements, subdivision, lot line adjustment, and other required development approvals will be such as to permit development of the Property and construction, operation and maintenance of the Project. Purchaser shall act diligently and in good faith to obtain approval of all Entitlements and permits for the Project and commence construction after the Close of Escrow in accordance with the times required by the Schedule of Performance. Purchaser shall diligently prosecute the construction of the Project to Completion within the times set forth in the Schedule of Performance.

b. City Powers and Authority. Nothing in this Agreement shall be deemed to waive, limit or condition in any way the police power and authority of the City of Palmdale. Nothing contained herein will be deemed to entitle Purchaser to any City of Palmdale Entitlement or other City approval necessary for the construction and development of the Property, or waive any applicable governmental requirements relating thereto. This Agreement does not (a) grant any land use entitlement to Purchaser, (b) supersede, nullify or amend any condition which may be imposed by the City of Palmdale in connection with approval of the Project, (c) guarantee to Purchaser or any other party any profits from the development of the Property, or (d) amend any City laws, codes or rules. This is not a Development Agreement as provided in Government Code Section 65864. City retains full discretion under this Agreement to independently determine compliance with any California Environmental Quality Act ("CEQA") requirements the City deems applicable to any proposed use of the Property. City shall retain the absolute discretion to impose mitigation measures, require modifications to the proposed Project, consider alternative uses of the Property, and to ultimately disapprove of the Project or any other propose use.

c. CEQA. Purchaser will be solely responsible for paying any and all costs and expenses associated with the City's compliance with applicable CEQA requirements (including, without limitation, any required Environmental Impact Report and/or other required environmental documents). Purchaser will respond fully and in a timely manner to requests for information from the City and any of its consultants. The sale of the Property is conditioned on the City's determination to approve the necessary Entitlements for the Project after compliance with CEQA and in consideration of the results of the environmental review process required by CEQA. Purchaser must not undertake or unconditionally commit any funds to physical or choice-limiting actions, including property acquisition, demolition, movement, rehabilitation, conversion, repair or construction prior to the environmental clearance.

d. Cost of Construction.

All costs and expenses of constructing and developing the Property and constructing the Project, including without limitation all public and private improvements, all work required by the

conditions of approval of the Entitlements and plans for the Project by the City, and all on and off site public and private improvements, utilities and infrastructure, shall be the sole responsibility and obligations of Purchaser.

Section 302 Compliance With Law

Purchaser hereby agrees to carry out development, construction and operation of the Project, including, without limitation, any and all public works (as defined by applicable law), in conformity with all applicable local, state and federal laws, including, without limitation, all applicable federal and state labor laws (including any requirement to pay state prevailing wages that may be applicable). Purchaser shall indemnify, protect, defend and hold harmless City and City and their respective officers, officials, employees, contractors and agents, with counsel reasonably acceptable to City and City, from and against any and all loss, liability, damage, claim, cost, expense, and/or "increased costs" (including labor costs, penalties, reasonable attorneys' fees, court and litigation costs, and fees of expert witnesses) which, in connection with the development, construction and/or operation of the Project results or arises in any way from the noncompliance by Purchaser of any applicable local, state and/or federal law, including, without limitation, any applicable federal and/or state labor laws. The foregoing defense and indemnification obligations will survive termination of this Agreement and the Close of Escrow and will continue after the City of Palmdale issues a permanent Certificate of Occupancy for all portions of the Project.

Section 303 Uses

Purchaser covenants and agrees (for itself, its successors, its assigns, and every successor in interest to the Property or any part thereof) that Purchaser and its successors and assigns to all or any portion of the Property, or any interest therein, shall use the Property as follows:

a. Purchaser shall develop the Property as required by this Agreement, the Scope of Development (Attachment No. 6), and the Entitlements and plans approved for the Project by the City, including without limitation minimum square footage requirements for initial and total development of the Project as set forth in the Scope of Development, within the times required by the Schedule of Performance (Attachment No. 3).

b. For a period of 50 years, commencing as of the Closing Date, Purchaser shall devote the Property to the uses contemplated by this Agreement, the Scope of Development (Attachment No. 6), and the Entitlements and plans approved for the Project by the City.

c. Purchaser shall from time to time pay to the City any amounts that may be due to the City under the second paragraph of Section 207 of this Agreement

Section 304 Maintenance of the Property

Purchaser covenants and agrees (for itself, its successors, its assigns, and every successor in interest to the Property or any part thereof) that Purchaser, its successors and assigns to all or any portion of the Property, or any interest therein, shall maintain (or cause the occupants to maintain) the interior and exterior of the improvements and the landscaping on the Property as required under the City Municipal Code, as shown on the Entitlements and plans approved by the City for the Project and otherwise in a manner consistent with community standards for similar projects in the City (collectively, the "Maintenance Standards"), including the following:

a. Exterior Maintenance. All exterior, painted surfaces of any structures located on the Property will be maintained at all times in a clean and presentable manner.

b. Front and Side Exteriors. Purchaser will, at all times, maintain the front exterior and any visible side exteriors and yards, if any, in a clean, safe and presentable manner.

c. Graffiti Removal. All graffiti, and substantial defacement of any type, including symbols, words and pictures, will be removed from the Property and any necessary painting or repair completed within a reasonable time, but in no event more than one (1) week after notice to Purchaser from City.

d. Landscaping. All landscaping surrounding the Property will be maintained in a manner consistent with the Maintenance Standards and any specific rules, regulations and standards adopted pursuant to the City's Municipal Code or the approved Entitlements and plans.

e. Restoration of Damaged Improvements. For a period of 50 years, commencing as of the Closing Date, if all or any portion of the Property or the Improvements thereon is damaged or destroyed by fire or other casualty, it will be the duty of Purchaser to take appropriate actions to restore the Property in a timely manner to restore it to a condition compliant with the Maintenance Standards. Petitioner may elect to rebuild, repair, or reconstruct the Property, but shall not be required to do.

f. Variance in Exterior Appearance and Design. If the Property is damaged or destroyed by casualty, Purchaser may not reconstruct, rebuild or repair the Property in a manner which will provide materially different exterior appearance and lot design from that which existed prior to the date of the casualty without the prior written consent of City.

h. Inspection. Prior to Completion of construction, City shall have the right to conduct periodic inspections of the Property to confirm compliance with the foregoing maintenance obligations; provided that City shall provide not less than ten (10) days prior notice of such inspections, and all such inspections shall be conducted subject to, and in a manner so as to minimize any adverse impact on, the rights of the occupants. If City, in the reasonable discretion of the City Manager, determines that Purchaser has failed to maintain the Property, City, or its designee, on thirty (30) days prior written notice of any noted code violations and maintenance deficiencies (collectively, the "Deficiencies"), will have the right, but not the obligation, to enter the Property, correct any Deficiency not repaired or remediated by Purchaser or its agents within such 30-day period, and hold Purchaser responsible for the reasonable cost thereof. Any reasonable costs incurred by the City to cure any such Deficiency, until paid, will constitute a lien on the Property pursuant to Civil Code Section 2881. This right of inspection shall extend only to portions of the Property for which Completion has not yet occurred.

Section 305 Obligation to Refrain from Discrimination

Purchaser covenants and agrees (for itself, its successors, its assigns, and every successor in interest to the Property or any part thereof) that Purchaser, its successors and assigns will refrain from restricting the rental, sale or lease of the property on the basis of sex, sexual orientation,

marital status, race, color, creed, religion, ancestry, national origin of any person or any other basis prohibited by applicable law.

Section 306 Effect and Duration of Covenants

The covenants established in this Agreement will, without regard to technical classification and designation, be binding on Purchaser and any successor in interest to the Property or any part thereof or any interest therein for the benefit and in favor of the City, its successors and assigns. The covenants will remain in effect for the respective time periods set forth in this Agreement and in the Grant Deed. The covenants relating to construction in Section 303(a) will remain in effect until the issuance by the City of the Release of Construction Covenants. The covenants related to use of the Property in Section 303(b) will remain in effect for a period of 50 years following the Closing Date. The covenants against discrimination in Section 305 will remain in effect in perpetuity.

Section 307 Effect of Violation of the Terms and Provisions of this Agreement

The City is deemed to be a beneficiary of the terms and provisions of this Agreement and the covenants herein and in the Grant Deed (Attachment No. 4), both for and in its own right and for the purposes of protecting the interests of the community and other parties, public or private, regardless of whether the City continues to own any property in the vicinity of the Property.

ARTICLE IV. DEFAULTS, REMEDIES AND TERMINATION

Section 401 Defaults – General

1. Subject to the provisions set forth in Section 510, failure or material delay by either party to perform any material term or provision of this Agreement constitutes a default under this Agreement. The party who so fails or delays must immediately commence to cure, correct, or remedy such failure or delay and shall complete such cure, correction or remedy within the times required by this Agreement.

2. The non-defaulting party will give written notice of default to the party in default, specifying the default complained of by the injured party. Failure or delay in giving such notice is not a waiver of any default, nor will it change the time of default. Any failure or delay by either party in asserting any of its rights or remedies as to any default, is not a waiver of any default, or of any such rights or remedies, nor will it deprive such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

3. The cure period for defaults under this Agreement involving the breach of an obligation to pay money will expire ten (10) calendar days following the giving of written notice of default.

4. Except where a different cure period is expressly prescribed under this Agreement, the cure period for defaults under this Agreement other than the breach of an obligation to pay money will begin on the date the nondefaulting party gives written notice of default, and will expire upon the thirtieth (30th) calendar day following the giving of the notice of default (or, with respect to a default which by its nature cannot with due diligence be cured within a 30 day period, the ninetieth (90th) day following the giving of the notice of default).

Section 402 Specific Performance

If either party defaults with regard to any of the provisions of this Agreement, subject to the notice and cure provisions of Section 401, the non-defaulting party, at its option, may, after such notice and opportunity to cure (but not before) commence an action for specific performance of the terms of this Agreement pertaining to such default.

Section 403 Anti-Flipping

If Purchaser sells, transfers, conveys or assigns any part of the Property or buildings or structures thereon in violation of this Agreement, the City will be entitled to increase the Purchase Price paid by Purchaser by the amount that the consideration payable for such sale, transfer, conveyance or assignment exceeds the Purchase Price paid by Purchaser plus the cost of improvements and development incurred by Purchaser, including carrying charges and costs related thereto (the "**Excess Consideration**"). The Excess Consideration will belong and be paid to the City and until paid, the City will have a lien on the Property for such amount. This prohibition will not be deemed to prevent the granting of easements or permits to facilitate the development of the Project. This Section 403 shall not apply to the sale, transfer, conveyance, or assignment of any part of the Property after issuance by the City of the Release of Construction Covenants, nor to the sale, transfer, conveyance, or assignment of any portion of the Property for which the City has issued a partial Release of Construction Covenants.

Section 404 Power of Termination

1. The City will have the right, thirty (30) days after concurrently delivering to Purchaser and recording in the official records of Los Angeles County a notice of its exercise of the power of termination retained by the City, to reenter and take possession of the Property with all improvements thereon, and revest in the City the estate theretofore conveyed by the Grant Deed if, after the City gives the notice required by Section 401 of this Agreement and the applicable cure period in Section 401 of this Agreement has expired, Purchaser or its successors or assigns, in violation of this Agreement or the Grant Deed:

a. Fails to commence construction of the improvements for the Property or for any portion of the Project as and when required by this Agreement; or

b. Abandons or substantially suspends construction of the improvements for the Property or for any portion of the Project.

c. Fails to complete construction of the improvements for the Property or for any portion of the Project as and when required by this Agreement.

The obligations of Purchaser specified in clauses a. through c. above are covenants or conditions running with the land, the breach of which will cause the fee to revert to the City under the circumstances specified herein. The rights established in this Section 404 are to be interpreted in light of the fact that the City is conveying the Property to Purchaser for development and not for speculation in undeveloped land. The City and Purchaser acknowledge and agree that the City's rights under this Section 404 are authorized by applicable law, including but not limited to Sections 885.010 through

885.070 of the California Civil Code. The right of the City to exercise the remedies provided in this Section 404 shall not apply to the Property after issuance by the City of the Release of Construction Covenants, nor to any portion of the Property for which the City has issued a partial Release of Construction Covenants. Such right to reenter and repossess will be subject to and limited by, and will not defeat, render invalid or limit:

a. Any bona fide mortgage, deed of trust or other security instrument of sale and leaseback or other conveyance for financing, provided that such mortgage, deed of trust, security instrument, sale and leaseback or conveyance for financing is permitted by and obtained in accordance with this Agreement; and

b. Any rights or interest provided in this Agreement for the protection of the holder of such bona fide, permitted mortgages, deeds of trust or other security instruments, the lessor under such sale and leaseback, or the grantee under such other conveyance for financing.

2. Upon the revesting in the City of title to the Property as provided in Paragraph 1 of this Section 404, the City will, pursuant to its responsibilities under state law, use its reasonable best efforts to resell the Property as soon as possible and in such manner as the City finds feasible and consistent with the objectives of the law and the best interests of the City, to a qualified and responsible party or parties (as determined by the City), who will assume the obligation of making or completing the improvements required by this Agreement or such other improvements in their stead as are reasonably satisfactory to the City and in accordance with the uses specified for the Property by applicable laws, code sections, ordinances, resolutions or regulations of the City. Upon such resale of the Property, the proceeds thereof will be applied as follows:

a. First, to reimburse the City for all costs and expenses incident to such sale and/or conveyance; all taxes, assessments and water and sewer charges with respect thereto; any payments made, or necessary to be made, to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of Purchaser, its successors or transferees; expenditures made or obligations incurred with respect to the making or completion of the improvements or any part thereof on the Property; and amounts otherwise owing to the City by Purchaser or its successors or transferees; and

b. Second, to reimburse Purchaser, its successors or transferees up to an amount equal to the sum of: (a) the purchase price paid to the City by Purchaser for the Property; and (b) costs incurred for the development of the Property, and for the improvements existing thereon at the time of reentry and repossession; less (c) gains or income withdrawn or made by Purchaser, its successors or assigns therefrom or from the improvements thereon.

c. Any balance remaining after such reimbursements will be retained by the City as its property.

Section 405 Remedies Not Exclusive

Except as set forth herein to the contrary, no remedy conferred by any of the specific provisions of this Agreement is intended to be exclusive of any other remedy and each and every remedy will be cumulative and will be in addition to every other remedy given hereunder or now or hereafter existing at law or in or by statute or otherwise, and the election of any one or more remedies will not constitute a waiver of the right to pursue other available remedies. Notwithstanding anything to the contrary in this Agreement and for purposes of clarification, however, City's remedy in the event of any default by Purchaser prior to the deposit by Purchaser of the Additional Deposit in accordance with Section 204 of this Agreement shall be limited to retention of the Good Faith Deposit and an additional FIVE HUNDRED THOUSAND DOLLARS ($500,000.00). City's remedy in the event of any default by Purchaser prior to the Close of Escrow and after to the deposit by Purchaser of the Additional Deposit shall be limited to retention of the Good Faith Deposit and Additional Deposit and an additional TWO HUNDRED FIFTY THOUSAND DOLLARS ($250,000.00).

Section 406 Institution of Legal Actions

Subject to the notice and cure provisions of Section 401, in addition to any other rights or remedies, either party may institute legal action to cure, correct or remedy any default, to recover damages for any default, or to obtain any other remedy consistent with the purpose of this Agreement. Such legal actions must be instituted in the Superior Court of the County of Los Angeles, State of California, in any other appropriate court of that county, or in the United States District Court for the Central District of California.

Section 407 Acceptance of Service of Process

1. If any legal action is commenced by the Purchaser against the City, service of process on the City shall be made by personal service upon the City Manager or in such other manner as may be provided by law.

2. If any legal action is commenced by the City against the Purchaser, service of process on the Purchaser shall be made by personal service upon the Purchaser (or upon an officer of Purchaser) and will be valid whether made within or without the State of California, or in such manner as may be provided by law.

Section 408 Applicable Law

The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

Section 409 Termination by City Before Close of Escrow

1. Prior to the Close of Escrow, the City, at its option, may terminate this Agreement, by providing written notice to Purchaser, if in violation of this Agreement, following delivery of notice and expiration of the specified cure period:

a. Purchaser (or any approved successor in interest) assigns or purports to assign this Agreement or any right therein, or any interest in the Property or any portion thereof or

any of the improvements thereon, contrary to any provision in this Agreement, and Purchaser fails to remedy such failure within thirty (30) days after receiving written notice from the City; or

b. Purchaser fails to deliver the Good Faith Deposit, the Additional Deposit, the Purchase Price, and any documents required by this Agreement by the dates provided in this Agreement, and Purchaser fails to remedy such failure within ten (10) days after receiving written notice from the City; or

c. Purchaser fails to take title to the Property or any portion thereof pursuant to the Grant Deed upon a tender of conveyance by the City pursuant to this Agreement, and Purchaser fails to remedy such failure within ten (10) days after receiving written notice from the City; or

d. Purchaser breaches this Agreement in any other material respect, and Purchaser fails to remedy such failure within thirty (30) days after receiving written notice from the City.

2. If any default or failure referred to in this Section 409 is not cured by Purchaser within the cure period specified, then this Agreement and any rights of Purchaser, or any approved assignee or transferee, in this Agreement, or arising therefrom with respect to the City and all unconveyed portions of the Property, will at the option of the City, be terminated by the City by written notice to the Purchaser.

Section 410 Termination by Purchaser Before Close of Escrow

1. Prior to the Close of Escrow, the Purchaser, at its option, may terminate this Agreement, by providing written notice to the City, in the event that:

a. City fails to tender conveyance or possession of the Property to Purchaser in the manner and condition, and by the date provided in this Agreement, and City fails to remedy such failure within ten (10) days after receiving written notice from Purchaser.

b. City fails to timely perform any other material obligation of the City as required under this Agreement and such failure is not remedied within thirty (30) days after receiving written notice from Purchaser; or

c. The Purchaser, despite its diligent and good faith best efforts, is unable to obtain approval by the City or another permitting agency of any Entitlements needed for the development of the Project under this Agreement prior to the Closing Date; or

d. City adopts or imposes prior to the Close of Escrow any requirement or limitation which prohibits Purchaser from constructing and subsequently opening and operating the Project and such requirement or limitation is not removed within thirty (30) days after receiving written notice from Purchaser.

2. If Purchaser terminates this Agreement pursuant to this Section 410, neither the City nor Purchaser shall have any further rights against or liability to the other under this Agreement, other than the provisions which by their terms survive termination, and this Agreement will be terminated in its entirety.

ARTICLE V. GENERAL PROVISIONS

Section 501 Indemnification and Insurance

1. Purchaser shall indemnify, protect, defend and hold harmless the City and its elected and appointed officials, officers, employees, agents, contractors and consultants (individually and collectively, the "Indemnitees") from and against any and all claims, lawsuits, judgments, liability, injury or damage resulting or arising from or in any way connected to the Project or this Agreement, including without limitation any claims that may arise from the California Environmental Quality Act. This indemnity shall include without limitation associated and reasonably incurred attorneys' fees and court and litigation costs arising out of the defense of any such claims and/or lawsuits, and actual attorneys' fees and court and litigation costs that may be awarded by the court and required to be paid by the Indemnitees. Purchaser will not be responsible for any liability, loss, damage, cost, or expense (including reasonable attorney's fees and court costs) to the extent arising or resulting from the gross negligence or willful misconduct of the Indemnitees. The City shall have the sole discretion to select legal counsel to represent their legal interests in the defense of any such lawsuits, claims or other actions filed against them.

2. Effective upon the Close of Escrow, Purchaser agrees to indemnify, protect, defend and hold the Indemnitees harmless from and against any and all damages, losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, judgments, suits, proceedings, costs, disbursements, or expenses (including, without limitation, attorneys' and experts' fees and disbursements) of any kind or of any nature whatsoever (collectively, the "Obligations") which may at any time be imposed upon, incurred by or asserted or awarded against the City and arising from (i) the construction and development of the Project by Purchaser or its officers, employees, contractors or agents and/or (ii) the presence of any Hazardous Substances on, in, under, or affecting all or any portion of the Property or any surrounding areas but only if and to the extent such Obligations arise from Purchaser's actions or inaction. Prior to the Close of Escrow, Purchaser will execute and deposit with the City the Environmental Indemnity attached to this Agreement as Attachment No. 5.

3. Insurance

a. Prior to Close of Escrow, Purchaser must furnish or cause to be furnished to the City evidence of the following policies of insurance to be effective as of the Close of Escrow. Evidence of insurance must include additional insured endorsements naming the City as additional insured and including a primary insurance and waiver of contribution clause, a separation of insureds clause and a cancellation notice clause, in the form provided by the City.

(i) Fire Policies: Purchaser must maintain or cause to be maintained a policy or policies of insurance against loss or damage to the Property or the improvements and all property of an insurable nature located upon the Property, resulting from fire, lightning, vandalism, malicious mischief, riot and civil commotion, and such other perils ordinarily included in extended coverage fire insurance policies. Such insurance must be maintained in an amount not less than one hundred percent (100%) of the full insurable value of the improvements, as defined herein in paragraph c.

(ii) Liability Insurance: Purchaser must maintain or cause to be maintained public liability insurance, to protect against loss from liability imposed by law for damages on account of personal injury, including death therefrom, suffered or alleged to be suffered by any person or persons whomsoever on or about the Property and the business of the Purchaser on the Property, the construction and development of the Project or in connection with the operation thereof, resulting directly or indirectly from any acts or activities of Purchaser or its invitees, contractors and agents, or any person acting for Purchaser, or under its respective control or direction, and also to protect against loss from liability imposed by law for damages to any property of any person occurring on or about the Property, or in connection with the operation thereof, caused directly or indirectly by or from acts or activities of Purchaser or its invitees, or any person acting for Purchaser, or under its control or direction. Such property damage and personal injury insurance must also provide for and protect City against incurring any legal cost in defending claims for alleged loss. Such personal injury and property damage insurance must be maintained in full force and effect during the term of the City Acquisition Loan in the following amounts: commercial general liability in a general aggregate amount of not less than Two Million Dollars ($2,000,000) in aggregate; and not less than One Million Dollars ($1,000,000) of bodily injury and property damage insurance. It is the mutual intent of the parties that the levels of insurance coverage described herein will be and remain comparable to the level of insurance coverage that is customary with comparable operations in Los Angeles County. At any time and from time to time, either party may provide notice to the other party that the level of insurance being maintained by Purchaser is no longer comparable to the level of insurance coverage that is customary with comparable operations in Los Angeles County, and request that the minimum limit hereinabove designated shall be increased accordingly. The party receiving such request will not unreasonably withhold its consent to such change. Purchaser agrees that provisions of this paragraph as to maintenance of insurance shall not be construed as limiting in any way the extent to which Purchaser may be held responsible for the indemnification of City or the payment of damages to persons or property resulting from Purchaser's activities, activities of its invitees or the activities of any other person or persons for which Purchaser is otherwise responsible. To the extent available on commercially-reasonable terms, Purchaser will require its insurer to waive its subrogation rights against the City and must provide industry-standard endorsements evidencing same.

(iii) Workers' Compensation Insurance: Purchaser must maintain or cause to be maintained workers' compensation insurance issued by a responsible carrier authorized under the laws of the State of California to insure employers against liability for compensation under the workers' compensation laws now in force in California, or any laws hereafter enacted as an amendment or supplement thereto or in lieu thereof. Such workers' compensation insurance must cover all persons employed by Purchaser in connection with the Property and must cover liability within statutory limits for compensation under any such act aforesaid, based upon death or bodily injury claims made by, for or on behalf of any person incurring or suffering injury or death in connection with the Property or the operation thereof by Purchaser. Notwithstanding the foregoing, Purchaser may, in compliance with the laws of the State of California and in lieu of maintaining such insurance, self-insure for workers' compensation in which event Purchaser will deliver to City evidence that such self-insurance has been approved by the appropriate State authorities. If Purchaser is required to maintain Workers' Compensation Insurance under this

paragraph, Purchaser must furnish the City with a certificate of waiver of subrogation under the terms of the Workers' Compensation Insurance. Purchaser will require its general contractor to waive subrogation and require that its subcontractors waive subrogation to the extent that such a waiver is commercially available.

b. All policies hereunder must not be subject to cancellation, reduction in coverage, or non-renewal except after notice in writing has been sent by registered mail addressed to the City not less than 30 days in advance of the effective date, except for cancellation for nonpayment of premium, in which event notice must be given not less than ten days in advance of the effective date. All policies may name the City, Purchaser and/or any general contractor as insureds, additional insureds, and/or loss payable parties as their interests may appear.

c. The term "full insurable value" means the actual replacement cost (excluding the cost of excavation, foundation and footings below the lowest floor and without deduction for depreciation) of the improvements on the Property immediately before such casualty or other loss, including the cost of construction, architectural and engineering fees, and inspection and supervision. To ascertain the amount of coverage required, Purchaser will cause the full insurable value to be determined from time to time by appraisal by the insurer, by the insurer's automatic inflationary measure if acceptable to the Purchaser and the City, by agreement between Purchaser and City or by an appraiser mutually acceptable to City and Purchaser, not less often than once every year.

d. All insurance provided under this Section will be for the benefit of Purchaser and City. Purchaser agrees to timely pay all premiums for such insurance and, at its sole cost and expense, to comply and secure compliance with all insurance requirements necessary for the maintenance of such insurance. Purchaser agrees to submit policies of all insurance required by this Section, or certificates and endorsements evidencing the existence thereof, to City within 30 days prior to the Closing Date, indicating full coverage of the contractual liability imposed hereby. Within thirty (30) days, if practicable, but in any event prior to expiration of any such policy, copies of renewal policies, or certificates evidencing the existence thereof, must be submitted to City. All insurance herein provided for under this Section must be effected under policies issued by insurers of recognized responsibility, licensed or permitted to do business in the State of California, and reasonably approved by City.

e. If Purchaser fails or refuses to procure or maintain insurance as required by this Agreement, City will have the right, at City's election, and upon thirty (30) days prior notice to Purchaser, to procure and maintain such insurance. The premiums paid by City will be treated as a loan, due from Purchaser, to be paid on the first day of the month following the date on which the premiums were paid. City will give prompt notice of the payment of such premiums, stating the amounts paid and the name of the insured(s).

4. This Section 501 will survive the termination of this Agreement.

Section 502 Notices, Demands and Communications

1. Formal notices, demands and communications between the City and Purchaser will be deemed sufficiently given if personally delivered (including by means of professional messenger service), by registered or certified mail, postage prepaid, return receipt requested, or

delivered by a national overnight courier service to the principal offices of the City and Purchaser. Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by written notice.

2. All notices, demands and communications shall be sent to the following addresses:

If to Purchaser:

Covington Investments, LLC
14180 Dallas Parkway, Suite 730
Dallas, Texas 75254
Attention: Kenneth Sheer

With a copy to:

John A. Ramirez
Rutan & Tucker
18575 Jamboree Road, 9th Floor
Irvine, CA 92612

If to City:

City of Palmdale
38300 North Sierra Highway
Palmdale, California 93550
Attention: J.J. Murphy

With a copy to:

City Attorney's Office
City of Palmdale
38300 North Sierra Highway
Palmdale, California 93550
Attention: Christopher Beck

And a copy to:

Kane Ballmer & Berkman
515 S. Figueroa Ave., Suite 780
Los Angeles, California 90071
Attention: Murray Kane

Section 503 Joint and Several Liability

If Purchaser consists of more than one person or entity, their obligations and liability will be joint and several, and the compromise of any claim with, or the release of, any Purchaser will not constitute a compromise with, or a release of, any other Purchaser. The act or signature of, or notice from or to, any one or more of Purchaser with respect to this Agreement will be binding upon each and all of the persons and entities executing this Agreement as Purchaser with the same force and effect as if each and all of them had so acted or signed, or given or received such notice.

Section 504 Nonliability of City and City Officials and Employees

No member, official or employee of the City will be personally liable to Purchaser, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to Purchaser or its successor, or on any obligation under the terms of this Agreement.

Section 505 Conflicts of Interest

1. No member, official or employee of the City may have any personal interest, direct or indirect, in this Agreement nor may any such member, official or employee participate in any decision relating to the Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is, directly or indirectly, interested.

2. Purchaser warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement.

Section 506 No Third Party Beneficiaries

This Agreement is made solely and specifically between the City and Purchaser and their respective successors and assigns; and no other person will have any rights, interest or claims under this Agreement or be entitled to any benefits under or on account of this Agreement as a third party beneficiary or otherwise.

Section 507 Time of the Essence

The City and Purchaser agree that time is of the essence for the performance of any obligation of any party to this Agreement.

Section 508 Purchaser's Representations

The Purchaser hereby represents and warrants the following to City for the purpose of inducing City to enter into this Agreement and to consummate the transactions contemplated hereby, all of which will be true as of the date hereof and will survive the Close of Escrow with respect to the conveyance of the Property:

1. The Purchaser has the legal power, right and authority to enter into this Agreement and the instruments and documents referenced herein to which the Purchaser is a party, to consummate the transactions contemplated hereby, to take any steps or actions contemplated hereby, and to perform its obligations hereunder. Purchaser is qualified to do business in good standing under the laws of California and has all requisite power and authority to carry out

Purchaser's business as now and whenever conducted and to enter into and perform Purchaser's obligations under this Agreement.

2. All requisite action has been taken by Purchaser and all requisite consents have been obtained by Purchaser in connection with entering into this Agreement and the instruments and documents referenced herein to which Purchaser is a party, and the consummation of the transactions contemplated hereby.

3. To the best knowledge of Purchaser, its execution, delivery and performance of this Agreement will not violate any provision of law, any order of any court or other agency of government, or any indenture, agreement or other instrument to which it or an affiliated entity is a party or by which it or an affiliated entity or any of its properties is bound.

4. This Agreement is, and all agreements, instruments and documents to be executed by Purchaser pursuant to this Agreement will be duly executed by and are, or will be, valid and legally binding upon Purchaser and enforceable in accordance with their respective terms and the execution and delivery thereof will not, with due notice or the passage of time, constitute a default under or violate the terms of any indenture, agreement or other instrument to which Purchaser or an affiliated entity is a party.

5. To the best of Purchaser's knowledge, there are no suits, proceedings or investigations pending or threatened against it or an affiliated entity, that Purchaser reasonably believes would have a material adverse effect on its financial condition or its ability to carry out its obligations under this Agreement.

Section 509 City's Representations

The City hereby represents the following to Purchaser for the purpose of inducing Purchaser to enter into this Agreement and to consummate the transactions contemplated hereby, all of which will be true as of the date hereof and will survive the Close of Escrow with respect to the conveyance of the Property:

1. The City has the legal power, right and authority to enter into this Agreement and the instruments and documents referenced herein to which the City is a party, to consummate the transactions contemplated hereby, to take any steps or actions contemplated hereby, and to perform its obligations hereunder. City shall provide documentation related to City's compliance with the Surplus Lands Act to Purchaser.

2. All requisite action has been taken by the City and all requisite consents have been obtained in connection with City entering into this Agreement and the instruments and documents referenced herein to which the City is a party, and the consummation of the transaction contemplated hereby, and the same, to the best knowledge of City, comply with all applicable laws, statutes, ordinances, rules and governmental regulations. There are no writs, injunctions, orders or decrees of any court or governmental body which would be violated by the City's entering into or performing its obligations under this Agreement.

3. This Agreement is duly executed by the City, and all agreements, instruments and documents to be executed by the City pursuant to this Agreement will, at such

time as they are required to be executed hereunder, be duly executed by the City, and each such agreement is, or will be at such time as it is required to be executed hereunder, valid and legally binding upon the City and enforceable in accordance with its terms and the execution and delivery thereof will not, with due notice or the passage of time, constitute a default under or violate the terms of any indenture, agreement or other instrument to which the City is a party.

4. Reasonable and good faith inquiry has determined that there is no pending or threatened litigation which would prevent the Property from being conveyed in the condition of title required hereunder, or which would prevent the City from performing its duties and obligations hereunder.

Section 510 Enforced Delay

In addition to specific provisions of this Agreement, performance by either party hereunder will not be deemed to be in default where delays or defaults are due to war, acts of terrorism, insurrection, strikes, lock-outs, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, lack of transportation, governmental restrictions or priority, litigation, unusually severe weather, inability to secure necessary labor, materials or tools, supply chain delays, delays of any contractor, subcontractor or suppliers, acts of the other party, acts or failure to act of any public or governmental agency or entity (other than that act or failure to act of the City will not excuse performance by the City), acts or failure to act by any utility company, or any other causes beyond the control or without the fault of the party claiming an extension of time to perform; provided, that they actually delay and interfere with the timely performance of the matters to which they would apply and despite the exercise of diligence and good business practices are or would be beyond the reasonable control of the party claiming such interference. An extension of time for any such cause will be for the period of the enforced delay and will commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within ten (10) days of knowledge of the commencement of the cause. Times of performance under this Agreement may also be extended in writing by mutual agreement of the City and Purchaser.

Section 511 Waivers

The waiver by City of any term, covenant, or condition herein contained will not be a waiver of such term, covenant, or condition on any subsequent breach.

Section 512 Attorney's Fees and Costs

If any action or proceeding is brought by either party against the other under this Agreement, whether for interpretation, enforcement or otherwise, the prevailing party will be entitled to recover all costs and expenses, including the fees of its attorney and any expert witnesses in such action or proceeding. This provision will also apply to any post judgment action by either party, including without limitation, efforts to enforce a judgment.

Section 513 Authority to Sign

The individual executing this Agreement on behalf of Purchaser hereby represents that he or she has full authority to do so and to bind Purchaser to perform pursuant to the terms and conditions of this Agreement.

Section 514 Interpretation; Severability

1. The language in all parts of this Agreement will in all cases be construed simply, as a whole and in accordance with its fair meaning and not strictly for or against any party. The parties hereto acknowledge and agree that this Agreement has been prepared jointly by the parties and has been the subject of arm's length and careful negotiation over a considerable period of time, that each party has been given the opportunity to independently review this Agreement with legal counsel, and that each party has the requisite experience and sophistication to understand, interpret, and agree to the particular language of the provisions hereof. Accordingly, in the event of an ambiguity in or dispute regarding the interpretation of this Agreement, this Agreement will not be interpreted or construed against the party preparing it, and instead other rules of interpretation and construction will be utilized.

2. If any term or provision of this Agreement, the deletion of which would not adversely affect the receipt of any material benefit by any party hereunder, is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement will not be affected thereby and each other term and provision of this Agreement will be valid and enforceable to the fullest extent permitted by law. It is the intention of the parties hereto that in lieu of each clause or provision of this Agreement that is illegal, invalid, or unenforceable, there be added as a part of this Agreement an enforceable clause or provision as similar in terms to such illegal, invalid, or unenforceable clause or provision as may be possible.

3. The captions of the articles, sections and subsections herein are inserted solely for convenience and under no circumstances are they or any of them to be treated or construed as part of this instrument.

4. References in this Agreement to "days" will mean calendar days unless otherwise specified.

5. References in this instrument to this "Agreement" mean, refer to and include this instrument as well as any riders, exhibits, addenda and attachments hereto (which are hereby incorporated herein by this reference) or other documents expressly incorporated by reference in this instrument. Any references to any covenant, condition, obligation, and/or undertaking "herein," "hereunder," or "pursuant hereto" (or language of like import) shall mean, refer to, and include the covenants, obligations, and undertakings existing pursuant to this instrument and any riders, exhibits, addenda, and attachments or other documents affixed to or expressly incorporated by reference in this instrument.

6. As used in this Agreement, and as the context may require, the singular includes the plural and vice versa, and the masculine gender includes the feminine and vice versa.

Section 515 Authorized Representative of City

Unless otherwise specified or the context requires otherwise, all references in this Agreement and its attachments to the City shall mean the City Manager of the City or any officer or employee of the City to whom the City Manager or the governing body of the City delegates authority to perform, carry out and/or enforce this Agreement. Whenever an administrative action is required by the City to implement the terms of this Agreement, the City Manager, or an

authorized designee, will have authority to act on behalf of City, except with respect to matters reserved under California law wholly for determination by the governing body of the City.

Section 516 Approvals

Approvals required of the City or Purchaser will not be unreasonably withheld, delayed or conditioned, except where otherwise expressly provided. All approvals must be in writing. Except as otherwise expressly provided in this Agreement, failure by either party to approve a matter within the time provided will not be deemed a disapproval, and failure by either party to disapprove a matter within the time provided will not be deemed an approval.

Section 517 Further Assurances and Corrective Instruments.

The City and Purchaser agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Property or for carrying out the expressed intentions of this Agreement.

Section 518 Inspection of Books and Records.

The Purchaser shall maintain complete, accurate, and current records pertaining to the Property for a period of five (5) years after the creation of such records, and permit any duly authorized representative of the City, at the City's sole expense and upon reasonable advance notice, to inspect and copy records during regular business hours. Records must be kept accurate and current and located in the County of Los Angeles, California.

ARTICLE VI. ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS

1. This Agreement is executed in two (2) duplicate originals each of which is deemed to be an original. This Agreement includes ( ) pages and ( ) attachments which constitute the entire understanding and agreement of the parties.

2. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof.

3. None of the terms, covenants, agreements or conditions set forth in the Agreement will be deemed merged with the Grant Deed, and the Agreement will remain and continue in full force and effect.

4. No modification, waiver, amendment, discharge, or change of this Agreement will be valid unless the same is in writing and signed by the party against which the enforcement of such modification, waiver, amendment, discharge, or change is or may be sought.

5. This Agreement may be executed in any number of counterparts, all of which taken together will constitute one and the same instrument.

ARTICLE VII. TIME FOR ACCEPTANCE OF AGREEMENT BY CITY

This Agreement, when executed by Purchaser and delivered to the City, must be authorized, executed and delivered by the City within sixty (60) calendar days thereafter, or this Agreement may be withdrawn by Purchaser on written notice to the City.

ARTICLE VIII. EFFECTIVE DATE OF THIS AGREEMENT

This Agreement will become effective when it has been signed by the City.

[Remainder of Page Intentionally Left Blank; Signatures on Following Page]

IN WITNESS WHEREOF, the City and Purchaser have signed this Agreement on the respective dates set forth below.

"CITY"
CITY OF PALMDALE, a municipal corporation

By:_____
J. J. Murphy, ICMA-CM Dated
City Manager

ATTEST:

By: _____
Shanae Smith
City Clerk

APPROVED AS TO FORM:

By:_____
Christopher Beck
City Attorney

By: KANE, BALLMER & BERKMAN

By: _____

Special Counsel

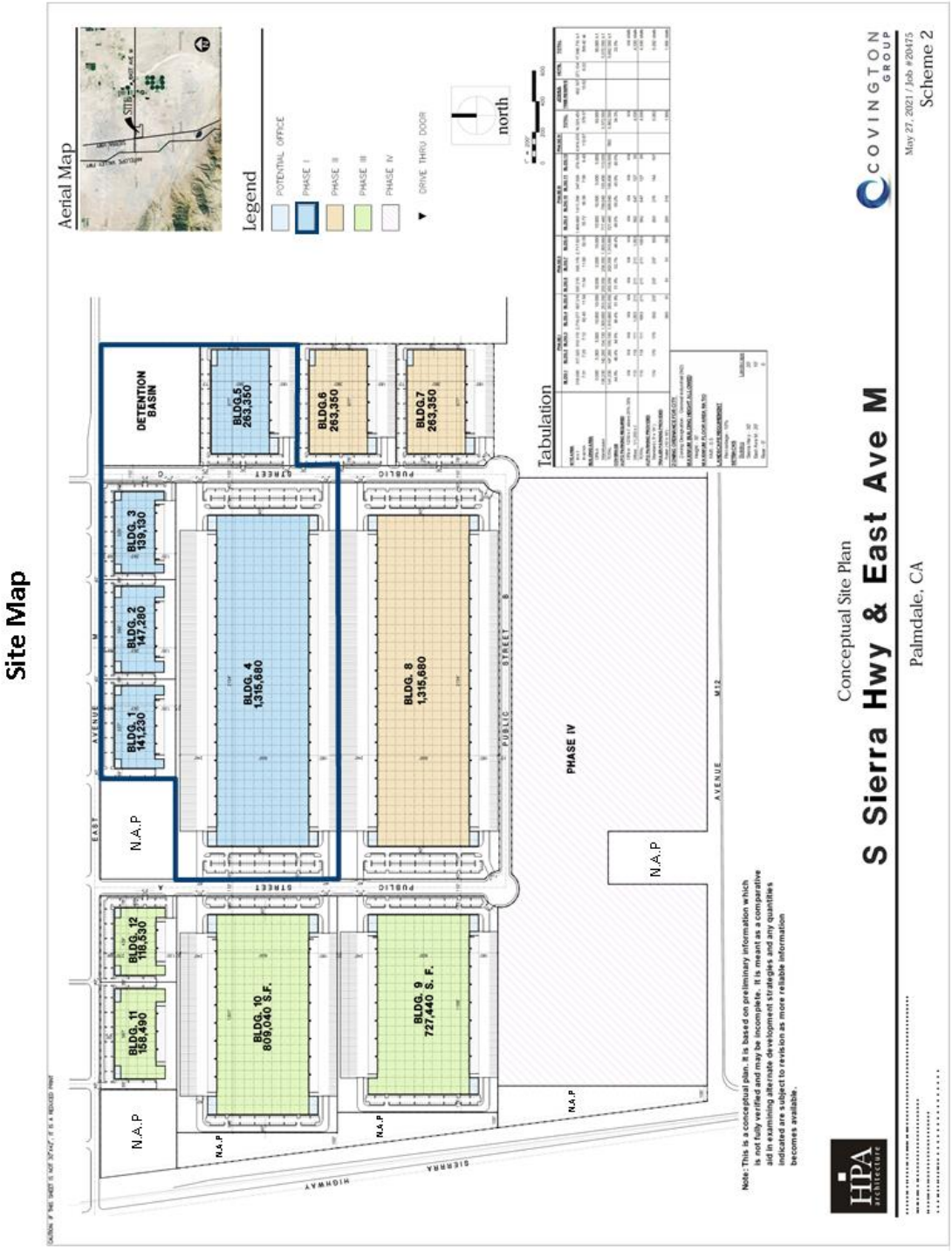
"PURCHASER"
COVINGTON INVESTMENTS, LLC

By:_____
Dated

By: _____

ATTACHMENT NO. 1

SITE MAP



ATTACHMENT NO. 2

LEGAL DESCRIPTION

The Property is located in the City of Palmdale, County of Los Angeles, State of California and is legally described as follows:

APN: 3126-022-929 (Part of)

ATTACHMENT NO. 3

SCHEDULE OF PERFORMANCE

1. Purchaser shall execute Agreement and deliver Agreement to City.	Prior to the approval by the City.
2. Purchaser shall deliver Purchaser's Good Faith Deposit to the City.	Within three (3) calendar days following the execution of the Agreement by the City.
3. City and Purchaser shall open an escrow for the conveyance of the Site.	Within ten (10) calendar days following the execution of the Agreement by the City.
4. City shall furnish the Due Diligence Documents to Purchaser.	Within fifteen (15) calendar days after the Effective Date.
5. Purchaser shall submit Conceptual Plans, Drawings and related documents for the development of the Site pursuant to Section 303.	Within sixty (60) calendar days of the execution of the Agreement by the City.
6. Purchaser shall obtain all Entitlements for the construction and development required by this Agreement.	Within twenty-four (24) months of the execution of the Agreement
7. Purchaser shall submit Evidence of Financing pursuant to Section 217 to the City for its approval or disapproval.	No later than 30 days prior to the Closing Date.
8. City shall approve or disapprove Evidence of Financing.	Within fifteen (10) calendar days after submission.
9. Closing Date for the Close of Escrow on Phase I.	Within twenty-six (26) months of the execution of the Agreement.

10.1 Purchaser shall commence construction of the site work and offsite infrastructure required for development of Phase I.	Within ninety (90) days of Close of Escrow.
10.2 Purchaser shall commence vertical construction of Phase I.	Within ten (10) months of Close of Escrow.
11. Purchaser shall complete the site work and offsite infrastructure required for the development of Phase I, as well as the construction of Phase I minimum 250,000 square feet.	Within Eighteen (18) months of Close of Escrow.
12. Purchaser shall commence construction of minimum total Phase I construction of 1,000,000 square feet.	No later than six (6) months following the completion of construction of the first building of Phase I.
13. Purchaser shall complete construction of minimum total Phase I construction of 1,000,000 square feet.	Within fifteen (15) months of commencement of construction.
14. City and Purchaser shall complete good faith negotiations for Phase II.	Within six (6) months of commencement of negotiation.
15. Closing Date for the Close of Escrow on Phase II, in the event the Phase II PSA is approved and entered into.	No later than fifteen (15) months following the completion of construction of the first building of Phase I.
16. City and Purchaser complete good faith negotiations for Phase III.	Within six (6) months of commencement of negotiations.
17. Closing Date for the Close of Escrow on Phase III, in the event the Phase III PSA is approved and entered into.	No later than fifteen (15) months following the completion of the first building of Phase II.

ATTACHMENT NO. 4

FORM OF GRANT DEED

[Behind this page.]

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

[_____]

With a Copy to:

City of Palmdale
38300 North Sierra Highway
Palmdale, California 93550
Attention: City Clerk

SPACE ABOVE THIS LINE FOR RECORDER'S USE

APN: 3126-022-929
[_____]
Agreement No. A-7575

OFFICIAL BUSINESS
FREE RECORDING REQUESTED
(Gov't Code Section 27383)

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the CITY OF PALMDALE, a municipal corporation, herein called "**Grantor**", hereby grants to COVINGTON INVESTMENTS, LLC, a limited liability company of the State of Nevada, herein called "**Grantee**", the real property, hereinafter referred to as the "**Property**", described in the document attached hereto, labeled Exhibit "A" and incorporated herein by this reference.

1. Grantor excepts and reserves to the City of Palmdale:

(a) any existing street, dedicated street, or portion of any street or dedicated street lying outside the boundaries of the Property which might otherwise pass with a conveyance of the Property; and

(b) all oil, gas, hydrocarbon substances and minerals of every kind and character lying more than 500 feet below the surface, together with the right to drill into, through, and to use and occupy all parts of the Property lying more than 500 feet below the surface thereof for any and all purposes incidental to the exploration for and production of oil, gas, hydrocarbon substances or minerals from the Property, but without, however, any right to use or disturb either the surface of the Property or any portion thereof within 500 feet of the surface for any purpose or purposes whatsoever.

2. The Property is conveyed in accordance with and subject to the Purchase and Sale Agreement (the "**PSA**") entered into by and between Grantor and Grantee, dated as of _____ __, 20__, which document is a public record on file in the offices of the City Clerk of the City of

Palmdale, and which is by reference incorporated as though fully set forth herein. Capitalized terms not defined herein have the meaning given in the PSA.

3. Title to the Property is conveyed subject to all recorded liens, encumbrances, covenants, conditions, restrictions, assessments, easements, leases and taxes.

4. Grantee, for itself and on behalf of its successors and assigns to all or any portion of the Property, or any interest therein, covenants and agrees that its purchase of the Property and other undertakings pursuant to the PSA are, and will be used for, the purpose of developing the Property in conformance with the PSA and not for speculation in landholding.

5. Grantee hereby covenants and agrees on behalf of itself and any successors and assigns in the Property or any portion thereof or any improvements thereon or any interest therein that Grantee, such successors and assigns shall:

a. Construct and develop improvements on the Property in accordance with the this Grant Deed, the PSA and all attachments thereto, and the Entitlements, Specific Plan and plans approved for the Project by the City, including without limitation minimum square footage requirements for initial and total development of the Project as set forth and within the times required in the PSA and its attachments.

b. For a period of 50 years, commencing as of the Closing Date, maintain the Property, or cause the Property to be maintained, in accordance with Section 8 of this Grant Deed.

c. For a period of 50 years, commencing as of the Closing Date, devote the Property to the uses contemplated by the PSA and its attachments and the Entitlements and plans approved for the Project by the City.

d. Pay when due all real estate taxes and assessments assessed and levied on the Property and any improvements thereon as required by applicable law, and from time to time pay to the Grantor any amounts that may be due to the Grantor as and when required under the second paragraph of Section 207 of the PSA.

e. Until the development of the Property has been Completed and City has issued the Release of Construction Covenants for the Property, or a Partial Release of Construction Covenants for the portion of the Property involved, and except for a Permitted Transfer, refrain from assigning or attempting to assign all or any part of the PSA or any right thereunder or make or attempt to make any total or partial sale, transfer, conveyance or assignment of the whole or any part of the Property or the improvements thereon or any interest therein, without the prior written consent of the City, which the City agrees to grant if, in its reasonable judgment, the proposed transferee possesses the financial capability and development experience to assure completion of construction of the Property in accordance with the provisions and attachments of the PSA. For all proposed transfers and assignments, Grantee and its

successors and assigns covenant to comply with the notice and documentation requirements set forth in the PSA, including without limitation the requirement to enter into an assignment and assumption agreement with the assignee or transferee or grantee in form and substance reasonably approved by the City for consistency with the PSA and this Grant Deed.

6. Grantee covenants and agrees for itself, its successors, assigns and any successor in interest to the Property, that there will be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, national origin, ancestry, age, physical handicap, medical condition, marital status, sex or sexual orientation in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of their Property, nor will the Grantee itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the Property. The foregoing covenants will run with the land.

7. Grantee covenants and agrees for itself, its successors, its assigns and every successor in interest to the Property or any part thereof, that Grantee, its successors and assigns will not restrict the rental, sale or lease of the Property on the basis of the race, color, creed, religion, sex, sexual orientation, marital status, national origin or ancestry of any person. All deeds, leases or contracts will contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

a. In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. With respect to familial status, this paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in this paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the Government Code shall apply to this paragraph. The foregoing covenants shall run with the land."

b. In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following

conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased. With respect to familial status, this paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in this paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the Government Code shall apply to this paragraph."

c. In contracts: "There will be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the land, nor will the transferee itself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the land. With respect to familial status, this paragraph will not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in this paragraph will be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the Government Code will apply to this paragraph."

8. Grantee hereby covenants and agrees on behalf of itself and any successors and assigns in the Property or any portion thereof or any improvements thereon or any interest therein that Grantee and such successors and assigns shall:

a. Solely at Grantee's expense, maintain (or cause the occupants to maintain) and restore the interior and exterior of the improvements and the landscaping on the Property as required under the City Municipal Code, as shown on the Entitlements and plans approved by the City for the Project and otherwise in a manner consistent with community standards for similar projects in the City, and as and to the extent required by Section 304 of the PSA (collectively, the "Maintenance Standards").

b. If, at any time, Grantee fails to maintain or cause to be maintained the Property and all improvements thereon (including but not limited to landscaping and any parkways abutting the Property) as required by this Grant Deed, and said condition is not corrected after the expiration of a reasonable period of time not to exceed thirty (30) days from the date of written notice from Grantor, Grantor or may perform the necessary landscape or other maintenance and Grantee shall be responsible for payment of all costs and expenses incurred for such maintenance.

9. If Grantee sells, transfers, conveys or assigns any part of the Property or buildings or structures thereon in violation of the PSA, Grantor will be entitled to increase the Purchase Price paid by Grantee by the amount that the consideration payable for such sale, transfer, conveyance or assignment exceeds the Purchase Price paid by Grantee plus the cost of improvements and development incurred by Grantee, including carrying charges and costs related thereto (the "**Excess Consideration**"). The Excess Consideration will belong and be paid to Grantor and until paid, Grantor will have a lien on the Property for such amount. This prohibition will not be deemed to prevent the granting of easements or permits to facilitate the development of the Property. This Section 9 shall not apply to the sale, transfer, conveyance, or assignment of any part of the Property after issuance by the Grantor of the Release of Construction Covenants, nor to the sale, transfer, conveyance, or assignment of any portion of the Property for which the Grantor has issued a partial Release of Construction Covenants.

10. Grantor will have the right, thirty (30) days after concurrently delivering to Grantee and recording in the official records of Los Angeles County a notice of its exercise of the power of termination retained by Grantor, to reenter and take possession of the Property with all improvements thereon, and revest in Grantor the estate theretofore conveyed by this Grant Deed if, after Grantor gives the notice required by Section 401 of the PSA and the applicable cure period in Section 401 of the PSA has expired, Grantee or its successors or assigns, in violation of the PSA or this Grant Deed:

a. Fails to commence construction of the improvements for the Property or for any portion of the Project as and when required by the PSA; or

b. Abandons or substantially suspends construction of the improvements for the Property or for any portion of the Project; or

c. Fails to complete construction of the improvements for the Property or any portion of the Project as and when required by the PSA.

The obligations of Grantee specified in clauses a. through c. above are covenants or conditions running with the land, the breach of which shall cause the fee to revert to Grantor under the circumstances specified herein. The rights established in this Section 10 are to be interpreted in light of the fact that Grantor hereby conveys the Property to Grantee for development and not for speculation in undeveloped land. Grantor and Grantee acknowledge and agree that Grantor's rights under this Section 10 are authorized by applicable law, including but not limited to Sections 885.010 through 885.070 of the California Civil Code. Such right to reenter and repossess shall be subject to and limited by, and shall not defeat, render invalid or limit:

a. Any *bona fide* mortgage, deed of trust or other security instrument of sale and leaseback or other conveyance for financing, provided that such mortgage, deed of trust, security instrument, sale and leaseback or conveyance for financing is permitted by and obtained in accordance with the PSA; and

b. Any rights or interest provided in the PSA for the protection of the holder of such *bona fide*, permitted mortgages, deeds of trust or other security instruments, the lessor under such sale and leaseback, or the grantee under such other conveyance for financing.

11. Upon the revesting in Grantor of title to the Property as provided in Section 10, Grantor shall, pursuant to its responsibilities under state law, use its reasonable best efforts to resell the Property as soon as possible and in such manner as Grantor shall find feasible and consistent with the objectives of the law and the best interests of the City, to a qualified and responsible party or parties (as determined by Grantor), who will assume the obligation of making or completing the improvements required pursuant to the terms of the PSA or such other improvements in their stead, as are reasonably satisfactory to the City and in accordance with the uses specified for the Property by applicable laws, code sections, ordinances, resolutions or regulations of the City. Upon such resale of the Property, the proceeds thereof shall be applied as follows:

a. First, to reimburse Grantor on its own behalf and/or on behalf of the City of Palmdale, for all costs and expenses incident to such sale and/or conveyance, for all costs and expenses incurred by the Grantor; all taxes, assessments and water and sewer charges with respect thereto; any payments made, or necessary to be made, to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of Grantee, its successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the improvements or any part thereof on the Property; and any amounts otherwise owing to Grantor by Grantee or its successors or transferees; and

b. Second, to reimburse Grantee, its successors or transferees up to an amount equal to the sum of: (a) the purchase price paid to Grantor by Grantee for the Property; and (b) costs incurred for the development of the Property, and for the improvements existing thereon at the time of reentry and repossession; less (c) gains or income withdrawn or made by Grantee, its successors or assigns therefrom or from the improvements thereon.

c. Any balance remaining after such reimbursements shall be retained by Grantor as its property.

12. All conditions, covenants and restrictions contained in this Grant Deed will be covenants running with the land, and will, in any event, and without regard to technical classification or designation, legal or otherwise, be, to the fullest extent permitted by law and equity, binding for the benefit and in favor of, and enforceable by Grantor and its successors and assigns against Grantee, its successors and assigns, to or of the Property or any portion thereof or any interest therein, and any party in possession or occupancy of said Property or portion thereof.

13. In amplification and not in restriction of the provisions set forth hereinabove, it is intended and agreed that Grantor and the City of Palmdale will be the beneficiary of the agreements and covenants provided hereinabove both for and in its own right and also for the purposes of protecting the interests of the community. All covenants without regard to technical classification or designation will be binding for the benefit of Grantor, and such covenants will run in favor of Grantor for the entire period during which such covenants are in force and effect, without regard to whether Grantor is or remains an owner of any land or interest therein to which such covenants relate. Grantor will have all rights of enforcement and remedies provided in this Grant Deed and the PSA and may bring any actions at law or suit in equity or other proper proceedings necessary to enforce the curing of such breach of any agreement or covenant by Grantee, which are available to Grantor pursuant to the provisions of this Grant Deed or the PSA. The time periods during which the covenants set forth in this Grant Deed shall be in force and effect shall be as follows: (a) as to the covenants set forth in Sections 4, 5a, 5e and 9, and the covenants and power of termination set forth in Sections 10 and 11, until the Grantor issues the Release of Construction Covenants, and as to any portion of the Property, until the Grantor has issued a partial Release of Construction Covenants for such portion of the Property; (b) as to the covenants set forth in Sections 6 and 7, in perpetuity; and (c) as to the covenants set forth in Sections 5b, 5c, 5d and 8, until the expiration of a period of fifty (50) years after the date of recordation of this Grant Deed in the office of the County Recorder of the County of Los Angeles.

14. No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Grant Deed will defeat or render invalid or in any way impair the lien or charge of any mortgage or deed of trust or security interest permitted by the PSA; provided, however, that any subsequent owner of the Property will be bound by such remaining covenants, conditions, restrictions, limitations, and provisions, whether such owner's title was acquired by foreclosure, deed in lieu of foreclosure, trustee's sale or otherwise.

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed on its behalf.

"GRANTOR"
THE CITY OF PALMDALE,
a municipal corporation

By:_____
J. J. Murphy, ICMA-CM Dated
City Manager

ATTEST:

By:_____
Shanae Smith
City Clerk

APPROVED AS TO FORM:

By:_____
Christopher Beck
City Attorney

By: KANE, BALLMER & BERKMAN

By:_____
City Special Counsel

Grantee accepts and agrees to all of the terms and provisions of this Grant Deed.

[_____]

Dated:_____

By: _____
Name:
Title:

ATTEST:

By: _____

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)

County of _____)

On _____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

EXHIBIT A
LEGAL DESCRIPTION

APN: 3126-022-929

ATTACHMENT NO. 5

ENVIRONMENTAL INDEMNITY

[Behind this page.]

ENVIRONMENTAL INDEMNITY
Agreement No. A-7575

THIS ENVIRONMENTAL INDEMNITY (this "**Indemnity**"), dated as of [_____, 201_], made by [_____], whose address for purposes of giving notice is _____ ("**Purchaser**"), in favor the CITY OF PALMDALE, a municipal corporation and a charter city of the State of California, whose address for purposes of giving notices is 38300 North Sierra Highway, Palmdale, California 93550, Attention: City Manager (the "**City**"). The City is referred to herein as the Indemnitee.

WITNESSETH

WHEREAS, Purchaser is or will be the owner of the real property in Palmdale described on Exhibit A attached hereto and made a part hereof, and the real property improvements to be constructed thereon (collectively referred to as the "**Property**");

WHEREAS, Purchaser and the Indemnitee entered into a Purchase and Sale Agreement, dated as of _____, 20__ (the "**PSA**"), pursuant to which, the City sold the Property to Purchaser and Purchaser purchased the Property from the City for the purpose of developing and operating the Project described in the PSA. All capitalized terms not defined herein shall have the meaning ascribed to them in the PSA; and

WHEREAS, Purchaser has agreed to execute and deliver to the Indemnitee this Indemnity to induce the Indemnitee to enter into the PSA.

NOW, THEREFORE, in consideration of the foregoing and in consideration of the mutual agreements hereinafter set forth, Purchaser hereby agrees as follows:

Section I. DEFINITIONS

"**Hazardous Materials**", "**Hazardous Substances**" or "**Hazardous Materials or Substances**" means (i) any chemical, compound, material, mixture or substance that is now or hereafter defined or listed in, or otherwise classified pursuant to, any laws as a "hazardous waste", "extremely hazardous substance", "extremely hazardous waste", "acutely hazardous waste", "hazardous substance", "hazardous material", "radioactive waste", "infectious waste", "biohazardous waste", "pollutant", "toxic pollutant", "contaminant" or "toxic substance," as well as any formulation not mentioned herein intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity, "EP toxicity," or "RCLP toxicity"; (ii) petroleum, natural gas, natural gas liquids, liquified natural gas, synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas) and ash produced by a resource recovery facility utilizing a municipal solid waste stream, and drilling fluids, produced waters and other waters associated with the exploration, development or production of crude oil, natural gas, or geothermal resources; (iii) "hazardous substance" as defined in Section 2528 1 (f) of the California Health and Safety Code; (iv) "waste" as defined in Section 13050(d) of the California Water Code; (v) asbestos in any form; (vi) urea formaldehyde foam insulation; (vii) polychlorinated biphenyl ("PCBs"); (viii) radon; and (ix) any other chemical, material, or

substance that, because of its quantity, concentration, or physical or chemical characteristics, exposure to which is limited or regulated for health and safety reasons by any governmental authority, or which poses a significant present or potential hazard to human and safety or of the environment if released into the work place or the environment.

Section II. COVENANTS AND INDEMNITY

The following covenants and indemnities are hereby given and made by Purchaser:

2.1 Covenants.

(a) Purchaser covenants that it will comply with any and all laws, regulations, and/or orders which may be promulgated, from time to time, with respect to the discharge and/or removal of Hazardous Materials.

(b) Purchaser covenants that the Property will not, while Purchaser is the owner thereof, be used for any activities involving, directly or indirectly, the use, generation, treatment, storage, release, or disposal of any Hazardous Materials, except for de minimis quantities used at the Property in compliance with all applicable environmental laws and required in connection with the development of the Property and the routine operation and maintenance of the Property.

(c) Purchaser further agrees that Purchaser will not release or dispose of any Hazardous Materials at the Property except in strict compliance with applicable laws and regulations.

(d) Purchaser will not install, or permit to be installed, on the Property friable asbestos or any substance containing asbestos and deemed hazardous by federal or state regulations respecting such material, and, with respect to any such material currently present in the Property, Purchaser will promptly either (i) remove or cause to be removed any material that such regulations deem hazardous and require to be removed, or (ii) otherwise comply with such federal and state regulations, at Purchaser's sole cost and expense.

(e) Purchaser will immediately advise Indemnitee in writing of any of the following: (i) any pending or threatened environmental claim against Purchaser or the Property, (ii) any condition or occurrence on the Property that (A) results in noncompliance by Purchaser with any applicable environmental law, (B) could reasonably be anticipated to cause the Property to be subject to any restrictions on the ownership, occupancy, use or transferability of the Property under any environmental law, or (C) could reasonably be anticipated to form the basis of an environmental claim against the Property or Purchaser.

2.2 Indemnity. Purchaser will indemnify, protect, and hold harmless Indemnitee, its employees, officers, agents and consultants from and against any and all damages, losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, judgments, suits, proceedings, costs, disbursements, or expenses (including, without limitation, attorneys' and experts' fees and disbursements) of any kind or of any nature whatsoever (collectively, the Obligations) which may at any

time be imposed upon, incurred by or asserted or awarded against Indemnitee its employees, officers, agents or consultants and arising from or out of:

(a) The presence of any Hazardous Materials on, in, under, or affecting all or any portion of the Property while Purchaser owns the Property, except to the extent such Hazardous Materials were caused by Indemnitee, its employees, officers, agents or consultants;

(b) The breach of any covenant made by Purchaser in Section 2.1 hereof; or

(c) The enforcement by Indemnitee of any of the provisions of this Section 2.2 or the assertion by Purchaser of any defense to its obligations hereunder.

Section III. PURCHASER'S UNCONDITIONAL OBLIGATIONS

3.1 Unconditional Obligations. Purchaser hereby agrees that the Obligations will be paid and performed strictly in accordance with the terms of this Indemnity, regardless of any law, regulation, or order now or hereafter in effect in any jurisdiction affecting any part of the PSA or affecting any of the rights of Indemnitee with respect thereto. The obligations of Purchaser hereunder shall be absolute and unconditional irrespective of:

(a) The validity, regularity, or enforceability of any part of the PSA or any other instrument or document executed or delivered in connection therewith;

(b) Any alteration, amendment, modification, release, termination, or cancellation of any of any part of the PSA, or any change in the time, manner, or place of payment or performance of, or in any other term in respect of, all or any of the obligations of Purchaser contained in the PSA;

(c) The insolvency or bankruptcy of Purchaser, or of any indemnitor or guarantor under any other indemnity or guarantee given in respect of the Obligations; or

(e) Any other circumstance that might otherwise constitute a defense available to, or a discharge of Purchaser, or any other indemnitor or guarantor with respect to any or all of the Obligations.

3.2 Continuation. This Indemnity (a) is a continuing indemnity and will remain in full force and effect until the satisfaction in full of all of the Obligations; and (b) will continue to be effective or shall be reinstated, as the case may be, if at any time any payment of any of the Obligations is rescinded or must otherwise be returned by Indemnitee upon the insolvency, bankruptcy, or reorganization of Purchaser or otherwise, all as though such payment had not been made.

3.3 Termination. Notwithstanding the payment (and performance) in full of all of the Obligations and the payment (or performance) in full of all of Purchaser's obligations under the PSA,

this Indemnity will not terminate if Indemnitee has at any time or in any manner participated in the management or control of, taken possession of (whether personally, by agent or by appointment of a receiver), or taken title to the Property or any portion thereof, whether by foreclosure, deed in lieu of foreclosure, sale under power of sale or otherwise.

Section IV. WAIVER

Purchaser hereby waives the following:

(a) Promptness and diligence;

(b) Notice of acceptance and notice of the incurrence of any obligation by Purchaser;

(c) Notice of any action taken by Indemnitee, Purchaser, or any other interested party under the PSA or under any other agreement or instrument relating thereto;

(d) All other notices, demands, and protests, and all other formalities of every kind, in connection with the enforcement of the Obligations, the omission of or delay in which, but for the provisions of this Section 4, might constitute grounds for relieving Purchaser of its Obligations hereunder;

(e) To the extent permitted by law, the right to a trial by jury with respect to any dispute arising under, or relating to, this Indemnity;

(f) Any requirement that Indemnitee protect, secure, perfect, or insure any security interest or lien in or on any property subject thereto;

(g) Any requirement that Indemnitee exhaust any right or take any action against Purchaser or any other person or collateral; and

(h) Any other circumstance that might otherwise constitute a defense available to, or a discharge of, Purchaser, or any other indemnitor or guarantor with respect to the Obligations.

Section V. NOTICES

Any notice, demand, statement, request, or consent made hereunder must be in writing and personally served, mailed by first-class registered mail, return receipt requested, to the address set forth in the first paragraph of this Indemnity, above, or given by facsimile to the facsimile numbers stated below, with confirmations mailed by first class registered mail, return receipt requested to the address set forth above, of the party to whom such notice is to be given (or to such other address as the parties hereto, shall designate in writing):

In the case of the City: 661-267-5155

In the case of Purchaser: _____

Any notice that is transmitted by electronic facsimile transmission followed by delivery of a "hard" copy, shall be deemed delivered upon its transmission; any notice that is personally delivered (including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service), shall be deemed received on the documented date of receipt; and any notice that is sent by registered or certified mail, postage prepaid, return receipt required shall be deemed received on the date of receipt thereof.

Section VI. MISCELLANEOUS

6.1 Purchaser will make any payment required to be made hereunder in lawful money of the United States of America, and in same day funds, to Indemnitee at its address specified in the first paragraph hereof.

6.2 No amendment of any provision of this Indemnity will be effective unless it is in writing and signed by Purchaser and Indemnitee. No waiver of any provision of this Indemnity, nor consent to any departure by Purchaser from any provision of this Indemnity, will be effective unless it is in writing and signed by Indemnitee, and then such waiver or consent will be effective only in the specific instance and for the specific purpose for which given.

6.3 No failure on the part of Indemnitee to exercise, and no delay in exercising, any right hereunder or under the PSA will operate as a waiver thereof, nor will any single or partial exercise of any right preclude any other or further exercise thereof or the exercise of any other right. The rights and remedies of Indemnitee provided herein and in the PSA are cumulative and are in addition to, and not exclusive of, any rights or remedies provided by law. The rights of Indemnitee under the PSA against any party thereto are not conditional or contingent on any attempt by Indemnitee to exercise any of its rights under the PSA against such party or against any other person or collateral.

6.4 Any provision of this Indemnity that is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof and without affecting the validity or enforceability of such provision in any other jurisdiction.

6.5 This Indemnity will (a) be binding upon Purchaser, and Purchaser's successors and assigns; and (b) inure, together with all rights and remedies of Indemnitee hereunder, to the benefit of Indemnitee, its directors, officers, employees, consultants and agents, any successors to any such person, and all directors, officers, employees, and agents of all of the aforementioned parties. None of the rights or obligations of Purchaser hereunder may be assigned or otherwise transferred without the prior written consent of Indemnitee.

6.6 Purchaser hereby (a) irrevocably submits to the jurisdiction of any California or federal court sitting, in each instance, in Los Angeles County in any action or proceeding arising out of or relating to this Indemnity, (b) waives any defense based on doctrines of venue or forum non conveniens

or similar rules or doctrines, and (c) irrevocably agrees that all claims in respect of any such action or proceeding may be heard and determined in such California or federal court. Purchaser irrevocably consents to the service of any and all process which may be required or permitted in any such action or proceeding to the address specified in the first paragraph of this Indemnity, above. Purchaser agrees that a final judgment in any such action or proceeding will be conclusive and may be enforced in any other jurisdiction by suit on the judgment or in any other manner provided by law.

6.7 The title of this document and the captions used herein are inserted only as a matter of convenience and for reference and will in no way define, limit, or describe the scope or the intent of this Indemnity or any of the provisions hereof.

6.8 This Indemnity will be governed by, and construed and interpreted in accordance with, the laws of the State of California applicable to contracts made and to be performed therein, except to the extent that the laws of the United States preempt the laws of the State of California.

6.9 This Indemnity may be executed in any number of counterparts, each of which will constitute an original and all of which together will constitute one agreement.

IN WITNESS WHEREOF, Purchaser has duly executed this Indemnity as of the date first set forth above.

[_____]

Dated:_____

By: _____
Name: Dated
Title:

ATTEST:

By: _____

EXHIBIT “A”

LEGAL DESCRIPTION

APN: 3126-022-929

ATTACHMENT NO. 6

SCOPE OF DEVELOPMENT

Purchaser shall construct, or cause to be constructed, a minimum 1,000,000 square feet of new Industrial, Aerospace Industrial and Employment Flex building(s) aimed to protect, support, and expand operations at U.S. Air Force Plant 42 and to create new employment opportunities for residents.

Specific Plan

Purchaser shall prepare a Specific Plan that will include Phase I, Phase II, Phase III, and Phase IV identified on the Site Map. The Specific Plan shall address standards and restrictions regarding the construction and development of the Project including, but not limited to, maximum land coverage, setbacks, land use standards, architectural standards, building height, parking, and landscaping. As part of the development of the Specific Plan, the Purchaser shall work closely with the City and Edwards Air Force Base to ensure that development does not negatively impact existing and future operations at U.S. Air Force Plant 42.

Public Improvements and Utilities

Purchaser shall construct and install all public improvements and utilities, on or off-site the Property, required the City of Palmdale, and other approving agencies, and all other public improvements and utilities necessary for the Project, including but not limited to:

1. Sewers
2. Storm Drains
3. Electricity
4. Streets
5. Water
6. Gas
7. Curbs, Gutters and Sidewalks

Purchaser agrees that all improvements and facilities contemplated in the Agreement, on the Property, including, without limitation, will be in compliance with all municipal codes, regulations and ordinances affecting such development, and any such other requirements that may be specified in the plans and Specific Plan approved by the City.

Future phases associated with this Agreement shall have separate Scope of Development requirements that will be outlined in separate agreements.

SUMMARY REPORT PURSUANT TO
CALIFORNIA GOVERNMENT CODE SECTION 52201
ON
THE PURCHASE AND SALE AGREEMENT BY AND BETWEEN
THE CITY OF PALMDALE
AND
COVINGTON INVESTMENTS, LLC

The following Summary Report has been prepared pursuant to California Government Code Sections 52200 - 52201. The report sets forth certain details of the proposed Purchase and Sale Agreement (PSA) to convey 96 acres of City-owned property located on the southeast corner of Avenue M and Sierra Highway (Property). The PSA is proposed between the City of Palmdale (City) and Covington Investments, LLC (Purchaser), a Nevada limited liability company.

AGREEMENT OVERVIEW

The following summary is based upon the information contained within the PSA to address the items outlined in California Government Code Sections 52201(B):

I. COST OF THE AGREEMENT TO THE CITY

The City of Palmdale acquired 616 total acres of vacant land at the southeast corner of Avenue M and Sierra Highway for $18,000,000.00 or $0.67 per square foot. The PSA includes the sale of 96 acres of the total approximately 616-acre site. Based on the per square foot price, the cost to the City for the 96 acres being sold would be $2,801,779.20.

As a result of the disposition of the Property, the City incurred limited costs associated with the negotiation and preparation of the PSA and other costs related to due diligence activities. The City also anticipates standard costs associated with the property transaction that will be determined upon close of escrow. There are no other financial obligations included in the PSA

II. ESTIMATED VALUE OF THE INTEREST TO BE CONVEYED DETERMINED AT THE HIGHEST USE PERMITTED UNDER THE GENERAL PLAN OR ZONING

An appraisal for the 96-acre site that is included in the PSA was done by Mission Property Advisors, Inc. on August 6, 2021. The estimated value of the Property was Five Million Nine hundred and Sixty-Five Thousand dollars ($5,965,000.00). The appraisal took into consideration the current zoning and the types of development allowed under the zone designation.

III. ESTIMATED VALUE OF THE INTEREST TO BE CONVEYED DETERMINED AT THE USE WITH THE CONDITIONS, COVENANTS, AND DEVELOPMENT COSTS REQUIRED BY THE SALE

As outlined in the PSA, the Purchaser shall construct, or cause to be constructed, a minimum one million square feet of new industrial or employment flex building(s) on the Property. The price that the City is receiving for the property is Nine Million Four hundred

and Eight Thousand Nine Hundred and Sixty Dollars ($9,408,960.00). The purchase price has been calculated based on per square foot price of Two Dollars and Twenty-Five Cents ($2.25) and the Property being ninety-six (96) acres in size. The City and Purchaser agree to adjust the purchase price prior to close of escrow in the event and to the extent the Property is determined to be larger or smaller in size by a survey approved by the City and Purchaser.

Based on the sale price and estimated value of the Property, the City is not selling below the fair market value as estimated by an independent appraiser.

IV. CREATION OF ECONOMIC OPPORTUNITY

Palmdale, and the greater Antelope Valley, has experienced low industrial vacancy rates over the past few years. Most recently during the second quarter of 2021, the industrial vacancy rate for the Antelope Valley was 3.4%. The lack of available industrial space, coupled with the lack of shovel-ready sites available for development, has impacted the City's ability to attract new business and assist existing businesses looking to expand. Most businesses seeking new sites are not willing to wait the twelve months or more needed to get a potential site entitled for development.

Under the PSA, a minimum one million square feet of new industrial or employment flex space will be constructed on the Property. This may include new buildings constructed for either sale or lease or through the direct sale of entitled parcels to businesses seeking to construct a new facility. The Purchaser will work with the City and external agencies to obtain all entitlements needed for the construction and development of the Property. The City estimates that over 800 permanent full-time jobs and thousands of temporary construction jobs will be created from the onsite and offsite development associated with the Property.

If the initial one million square feet of building space is completed based on the schedule of performance outlined in the PSA, the Purchaser will have the opportunity to negotiate the purchase of additional City owned land located adjacent to the Property.

City Council Staff Report

DATE: **OCTOBER 5, 2021**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **CITY ATTORNEY'S OFFICE**

DISTRICT: **ALL**

SUBJECT: **ADOPT ORDINANCE NO. 1570 AMENDING THE PALMDALE MUNICIPAL CODE SECTION 2.04.100 REGARDING PROCEDURE FOR REMOVAL OF THE CITY MANAGER**

ISSUE

Adopt Ordinance No. 1570 Amending the Palmdale Municipal Code Section 2.04.100 regarding procedure for removal of the City Manager.

RECOMMENDATION

Staff recommends that the City Council adopt Ordinance No. 1570 regarding the procedure for removal of the City Manager.

BACKGROUND

On February 18, 2021, the City Council directed the City Attorney's Office to prepare an Ordinance amending Palmdale Municipal Code (PMC) Section 2.04.100 regarding the procedure for the removal of the City Manager. This direction came on the City Council agreeing to amend an agreement with the City Manager that he not be removed absent a four-fifths, supermajority, vote of the City Council.

On September 7, 2021, the City Council directed the City Attorney's Office to work with the City Manager to return with an Ordinance that reverts to the simple-majority, three-fifths removal provision, but with ample protections relating to the current City Manager's employment agreement. That Ordinance is presented for consideration herein.

DISCUSSION

The proposed amendment to Palmdale Municipal Code Section 2.04.100 is as follows (marked in red and strikethrough):

PMC 2.04.100 Removal – Procedure.

(A) The removal of the City Manager shall be only on a ~~super~~ majority~~, four-fifths~~ vote of the whole City Council, subject, however, to the provisions of PMC 2.04.110, and subject to any additional requirements for removal of the City Manager, including additional super

majority requirements as contractually obligated to a City Manager by the City Council. Any change made to this provision shall not take effect until the expiration of the then existing agreement with the City Manager. In case of intended removal by the City Council, the City Manager shall be furnished with a written notice stating that the City Council's intention is to remove the City Manager and the reasons therefor at least 30 days before the effective date of any such removal.

(B) Within seven days after delivery to the City Manager of such notice, the City Manager may, by written notification to the Mayor, request a public hearing before the City Council. Thereafter, the City Council shall fix a time for a public hearing, which shall be held at its usual meeting place, but before the expiration of the 30-day period, and at which time the City Manager shall have the opportunity to appear and be heard.

(C) After furnishing the City Manager with written notice of intended removal, the City Council may suspend the City Manager from duty, but compensation shall continue until removal of the City Manager by resolution of the City Council adopted subsequent to the aforesaid public hearing.

(D) In removing the City Manager, the City Council shall have absolute discretion, and its action shall be final and shall not depend upon any particular showing or degree of proof at the hearing. The purpose of the hearing is to allow the City Manager to publicly present to the City Council any and all grounds for opposition to removal prior to its action.

FISCAL IMPACT

There is no fiscal impact associated with this action.

STRATEGIC PLAN

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

> C. Invest in staff and other human resource strategies to attract and retain a highly qualified, diverse, and creative workforce.

Prepared by:	Christopher Beck, City Attorney
Certified as to availability of Funds:	Keith Kang, Finance Manager
Approved by:	J.J. Murphy, ICMA-CM, City Manager
Approved as to form:	Christopher Beck, City Attorney

ATTACHMENTS

None.

CITY OF PALMDALE
COUNTY OF LOS ANGELES, CALIFORNIA
ORDINANCE NO. 1570

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PALMDALE AMENDING THE PALMDALE MUNICIPAL CODE SECTION 2.04.100 REGARDING PROCEDURE FOR REMOVAL OF THE CITY MANAGER

WHEREAS, Ordinance Number 1058 (1995), amended Section 2.04.100 of the Palmdale Municipal Code (hereafter, PMC) regarding the procedure for removing the City Manager.

WHEREAS, on March 2, 2021, the City Council adopted Ordinance 1562 modifying the removal procedure to require a super majority four-fifths vote of the whole City Council to remove the City Manager.

WHEREAS, on September 7, 2021, the City Council directed City staff to return with an ordinance reverting to the standard majority, three-fifths to remove the City Manager but with adequate protections as to the four-fifths as is in the present City Manager's employment agreement.

WHEREAS, doing so will not inexplicably bind the Council to a four-fifths super majority in the future in employment agreements with the City Manager.

THE CITY COUNCIL OF THE CITY OF PALMDALE DOES ORDAIN AS FOLLOWS:

SECTION 1. Amend Palmdale Municipal Code Section 2.04.100 Repeal and replace Palmdale Municipal Code Section 2.04.100 to read as follows:

PMC 2.04.100 Removal – Procedure.

(A) The removal of the City Manager shall be only on a majority vote of the whole City Council, subject, however, to the provisions of PMC 2.04.110, and subject to any additional requirements for removal of the City Manager, including additional super majority requirements as contractually obligated to a City Manager by the City Council. Any change made to this provision shall not take effect until the expiration of the then existing agreement with the City Manager. In case of intended removal by the City Council, the City Manager shall be furnished with a written notice stating that the City Council's intention is to remove the City Manager and the reasons therefor at least 30 days before the effective date of any such removal.

(B) Within seven days after delivery to the City Manager of such notice, the City Manager may, by written notification to the Mayor, request a public hearing before the City Council. Thereafter, the City Council shall fix a time for a public hearing, which shall be held at its usual meeting place, but before the expiration of the 30-day period, and at which time the City Manager shall have the opportunity to appear and be heard.

(C) After furnishing the City Manager with written notice of intended removal, the City Council may suspend the City Manager from duty, but compensation shall continue until removal of the City Manager by resolution of the City Council adopted subsequent to the aforesaid public hearing.

(D) In removing the City Manager, the City Council shall have absolute discretion, and its action shall be final and shall not depend upon any particular showing or degree of proof at the hearing. The purpose of the hearing is to allow the City Manager to publicly present to the City Council any and all grounds for opposition to removal prior to its action.

SECTION 2. 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 (1) 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 3. The City Council finds the approval of this ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly. Alternatively, the City Council finds the approval of this ordinance is not a project under CEQA Regulation Section 15061 (b)(3) because it has no potential for causing a significant effect on the environment.

SECTION 4. 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 5th day of October, 2021.

Approved as to form:

_____
Steven D. Hofbauer, Mayor

ATTEST:

_____
Christopher Beck
City Attorney

_____
Shanae S. Smith, City Clerk

I, Shanae S. Smith, City Clerk 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: _____ _____
Shanae S. Smith, City Clerk

CITY OF PALMDALE
OFFICE OF THE CITY COUNCIL

M E M O R A N D U M

TO: City Clerk

FROM: Laura Bettencourt, Mayor Pro Tem

SUBJECT: Monthly Informational Report – Events and Meetings

DATE: October 5, 2021

During the period September 7, 2021, through September 30, 2021, I attended the following meetings and events:

September 7: City Council Meeting

September 13: City Council Special Meeting Bond Workshop

September 29: Auditing Committee Meeting