



PALMDALE

a place to call home

**CITY COUNCIL
CITY COUNCIL CHAMBERS
38300 SIERRA HIGHWAY
SUITE B
PALMDALE, CA 93550
WEDNESDAY, SEPTEMBER 18, 2024
5:00 PM
www.cityofpalmdaleca.gov**

WELCOME

1. CALL MEETING TO ORDER

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

2. ROLL CALL

MAYOR BISHOP, MAYOR PRO TEM LOA, COUNCILMEMBERS OHLSEN,
BETTENCOURT, ALARCÓN

3. PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE

PUBLIC COMMENT RULES

“(California Government Code Section 54954.3).

(a) Every agenda for regular meetings shall provide an opportunity for members of the public to directly address the legislative body on any item of interest to the public, before or during the legislative body’s consideration of the item, that is within the subject matter jurisdiction of the legislative body, provided that no action shall be taken on any item not appearing on the agenda unless the action is otherwise authorized by subdivision (b) of Section 54954.2 [section omitted].

(b) (1) The legislative body of a local agency may adopt reasonable regulations to ensure that the intent of the subdivision (a) is carried out, including, but not limited to, regulations limiting the total amount of time allocated for public testimony on particular issues and for each individual speaker.

(2) Notwithstanding paragraph (1), when the legislative body of a local agency limits time for public comment, the legislative body of a local agency shall provide at least twice

the allotted time to a member of the public who utilizes a translator to ensure that non-English speakers receive the same opportunity to directly address the legislative body of a local agency.”

In furtherance of Section 54954.3 of the Brown Act, the public is allotted to speak a total of two (2) minutes on the entirety of the Consent Calendar, Appointment(s), New Business and Closed Session, with two (2) minutes on each Public Hearing, and, if desired, an additional two (2) minutes on items not on the agenda that are within the subject matter jurisdiction of the City Council. As specified in the Brown Act, a speaker utilizing a translator will receive twice the amount of time specified.

4. PUBLIC COMMENTS

CONSENT CALENDAR, APPOINTMENT(S), NEW BUSINESS, AND CLOSED SESSION: Now is the time for public participation on items listed on the Consent Calendar, Appointment(s), New Business, and Closed Session. Each speaker is allotted two (2) minutes in total for the entirety of the above sections.

5. 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.

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

- 5.2 Approve First Amendment to Agreement with the Wellbeing Lab dba Louis Alloro, LLC, to provide four Mental Health and Wellbeing Youth Leadership Summits and an Appreciative Inquiry Mental Health & Wellbeing Summit for an additional \$170,000 for a total not to exceed agreement amount of \$445,000 for a term of December 30, 2025.

[SR Agrmt No. A-8696 First Amendment with The Wellbeing Lab dba Louis Alloro LLC.docx](#)

[Agrmt No. A-8696 First Amendment with the Wellbeing Lab dba Louis Alloro LLC.pdf](#)
[Agrmt No. A-8696 with the Wellbeing Lab dba Louis Alloro LLC.pdf](#)

- 5.3 Adopt Resolution CC 2024-078, 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.

[SR Unclaimed Checks Sept 2024.docx](#)

[Reso. No. CC 2024-078 Unclaimed Checks Sept 2024.docx](#)

[Publication FY 2024 Unclaimed checks.pdf](#)

- 5.4 Approve Agreement with Impex Technologies, Inc., to provide data backup solution hardware, configuration services, and software support in the amount of \$159,326 for a term of five years.

[SR Agrmt No. A-8997 with IMPEX Technologies, INC.docx](#)
[Agrmt No. A-8997 IMPEX Technologies Inc.pdf](#)

- 5.5 Receive and file the Annual Report for the Palmdale Tourism Improvement District for Fiscal Year 2024-25.

[SR Receive and File the Annual Report for the PTID for FY 2024-25.docx](#)
[Rpt. PTID Annual Report FY 2024-25.pdf](#)

- 5.6 Adopt Resolution No. CC 2024-072, a Resolution of the City Council of the City of Palmdale approving Municipal Law Enforcement Services Agreement with the County of Los Angeles for public services provided by the Los Angeles County Sheriff's Department and authorizing the City Manager to procure services of the Los Angeles County Sheriff's Department annually up to an amount approved in the City's Operating and Capital Budget for a five-year period of July 1, 2024 through June 30, 2029.

[SR Agrmt No. A-8944 with County of Los Angeles.docx](#)
[Reso. No. CC 2024-072.docx](#)
[Agrmt No. A-8944 with County of Los Angeles.pdf](#)
[Exh A 1977 Assumption of Liability Agreement.pdf](#)
[Exh B 1991 Joint Indemnity Agreement.pdf](#)
[Exh C 2009 Special Indemnity Agreement.pdf](#)
[Exh D Contract Cities Indemnification Letter of Understanding.pdf](#)

- 5.7 Approve the Term Sheet between Energy for Palmdale's Independent Choice (EPIC) and Deer Creek Solar, LLC for the purchase of long-term RPS-eligible renewable energy and mid-term reliability capacity.

[SR Approve Term Sheet.docx](#)
[Term Sheet.pdf](#)

- 5.8 Approve the minutes from the previous meeting.

[CC SA Minutes 9 04 2024 5PM.pdf](#)

6. PUBLIC HEARING

- 6.1 Receive Public Testimony Regarding the Renewal of the Palmdale Tourism Improvement District.

[SR Receive Public Testimony Regarding the Renewal of the Palmdale Tourism Improvement District.docx](#)
[PTID Management District Plan 7-10-24.pdf](#)

7. CITY MANAGER'S REPORT

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

9. **NON-AGENDA PUBLIC COMMENTS:**

Now is the time for public participation on items not listed on the agenda. Each speaker is allotted two (2) minutes total.

10. **PRESENTATION BY CITY ATTORNEY**

10.1 CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Maria Zuniga v. City of Palmdale et al.

[Sedwick Claim No.: L22-0097; Prism Risk Claim No.: 20210023359]

This closed session is being held pursuant to the authority of California Government Code Section 54956.9.

11. **ANNOUNCEMENT BY CITY ATTORNEY**

12. **ADJOURN** meeting to October 2, 2024, at 5:00 p.m. in the City Hall Council Chamber located at 38300 Sierra Highway, Suite B, Palmdale, California.

Americans with Disabilities Act (ADA) Accommodations

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

If you require oral translation, please contact the City Clerk's Office at (661) 267-5151 at least 48 hours prior to the meeting.



City Council Staff Report

DATE: SEPTEMBER 18, 2024

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: CITY MANAGER DEPARTMENT

DISTRICT: ALL

SUBJECT: APPROVE FIRST AMENDMENT TO AGREEMENT WITH THE WELLBEING LAB DBA LOUIS ALLORO, LLC, TO PROVIDE FOUR MENTAL HEALTH AND WELLBEING YOUTH LEADERSHIP SUMMITS AND AN APPRECIATIVE INQUIRY MENTAL HEALTH AND WELLBEING SUMMIT FOR AN ADDITIONAL \$170,000 FOR A TOTAL AGREEMENT NOT TO EXCEED AMOUNT OF \$445,000 FOR A TERM OF DECEMBER 30, 2025

RECOMMENDATION

Staff recommends that the City Council:

1. Approve First Amendment to Agreement No. A-8696 with The Wellbeing Lab dba Louis Alloro, LLC, to provide four Mental Health & Wellbeing Youth Leadership sessions and an Appreciative Inquiry Mental Health & Wellbeing Summit for an additional \$170,000 for a total not to exceed the amount of \$445,000 for a term of December 30, 2025; and,
2. Authorize the City Manager or her designee to execute the First Amendment to Agreement No. A-8696 with The Wellbeing Lab dba Louis Alloro, LLC, including minimal and/or non-substantial changes.

BACKGROUND

In 2021, in response to the community's strong interest in making wellbeing resources more widely available, the City offered the Wellbeing Lab Certificate in Applied Positive Psychology Program (CAPP). The program provides guidance and support to help teams thrive despite ongoing turbulence, uncertainty, disappointment, depression, or worse. Research shows that wellbeing, the ability to feel good and function effectively, helps us create workplaces, schools, organizations, and communities that are also optimally functioning. The Program provides intelligent, evidence-based insights and tools that deliver measurable results.

Report to Mayor and City Council

Re: Approve First Amendment to Agreement No. A-8696 with The Wellbeing Lab dba Louis Alloro, LLC

September 18, 2024

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A Request for Proposal was released in January 2024. The City received one proposal that an evaluation committee reviewed. Qualified firms were rated based on proof of successful past performance and experience, cost proposal, technical, plan, and scheduled approach. The City Council awarded a contract to The Wellbeing Lab dba Louis Alloro, LLC in May 2024.

The program has proven to be a success, reaching full capacity for each of the three cohorts, and based on the participant's positive experience and their continued desire to serve the community, staff is seeking to expand the program to provide a broader range of wellbeing resources to our community.

DISCUSSION

The program would offer two additional opportunities via a Mental Health and Wellbeing Youth Leadership Summit and an Appreciative Inquiry (AI) Summit.

The Youth Leadership Summit will provide the opportunity to invest in community building by empowering young people to drive positive change and wellbeing. Youth engagement is vital for building a strong and vibrant community. The sessions will provide interactive activities and discussions, aim to harness the youth's strengths, and encourage them to envision a brighter future for Palmdale. The outcome of the sessions will include:

- Understanding what wellbeing is and ways to expand wellbeing in the community
- Visualizing what is possible in the City of Palmdale and the AV as a region
- Identifying potential allies and learning from each other; who needs to come to the table?
- Introducing psychological safety and the importance of collaboration
- Reflecting on individual vision and commitment to change and wellbeing.

Additionally, taking ownership of the community's mental health and wellbeing is essential for long-term sustainability. The AI Summit will offer an ideal platform to gather stakeholders to engage in meaningful dialogue and collectively build partnerships, create a shared vision, and catalyze innovation and change. By harnessing collective wisdom, we can lay the groundwork for a healthier and more resilient Palmdale.

The AI Summit is a large-group process that enables every voice to be heard as people's hopes and ideas are integrated into an agreed set of actions through an evidence-based approach. A report capturing the key insights, ideas, and actions will be compiled, and tools and support will be provided for the teams that go on to drive these changes.

The approval of the First Amendment to Agreement No. A-8696 will allow the City to offer:

Report to Mayor and City Council

Re: Approve First Amendment to Agreement No. A-8696 with The Wellbeing Lab dba Louis Alloro, LLC

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- Four one-day Wellbeing/Mental Health Youth Leadership Summits; and,
- One two-day Appreciative Inquiry Mental Health Summit.

FISCAL IMPACT

\$170,000; The cost for the four Youth Leadership Summits is \$98,000 and the cost for the AI Summit is \$72,000.

Funds for this program have been allocated under maintaining a healthy community and mental health resources within ARPA Funding; account 15818501-737100-1305 for FY 2024-25.

STRATEGIC PLAN

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

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

D. Develop and maintain diverse programs and events that inspire growth, pride and lifelong learning.

Prepared by:

Certified as to availability of Funds:

Approved by:

Approved as to form:

Nardy Lopez, Deputy City Manager

Janelle Samson, Director of Operations

Ronda Perez, City Manager

William P. Curley, III, City Attorney

ATTACHMENTS

Agrmt No. A-8696 First Amendment with the Wellbeing Lab dba Louis Alloro, LLC

Agrmt No. A-8696 with the Wellbeing Lab dba Louis Alloro, LLC

**FIRST AMENDMENT TO AGREEMENT A- 8696
BETWEEN THE CITY OF PALMDALE AND THE WELLBEING LAB dba LOUIS
ALLORO, LLC**

This First Amendment to Agreement No. A-8696 ("Agreement") is made and entered into by and between the City of Palmdale (hereinafter called "CITY") and THE WELLBEING LAB dba LOUIS ALLORO, LLC (hereinafter called "CONTRACTOR"). This Contract shall become effective on the date of the last signatory.

WHEREAS, on 03/19/2024 ("Original Agreement") the CITY and CONTRACTOR entered into an agreement to provide:

The Certificate In Applied Positive Psychology (CAPP) program.

WHEREAS, the parties desire to amend the Original Agreement to:

Broaden the scope of work, increase the amount and extend the term of Agreement.

NOW THEREFORE, the parties agree as follows:

The Original Agreement is amended to include the following:

SECTION 2 - DESCRIPTION OF WORK:

Mental Health & Wellbeing Youth Leadership Summits (four one-day summits):

CONTRACTOR, will facilitate four (4) one-day events of the Mental Health & Wellbeing Youth Leadership Summit focusing on community building, youth engagement, and young people's power to drive positive change and wellbeing in the community; comprising of a two hour Summit Part I workshop, one 90-minute Summit Part II workshop, two 60-minute Summit logistics check follow-up calls, one Summit event (one day x two lead facilitators). Cost: \$98,000; comprised of \$20,000 per summit and a one-time pre-summit planning workshop \$18,000.

Mental Health & Wellbeing Appreciative Inquiry (one two-day summit):

CONTRACTOR will facilitate a Mental Health & Wellbeing Appreciative Inquiry Summit comprising of a two hour Summit Part I workshop, one 90-minute Summit Part II workshop, two 60-minute Summit Logistics Check follow-up calls, one AI Summit delivery event (one day x 2 lead facilitators), AI Summit Report, Post AI Summit Review (90-minute virtual workshop), and AI Summit Coaching (2 x 45-minute virtual calls). Cost: \$72,000; comprised of \$34,000 two-day summit, \$20,000 post summit workshop and \$18,000 one-time pre-summit planning workshop.

SECTION 5 - PRICE:

The compensation identified in the Original Agreement is amended to increase the total price of the Agreement by \$170,000 for a new total not to exceed amount of \$445,000. The additional \$170,000 will distributed as follows:

Youth Summits: \$18,000 will be paid at the commencement of Pre-Summit workshop and \$20,000 will be at the commencement of each Youth Summit.

AI Summit: \$17,900 will be paid at commencement of the Pre-Summit work, \$40,000 will be paid at the commencement of the AI Summit, and \$13,900 will be paid at the commencement of the Post AI Summit.

The Term of the Agreement is extended to December 30, 2025.

All other terms and conditions of the Original Agreement not amended herein, remain in full force and effect.

In Witness Whereof, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE:

THE WELLBEING LAB dba LOUIS
ALLORO, LLC:

SIGNATURE AREA

SIGNATURE AREA

Ronda Perez
City Manager

Louis Alloro
Director

SIGNATURE AREA

ADDRESS FOR NOTICE:
CITY OF PALMDALE
38300 Sierra Hwy
Palmdale, CA 93550

ADDRESS FOR NOTICE:
THE WELLBEING LAB dba LOUIS
ALLORO, LLC
412 Middlebury Court
Claremont, CA 91711

APPROVE AS TO FORM:

SIGNATURE AREA

William P. Curley, III
City Attorney

ATTEST:

SIGNATURE AREA

Roxanne Faber
City Clerk

----- INTERNAL USE ONLY -----

- ☐ Certificate(s) and Endorsement(s) attached
- ☐ Confirmed business name on contract with certificate(s)
- ☐ Original contract and previous amendment(s) (if any) are attached
- ☐ Attached Agreement Checklist and met all requirements

**AGREEMENT NO. A-8696
CONTRACT FOR SERVICES
BETWEEN THE CITY OF PALMDALE AND THE WELLBEING LAB dba LOUIS
ALLORO, LLC
ARPA FUNDING**

This CONTRACT for services ("Contract" herein) is made and entered into by and between the City of Palmdale, a public body corporate and politic, (hereinafter called "CITY"), and THE WELLBEING LAB dba LOUIS ALLORO, LLC, a Limited Liability Company, (hereinafter called "CONTRACTOR"). This Contract shall become effective on the date of the last signatory.

RECITALS

WHEREAS, CONTRACTOR represents that CONTRACTOR has the expertise and is qualified to perform the services described in this Contract.

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

1 CITY PROJECT MANAGER

To provide the services required by this Contract, CONTRACTOR shall act under the authority and approval of City Manager/ 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:

CONTRACTOR's Scope of Work attached as Exhibit "D"

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 zero 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.

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 CONTRACTOR, understands, acknowledges, and agrees that the funding source for its work is from the American Rescue Plan, Coronavirus State and Local Fiscal Recovery Funds (collectively "ARPA") and as such, CONTRACTOR is required to comply with the regulations associated with ARPA funds pursuant to 31 CFR Part 35. Those regulations and reporting requirements are set forth in Exhibit "A" attached hereto and incorporated herein by reference. By executing this Contract, CONTRACTOR agrees to comply with all such regulations and reporting requirements and shall familiarize itself with those requirements.

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:

Louis Alloro, partner and co-creator shall be the primary contact and lead 50% of this cohort.

Dr. Talma Shultz shall support the project as a coach and facilitator for 35% of this cohort.

Wellbeing Lab team including Dr. Michelle McQuaid shall support the additional 15% of this project.

The office that shall support this project is located at 412 Middlebury Court in Claremont, CA 91711.

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

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

3.2 Subcontractors. During the performance of the Agreement, CONTRACTOR may engage such additional SUBCONTRACTORS as may be required for the timely completion of this Agreement. In the event of subcontracting, the sole responsibility for fulfillment of all terms and conditions of this Agreement rests with CONTRACTOR.

CONTRACTOR shall not enter into any Subcontract under this Contract for the performance of this Contract without the advance written approval of CITY. The subcontract shall incorporate by reference the terms and conditions of this Contract.

3.3 Direct Responsibility. All services required under this Contract shall be performed by CONTRACTOR, or under CONTRACTOR's direct supervision, and all personnel shall possess the qualifications, permits and licenses required by State and local law to perform such services.

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

3.3.2 CONTRACTOR shall be responsible for payment of all CONTRACTOR's employees' and subcontractor's wages and benefits and shall comply with all requirements pertaining to the employer's liability, workers' compensation, unemployment insurance, and Social Security.

3.3.3 CONTRACTOR shall indemnify and hold harmless CITY, and its respective officers, agents and employees from and against all claims, demands, damages or costs arising from CONTRACTOR's acts or omissions with respect to any liability, damages, claims, costs and expenses of any nature arising from alleged violations of personnel practices.

4 ACCEPTANCE AND DOCUMENTATION

Each task shall be reviewed and approved by the Contract Project Manager to determine acceptable completion.

4.1 Records. The CONTRACTOR shall retain and shall contractually require each SUBCONTRACTOR to retain all data and other "records" relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract.

4.2 Property of CITY. All materials, including reports, computer programs and other deliverables, supplied or created under this Contract are the sole property of CITY. CONTRACTOR is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. CONTRACTOR shall not use or release these materials without the prior written consent of CITY.

4.3 Products. All equipment, materials, parts, and other components incorporated in the work or services performed pursuant to this Contract shall be new, or the latest model and of the most suitable grade for the purpose intended. All work shall be performed in a skilled and workmanlike manner.

5 PRICE

CITY shall pay to CONTRACTOR an amount not to exceed TWO HUNDRED SEVENTY-FIVE THOUSAND dollars (\$275000) for the completion of all the work and services described in Section 2, which sum shall include all costs or expenses incurred by CONTRACTOR, payable as follows:

CONTRACTOR shall charge an amount not to exceed \$5,500.00 for each participant who attends the contract program. With a minimum of at least 30 participants, payment will be guaranteed, with an aggregated maximum of 50 participants.

The first payment on the contract shall be 30% of the not-to-exceed amount of \$275,000; the balance of payments will be distributed evenly monthly and will be based on the total number of registered participants who attend the first day of class and complete the program.

CONTRACTOR shall provide all printed materials for all class sessions.

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 COMMENCEMENT AND COMPLETION OF WORK

6.1 The execution of this Contract by the parties does not constitute an authorization to proceed. The services of CONTRACTOR shall commence when CITY, acting by and through its Project Manager, has issued an Authorization to Proceed. CONTRACTOR shall complete all the work described in Section 1 and be ready for final acceptance of the work within TEN (10) WORKING days following CONTRACTOR's receipt of Authorization to Proceed.

6.2 Time is of the essence. All of the time limits for Milestones, if any, and for completion of the work, are of the essence of this Contract.

6.3 Failure of CONTRACTOR to perform any covenant or condition contained herein within the time periods specified therein shall constitute a material breach of this Contract, entitling CITY to terminate this Contract, unless CONTRACTOR applies for and receives an extension of time in accordance with the procedures set forth herein.

7 TAXES

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

7.2 CONTRACTOR is an independent contractor and shall have no power or authority to incur any debt, obligation, or liability on behalf of CITY. No person employed by CONTRACTOR or acting on its behalf, in connection with this Contract shall be considered the Agent or employee of CITY.

7.3 CONTRACTOR shall be required to obtain a current City of Palmdale business license, as required by the Palmdale Municipal Code, before an Authorization to Proceed is issued.

7.4 When equipment, materials or supplies generally taxable to CONTRACTOR are eligible for a tax exemption due to the nature of the work, CONTRACTOR shall assist the City in applying for and obtaining such tax credits and exemptions, which shall be paid or credited to the City.

8 PATENT FEES AND ROYALTIES

CONTRACTOR shall pay all license fees and royalties and assume all costs incident to the use, in the performance of the work or the incorporation in the work of any invention, design, process, program, product or device which is the subject of patent rights or copyrights held by others. If a particular invention, design, process, program, product or device is specified in the contract documents for use in the performance of

the work and if, to the actual knowledge of CITY, its use is subject to patent rights or copyrights calling for the payment of any license fee or royalty to others, the existence of such rights shall be disclosed by CITY in the contract documents. CONTRACTOR shall indemnify and hold harmless CITY and anyone directly or indirectly employed by CITY from and against all claims, damages, losses and expenses (including attorneys' fees) arising out of any infringement of patent rights or copyrights incident to the use in the performance of the work, or resulting from the incorporation in the work of any invention, design, process, program, product or device not specified in the contract documents, and shall defend all such claims in connection with any alleged infringement of such rights.

9 INDEMNIFICATION

To the fullest extent permitted by law, CONTRACTOR and any subcontractors working on its behalf agree to indemnify CITY, its officers, employees, agents and elected and appointed boards (hereinafter "Indemnified Parties") for any loss, claim, demand, cause of action, cost, expense, damage, obligation or liability which arises out of or is in any way connected with the performance of any work under this agreement, including any acts or omissions, willful misconduct or negligent conduct, whether active or passive, on the part of CONTRACTOR, or its subcontractors, and regardless of any acts, omissions or negligence (whether active or passive) of any person or entity indemnified hereunder. At their own expense, CONTRACTOR and, as applicable, any subcontractors working on its behalf, shall defend any suit, claim or action against the Indemnified Parties founded upon such loss, claim, demand, cause of action, cost, expense, damage, obligation or liability. CONTRACTOR shall ensure that the contract of any subcontractor working under this agreement contain an indemnity agreement, requiring the subcontractor to indemnify and defend the Indemnified Parties pursuant the terms set forth above. CONTRACTOR shall indemnify the Indemnified Parties, and save it harmless from any and all loss, damage, costs, expenses and attorney's fees suffered or incurred on account of any breach of the aforesaid obligations and covenants, and any other provision or covenant of this agreement.

10 INSURANCE

10.1 CONTRACTOR, at its expense, shall maintain in effect at all times during the performance of work under this Contract not less than the following coverage and limits of insurance, which shall be maintained with insurers listed "A" or better in the Best's Insurance Guide and authorized to do business in the State of California.

Proof of Insurance, as identified in Section 10.8, must be reviewed and accepted by the City Attorney.

10.1.1 Workers' Compensation and Employer's Liability

- Workers' Compensation -- coverage as required by the State of California
- Employer's Liability --

\$1,000,000.00 each accident
\$1,000,000.00 policy limit bodily injury
\$1,000,000.00 each employee bodily injury by disease

10.1.2 Commercial General Liability

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

10.1.3 Commercial Automobile Liability

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

10.2 All of CONTRACTOR's policies shall contain an endorsement providing that written notice shall be given to CITY at least thirty (30) calendar days prior to termination, cancellation, or reduction of coverage in the policy.

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

- A. An endorsement extending coverage to the City as an additional insured, as respects liability arising out of the performance of any work under the Contract. Such insurance shall be primary insurance, as respects the interest of the City, and any other insurance maintained by the City shall be considered excess coverage and not contributing insurance with the insurance required hereunder. The certificates shall state: "The City of Palmdale, Successor Agency to the Community Redevelopment Agency of the City of Palmdale, 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.

10.4 Promptly upon execution of this Contract, and prior to commencement of any work, CONTRACTOR shall deliver to CITY certificates of insurance and endorsements to all required policies demonstrating that CONTRACTOR has the required coverage and showing the required named insured. Within five (5) days of written request from CITY, CONTRACTOR shall deliver to CITY full and complete copies of all insurance policies required by this Contract.

10.5 The requirements as to the types and limits of insurance to be maintained by CONTRACTOR are not intended to and shall not in any manner limit or qualify CONTRACTOR's liabilities and obligations under this Contract.

10.6 Any policy or policies of insurance that CONTRACTOR elects to carry as insurance against loss or damage to its equipment and tools or other personal property used in the performance of this Contract shall include a provision waiving the insurer's right of subrogation against CITY.

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

10.8 Acceptable Proof of Insurance:

10.8.1 ACORD Certificate of Insurance listing all coverage, limits, deductibles and insured; and endorsements for all applicable coverage if agent has authority to issue it; or additional insured Form CG20100704 and CG20370704 or equivalent must be provided for general liability coverage. Additional insured form CA0001 must be provided for automobile liability coverage.

10.8.2 Binders of insurance for all coverage. Agents must confirm that policy endorsements have been ordered from the respective insurance companies. Upon issuance, policy endorsements and a corresponding Certificate of Insurance listing all insurers and coverage must be submitted to the City Attorney.

10.9 Notwithstanding any other provision of this Contract, CITY may immediately terminate this Contract if, at any time CONTRACTOR fails to maintain the required insurance for any period of time or fails to comply with any of the insurance requirements listed above.

10.10 CONTRACTOR shall require any and all subcontractor's working on its behalf to provide insurance coverages and limits that are based on the scope of work and nature of risk being performed by the subcontractor. Any and all subcontractors working on behalf of CONTRACTOR shall be subject to all other insurance requirements that are stated herein.

Any deviation in this requirement will be CONTRACTOR's sole risk. CONTRACTOR's insurance requirements in Section 10 will not be impacted and/or limited by such deviation.

11 TERMINATION WITHOUT CAUSE

City reserves the right to terminate this Contract or any part thereof for its sole convenience with fifteen (15) days written notice. In the event of such termination, CONTRACTOR shall immediately stop all work hereunder, and shall immediately cause any of its suppliers and subcontractors to cease such work. CONTRACTOR shall also surrender to CITY all finished or unfinished documents, processes, programs and other supplies and materials, which shall be City's property. As compensation in full for services performed to the date of such termination, the CONTRACTOR shall receive an amount equal to the value of the work completed as of the termination date in accordance with the fee schedule or as negotiated between the parties. In no event shall the amount payable upon termination exceed the total maximum compensation provided for in this Contract.

12 TERMINATION FOR CAUSE

If CITY determines that CONTRACTOR has failed to supply an adequate working force, or to provide services of proper quality, or has failed in any other respect to satisfactorily perform the services specified in this Contract, CITY shall give written notice to CONTRACTOR specifying all defaults to be remedied within thirty (30) days. Such notice shall set forth the basis for CITY's dissatisfaction and suggest corrective measures. If, after thirty days, CONTRACTOR has failed to implement appropriate corrective measures, CITY may elect to terminate this Contract in whole or in part.

12.1 In the event CITY terminates this Contract, in whole or in part, for cause, CITY may procure, upon such terms and in such manner, as it may deem appropriate, services similar to those terminated.

12.2 CONTRACTOR shall provide all finished or unfinished documents, data, studies, software, drawings, programs, processes, maps, photographs, reports, etc., prepared by CONTRACTOR within fifteen (15) working days after notice of termination. Upon such termination, CONTRACTOR shall be paid an amount equal to the value of the services provided and work performed as of the date of termination, taking into consideration the costs associated with hiring another CONTRACTOR to complete the services. In ascertaining the value of the work performed up to the date of termination, consideration shall be given to both completed work and work in progress, to complete and incomplete documents when such are delivered to CITY, and to authorized reimbursement expenses. The above is in addition to any other remedies available by law or equity to CITY.

12.3 If, after notice of termination of the Contract under the provisions of this Section 12, it is determined, for any reason, that CONTRACTOR was not in default, or that the default was excusable, then the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Section 11.

13 DISPUTE RESOLUTION

All claims, disputes, and other matters in question between CITY and CONTRACTOR arising out of or relating to this Contract or the breach thereof shall, to the extent reasonably feasible, be resolved through good faith negotiations between the parties.

14 OWNERSHIP 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.

15 DELEGATION AND ASSIGNMENT

15.1 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.

15.2 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.

16 NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY

16.1 In performance of this Contract, CONTRACTOR shall not discriminate against any employee, subcontractor, or applicant for employment because of sex, color, race, religion, ancestry, national origin, disability, medical condition including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sexual orientation, age, gender, gender identity, gender expression, genetic information, or military and veteran status. CONTRACTOR will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their sex, color, race, religion, ancestry, national origin, disability, medical condition including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sexual orientation, age, gender, gender identity, gender expression, genetic information, or military and veteran status. Affirmative action relating to employment shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

16.2 The provisions of subsection 16.1 above shall be included in all solicitations or advertisements placed by or on behalf of CONTRACTOR for personnel to perform any services under this Contract. CITY shall have access to all documents, data and records of CONTRACTOR and its subcontractors for purposes of determining compliance with the equal employment opportunity and non-discrimination provisions of this Section, and all applicable provisions of Executive Order No. 11246 which is incorporated herein by this reference. A copy of Executive Order No. 11246 is available for inspection at, and on file with, the Palmdale City Clerk's Office.

17 FINANCIAL INTEREST CERTIFICATION

17.1 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.

17.2 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.

18 CONFLICT OF INTEREST

18.1 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.

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

18.3 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.

19 COMPLIANCE WITH LAW

19.1 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.

19.2 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.

19.3 If applicable, CONTRACTOR acknowledges and understands it must comply with the prevailing wage requirements as set forth in Exhibit "B" attached hereto and incorporated herein by reference, as well as the execution of a Worker's Compensation Certificate attached hereto as Exhibit "C" and incorporated herein by reference.

20 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.

21 ENTIRE AGREEMENT AND AMENDMENTS

21.1 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.

21.2 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.

21.3 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.

22 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:

THE WELLBEING LAB dba LOUIS
ALLORO, LLC:

Ronda Perez

Signed: 3/12/2024

Ronda Perez
City Manager

NL

Signed: 2/14/2024

ADDRESS FOR NOTICE:
CITY OF PALMDALE
38300 Sierra Highway, Suite A
Palmdale, CA 93550

Louis Alloro

Signed: 2/15/2024

Louis Alloro
Director

ADDRESS FOR NOTICE:
THE WELLBEING LAB dba LOUIS
ALLORO, LLC
412 Middlebury Court
Claremont, CA 91711

APPROVE AS TO FORM:

William Patrick Curley III

Signed: 3/12/2024

William P. Curley, III
City Attorney

ATTEST:

Roxanne Faber

Signed: 3/19/2024

Roxanne Faber
Acting City Clerk

EXHIBIT “A” ARPA REQUIREMENTS

RECITAL:

On March 11, 2021, the American Rescue Plan Act (“ARP Act”) was signed into law. The ARP Act was intended to provide increased aid to individuals, families, businesses, and governments affected by the COVID-19 pandemic. The ARP Act established and funded the Coronavirus State and Local Fiscal Recovery Funds (the “CSLFRF”), which included two hundred forty (240) billion dollars for state, territorial, local, and Tribal governments that are being used to fight the pandemic and accelerate local economic recovery.

MANDATORY CONTRACT PROVISIONS FOR ARP ACT EXPENDITURES:

Procurement processes for expenditures using American Rescue Plan Act (ARPA) funds generally follow state and local rules. In most cases, city procurement policies will satisfy the federal requirements. One notable difference is that federal procurement regulations mandate specific contract provisions in certain circumstances. There are no requirements for contracts or expenditures of less than \$10,000. However, using ARPA funds for contracts in excess of \$10,000 triggers the mandatory contract provisions in 2 CFR Part 200, Appendix II.

Most contract provisions are required only on those exceeding \$100,000 or those for construction projects of any amount. However, mandatory contract provisions will apply if a city obligates ARPA funds to a contract that exceeds \$100,000.

For ease of administration, below is an explanation of the mandatory contract provisions and model language necessary for compliance with federal law disclosures.

2 C.F.R. PART 200: APPENDIX II, CONTRACT PROVISIONS

- For contracts over \$10,000, cities must include a provision that addresses termination for cause and convenience by the local government, including the process for termination and the basis for settlement.
- For contracts over \$100,000, cities must include a provision that addresses administrative, contractual, or legal remedies if a contractor violates or breaches the contract, including sanctions and penalties for the breach.
- In accepting the ARPA award, local governments agreed to include an EEO statement in any federally assisted construction contract defined in 41 CFR Part 60-1.3. A federally assisted construction contract is defined as follows:
 - Any agreement or modification thereof between any applicant and a person for construction work which is paid for in whole or in part with funds obtained from the government or borrowed on the credit of the government pursuant to any federal program involving a grant, contract, loan, insurance, or guarantee, or undertaken pursuant to any federal program involving such grant, contract, loan, insurance, or guarantee, or any application or modification thereof approved by the government

for a grant, contract, loan, insurance, or guarantee under which the applicant itself participates in the construction work.

EQUAL EMPLOYMENT OPPORTUNITY:

During the performance of this contract, the contractor agrees as follows:

(1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following:

- 1. Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.*
- 2. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.*
- 3. The contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.*
- 4. The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.*
- 5. The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.*
- 6. The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary*

of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

- 7. In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part, and the contractor may be declared ineligible for further government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.*
- 8. The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:*

Provided, however, that in the event a contractor becomes involved in or is threatened with litigation with a subcontractor or vendor as a result of such direction by the administering agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

Contracts that are in excess of \$100,000 and involve the employment of mechanics or laborers must include provisions requiring compliance with the Contract Work Hours and Safety Standards Act as follows:

(1) Overtime requirements: No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such a workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such a workweek.

(2) Violation: liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (1) of this section, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory) for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The City of Palmdale shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2) of this section.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower-tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower-tier subcontractor with the clauses set forth in paragraphs (1) through (4) of this section.

Contracts and subgrants in excess of \$150,000 must contain a provision that requires the non-federal award to agree to comply with all applicable standards, orders, or regulations of the Clean Air Act and Federal Water Pollution Control Act.

CLEAN AIR ACT

(1) The contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.

(2) The contractor agrees to report each violation to the City of Palmdale and understands and agrees that the City of Palmdale will, in turn, report each violation as required to assure notification to the Treasury Department and the appropriate Environmental Protection Agency Regional Office.

(3) The contractor agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with American Rescue Plan Act funding.

FEDERAL WATER POLLUTION CONTROL ACT

(1) The contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.

(2) The contractor agrees to report each violation to the City of Palmdale and understands and agrees that the City of Palmdale will, in turn, report each violation as required to assure notification to the Treasury Department and the appropriate Environmental Protection Agency Regional Office.

(3) The contractor agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with American Rescue Plan Act funds.

Federal Water Pollution Control Act

(1) The contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.

(2) The contractor agrees to report each violation to the City of Palmdale and understands and agrees that the City of Palmdale will, in turn, report each violation as required to assure notification to the Treasury Department and the appropriate Environmental Protection Agency regional office.

(3) The contractor agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with American Rescue Plan Act funds.

Cities cannot award a contract to parties listed on the governmentwide exclusions in the System for Award Management (SAM) listed at www.sam.gov.

Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352: Contractors that apply for a bid or award exceeding \$100,000 must file the required certification that it will not and has not used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency. Cities should include the Byrd Anti-Lobbying contract clause is as follows:

Contractors who apply or bid for an award of \$100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier, up to the recipient.

TITLE VI OF THE CIVIL RIGHTS ACT OF 1964

In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable.

1. Recipient ensures its current and future compliance with Title VI of the Civil Rights Act of 1964, as amended, which prohibits exclusion from participation, denial of the benefits of, or subjection to discrimination under programs and activities receiving federal financial assistance, of any person in the United States on the ground of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Department of the Treasury Title VI regulations at 31 CFR Part 22 and other pertinent executive orders such as Executive Order 13166, directives, circulars, policies, memoranda, and/or guidance documents.

2. Recipient acknowledges that Executive Order 13166, “Improving Access to Services for Persons with Limited English Proficiency,” seeks to improve access to

federally assisted programs and activities for individuals who, because of national origin, have Limited English proficiency (LEP). Recipient understands that denying a person access to its programs, services, and activities because of LEP is a form of national origin discrimination prohibited under Title VI of the Civil Rights Act of 1964 and the Department of the Treasury's implementing regulations. Accordingly, Recipient shall initiate reasonable steps, or comply with the Department of the Treasury's directives, to ensure that LEP persons have meaningful access to its programs, services, and activities. Recipient understands and agrees that meaningful access may entail providing language assistance services, including oral interpretation and written translation where necessary, to ensure effective communication in the Recipient's programs, services, and activities.

3. Recipient agrees to consider the need for language services for LEP persons when Recipient develops applicable budgets and conducts programs, services, and activities. As a resource, the Department of the Treasury has published its LEP guidance at 70 FR 6067. For more information on taking reasonable steps to provide meaningful access for LEP persons, please visit <http://www.lep.gov>.

4. Recipient acknowledges and agrees that compliance with the assurances constitutes a condition of continued receipt of federal financial assistance and is binding upon Recipient and Recipient's successors, transferees, and assignees for the period in which such assistance is provided.

5. Recipient acknowledges and agrees that it must require any sub-grantees, contractors, subcontractors, successors, transferees, and assignees to comply with assurances 1-4 above, and agrees to incorporate the following language in every contract or agreement subject to Title VI and its regulations between the Recipient and the Recipient's sub-grantees, contractors, subcontractors, successors, transferees, and assignees:

The sub-grantee, contractor, subcontractor, successor, transferee, and assignee shall comply with Title VI of the Civil Rights Act of 1964, which prohibits recipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this contract (or agreement). Title VI also includes protection to persons with "Limited English Proficiency" in any program or activity receiving federal financial assistance, 42 U.S.C. § 2000d et seq., as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, and herein incorporated by reference and made a part of this contract or agreement.

6. Recipient understands and agrees that if any real property or structure is provided or improved with the aid of federal financial assistance by the Department of the Treasury, this assurance obligates the Recipient, or in the case of a subsequent transfer, the transferee, for the period during which the real property or structure is

used for a purpose for which the federal financial assistance is extended or for another purpose involving the provision of similar services or benefits. If any personal property is provided, this assurance obligates the Recipient for the period during which it retains ownership or possession of the property.

7. Recipient shall cooperate in any enforcement or compliance review activities by the Department of the Treasury of the aforementioned obligations. Enforcement may include investigation, arbitration, mediation, litigation, and monitoring of any settlement agreements that may result from these actions. The Recipient shall comply with information requests, on-site compliance reviews and reporting requirements.

8. Recipient shall maintain a complaint log and inform the Department of the Treasury of any complaints of discrimination on the grounds of race, color, or national origin, and limited English proficiency covered by Title VI of the Civil Rights Act of 1964 and implementing regulations and provide, upon request, a list of all such reviews or proceedings based on the complaint, pending or completed, including outcome. Recipient also must inform the Department of the Treasury if Recipient has received no complaints under Title VI.

9. Recipient must provide documentation of an administrative agency's or court's findings of non-compliance of Title VI and efforts to address the non-compliance, including any voluntary compliance or other agreements between the Recipient and the administrative agency that made the finding. If the Recipient settles a case or matter alleging such discrimination, the Recipient must provide documentation of the settlement. If Recipient has not been the subject of any court or administrative agency finding of discrimination, please so state.

10. If the Recipient makes sub-awards to other agencies or other entities, the Recipient is responsible for ensuring that sub-recipients also comply with Title VI and other applicable authorities covered in this document. State agencies that make sub-awards must have in place standard grant assurances and review procedures to demonstrate that they are effectively monitoring the civil rights compliance of subrecipients.

The United States of America has the right to seek judicial enforcement of the terms of this assurances document and nothing in this document alters or limits the federal enforcement measures that the United States may take in order to address violations of this document or applicable federal law.

Under penalty of perjury, the undersigned official(s) certifies that official(s) has read and understood the Recipient's obligations as herein described, that any information submitted in conjunction with this assurances document is accurate and complete, and that the Recipient is in compliance with the aforementioned nondiscrimination requirements.

ARPA Regulations, 31 CFR Part 35 ("Regulations") are incorporated herein and made a part of this Contract.

CONTRACTOR agrees to be bound by the reporting requirements set out in the Regulations. This includes submitting quarterly reports by the 15th of the month

following the end of each quarter to the Director of Finance. The reports must include, but is not limited to, the use of the funds, documentation/receipts of the funds spent, description of the project and status of completion of the project. The Director of Finance may require additional information of CONTRACTOR for compliance with ARPA Regulations.

CONTRACTOR, in the performance of this Contract and as a sub-recipient of ARPA funds, as well as all of its subcontractors, must comply with the following:

1. CONTRACTOR, and any and all of its subcontractors, must ensure that they do not deny benefits, services or otherwise discriminate on the basis of race, color, national origin (including limited English proficiency), disability, age, or sex (including sexual orientation and gender identity) in accordance with Title VI of the Civil Rights Act of 1964, Public Law 88-352, 42 U.S.C. 2000d-1 et seq., and the Department's implementing regulations, 31 CFR part 22; Section 504 of the Rehabilitation Act of 1973 (Section 504), Public Law 93-112, as amended by Public Law 93-516, 29 U.S.C. 794; Title IX of the Education Amendments of 1972 (Title IX), 20 U.S.C. 1681 et seq., and the Department's implementing regulations, 31 CFR part 28; Age Discrimination Act of 1975, Public Law 94-135, 42 U.S.C. 6101 et seq., and the Department implementing regulations at 31 CFR part 23. CONTRACTOR will be required to submit data showing compliance with the above.
2. Universal Identifier and System for Award Management (SAM), 2 C.F.R. Part 25, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 25 is hereby incorporated by reference.
3. Reporting Subaward and Executive Compensation Information, 2 C.F.R. Part 170, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 170 is hereby incorporated by reference.
4. OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement), 2 C.F.R. Part 180, including the requirement to include a term or condition in all lower-tier covered transactions. (2 C.F.R. Part 180, subpart B) and that the award is subject to 2 C.F.R. Part 180 and Treasury's implementing regulation at 31 C.F.R. Part 19.
5. The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards found at 2 CFR Part 200 Appendix II.
6. Recipient Integrity and Performance Matters, pursuant to which the award term set forth in 2 C.F.R. Part 200, Appendix XII to Part 200 is hereby incorporated by reference.
7. Governmentwide Requirements for Drug-Free Workplace, 31 C.F.R. Part 20.
8. New Restrictions on Lobbying, 31 C.F.R. Part 21
9. Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (42 U.S.C. §§ 4601-4655) and implementing regulations.
10. Section 2 CFR 200.323 regarding Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act (EPA guidelines at 40 CFR Part 247).
11. Section 200.322 of 2 CFR 200.322, Domestic preferences for procurements.
12. Generally applicable federal environmental laws and regulations.

----- INTERNAL USE ONLY -----

- Certificate(s) and Endorsement(s) attached
- Confirmed business name on contract with certificate(s)
- Attached Agreement Checklist and met all requirements

Record of Signing

For
Name
Title

NL

Signed on 2024-02-14 23:48:28 GMT

Secured by Concord™
DocumentID: ODQzMTQ5NjktYm
SigningID: NjQ3MjFiYWltMG
Signing date: 2/14/2024
IP Address: 206.171.111.149
Email: nlopez@cityofpalmdale.org

For
Name
Title

Louis Alloro

Signed on 2024-02-15 00:47:46 GMT

Secured by Concord™
DocumentID: ODQzMTQ5NjktYm
SigningID: YjVjNTg0YzctOD
Signing date: 2/15/2024
IP Address: 76.93.53.113
Email: louis@louisalloro.com

For
Name
Title

William Patrick Curley III

Signed on 2024-03-12 02:00:58 GMT

Secured by Concord™
DocumentID: ODQzMTQ5NjktYm
SigningID: 02vyJo6p2r5pJ96ln2rwTM
Signing date: 3/12/2024
IP Address: 107.131.11.226
Email: wcurley@harperburns.com

For
Name
Title

Ronda Perez

Signed on 2024-03-12 22:53:23 GMT

Secured by Concord™
DocumentID: ODQzMTQ5NjktYm
SigningID: 02vyoXimFK2kqRVKRJWY8M
Signing date: 3/12/2024
IP Address: 107.115.17.23
Email: rperez@cityofpalmdale.org

For
Name
Title

Roxanne Faber

Signed on 2024-03-19 21:53:19 GMT

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City Council Staff Report

DATE: SEPTEMBER 18, 2024

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: OPERATIONS DEPARTMENT
FINANCE DIVISION

DISTRICT: ALL

SUBJECT: ADOPT RESOLUTION NO. CC 2024-078, 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 2024-078, 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 No. 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

DISCUSSION

The City Treasurer desires to follow the guidelines set by California Government Code Section 50053. Section No. 50053 of the California Government Code 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 before the three-year period ending June 30, 2024, is \$16,566.79.

FISCAL IMPACT

\$16,566.79; The total combined number of unclaimed checks before the three-year period ending June 30, 2024, is \$16,566.79. 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, Director of Operations
Certified as to availability of Funds:	Janelle Samson, Director of Operations
Approved by:	Ronda Perez, City Manager
Approved as to form:	William P. Curley, III, City Attorney

ATTACHMENTS

Reso No. CC 2024-078
Public Notice - List of Unclaimed Checks.

CITY COUNCIL
CITY OF PALMDALE, CALIFORNIA
RESOLUTION NO. CC 2024-078

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 \$16,566.79, 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 18th day of September 2024.

APPROVED AS TO FORM:

Austin Bishop, Mayor

ATTEST:

William P. Curley
City Attorney

Rochelle Scott, City Clerk

I, Rochelle Scott, City Clerk of Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the 18th day of September 2024 by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____ ABSENT: _____

Date: _____

Rochelle Scott, 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 September 16, 2024, 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 a copy of a 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 Division, located at 38250 Sierra Hwy, 2nd floor, Palmdale, California.

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

NAME	AMOUNT	FUND
LUDIN & ONELIA GARCIA	\$ 200.00	GENERAL
MONTE DE SION	\$ 2,150.00	GENERAL
VETS 4 VETERANS	\$ 1,000.00	GENERAL
PERCEPTIVE ENTERPRISES, INC.	\$ 840.00	GENERAL
U.S. BANK	\$ 337.49	GENERAL
XOME FIELD SERVICES LLC	\$ 30.00	GENERAL
GREGG P HARTNESS & HEIDI HARTNESS	\$ 145.00	GENERAL
PALMDALE WATER	\$ 200.02	GENERAL
SPARKLETTS	\$ 828.10	GENERAL
XOME FIELD SERVICES LLC	\$ 10.00	GENERAL
BRITTANY WYRE	\$ 318.60	GENERAL
UNION PACIFIC RAILROAD COMPANY	\$ 1,056.90	GENERAL
CORPORATE PAYMENT SYSTEMS	\$ 398.55	GENERAL
ADAMSKI MOROSKI MADDEN CUMBERLAND & GREEP, LLP	\$ 148.65	GENERAL
HCD	\$ 50.00	GENERAL
XOME FIELD SERVICES LLC	\$ 10.00	GENERAL
AC MASTERS, INC	\$ 196.77	GENERAL

CORPORATE PAYMENT SYSTEMS	\$ 2,024.53	GENERAL
FRANCHISE TAX BOARD	\$ 3,850.00	GENERAL
MARAVILLA FOUNDATION	\$ 23.04	GENERAL
ALCALA, MARISSA	\$ 23.67	PAYROLL
PONCE, REBECCA	\$ 23.67	PAYROLL
WILLIAMS, JELANI	\$ 23.67	PAYROLL
MARTINEZ, CINDY	\$ 390.60	PAYROLL
WILLIAMS, TATIANA	\$ 42.61	PAYROLL
CIECHANOWSKI, LANCE	\$ 253.79	PAYROLL
BRAVO ESPINOZA, CARLOS	\$ 457.37	PAYROLL
CANCINO RUIZ, ANGELICA	\$ 457.37	PAYROLL
CHIRINO, DANIEL	\$ 1.77	PAYROLL
DUFFIN, VICTORIA	\$ 39.63	PAYROLL
GUZMAN, PEDRO	\$ 427.46	PAYROLL
ZAMBRANO CRUZ, ALYZZA	\$ 35.05	PAYROLL
BARRY, RYAN	\$ 21.30	PAYROLL
LEON, LEONEL	\$ 7.32	PAYROLL
WELTON, ALYSSA	\$ 8.05	PAYROLL
BARRON, JOEL	\$ 25.49	PAYROLL
MOERBE, BRIANNA	\$ 25.49	PAYROLL
MORALES, JACOB	\$ 25.49	PAYROLL
MORALES, JORDAN	\$ 25.49	PAYROLL
NICHOLS, ASHLEY	\$ 25.49	PAYROLL
GRULKOWSKI, KAITLYN	\$ 14.20	PAYROLL
BARRY, RYAN	\$ 284.08	PAYROLL
CARAM, CHRISTOPHER	\$ 39.06	PAYROLL
GRULKOWSKI, KAITLYN	\$ 28.41	PAYROLL
WILLIAMSON, TANNER	\$ 42.61	PAYROLL



City Council Staff Report

DATE: SEPTEMBER 18, 2024

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: OPERATIONS DEPARTMENT
INFORMATION TECHNOLOGY DIVISION

DISTRICT: ALL

SUBJECT: APPROVE AGREEMENT WITH IMPEX TECHNOLOGIES, INC. TO PROVIDE DATA BACKUP SOLUTION HARDWARE, CONFIGURATION SERVICES, AND SOFTWARE SUPPORT IN THE AMOUNT OF \$159,326 FOR A TERM OF 5 YEARS.

RECOMMENDATION

Approve agreement with IMPEX Technologies, Inc. To provide data backup solution hardware, configuration services, and software support in the amount of \$159,326.

Staff recommends that the City Council:

1. Approve Agreement No. A-8997 with IMPEX Technologies, Inc. in the amount of \$159,326.
2. Authorize the City Manager or her designee to execute the Agreement No. A-8997 with IMPEX Technologies, Inc., including minimal and/or non-substantial changes.

BACKGROUND

The City purchased the current backup solution in 2017 for approximately \$250,000; the system retains the backups for department shares, databases, and applications hosted locally in the City's data center. Some critical workloads secured by the on-premises backup solution include but are not limited to, all of the department shares used daily by staff, the City Clerk's records management system, and Maintenance's work order management system. The typical lifespan of a server-based system is approximately five years, which the current solution has already exceeded. Implementing the new system would upgrade this critical system with new and supported hardware to continue providing resiliency to the City's data.

DISCUSSION

The City has issued an RFQ (Request for Quote) for a replacement data backup solution. Five vendors have provided quotes, and the City has selected Impex Technologies, Inc. as the preferred solution. Hardware, configuration services, and support for this agreement are being procured through Carahsoft Technology Corporation Cooperative Contract Number: AR2472. By utilizing this Cooperative Agreement, the City is able to benefit from cooperative pricing.

FISCAL IMPACT

\$159,326; Funds are budgeted and available in FY 2024-25 in account 15316001-774400.

SCOPE OF WORK		COST
Hardware		\$27,632.40
5-Year Software License Prepaid		\$103,553.10
5-Year Premium Support Prepaid		\$19,425.88
Deployment and Professional Services		\$5,882.35
Tax		\$2,832.32
Total Cost:		\$159,326.05
Account Number	Starting Balance	Remaining Balance
15316001-774400	\$250,000.00	\$90,673.95

STRATEGIC PLAN

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

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

Prepared by:	Janelle Samson, Director of Operations
Certified as to availability of Funds:	Janelle Samson, Director of Operations
Approved by:	Ronda Perez, City Manager
Approved as to form:	William P. Curley, III, City Attorney

ATTACHMENTS

Agmt No. A-8997 with IMPEX Technologies, Inc.

**CARAHSOFT TECHNOLOGY CORPORATION COOPERATIVE AGREEMENT
AR2472 - A-8997 BETWEEN**

THE CITY OF PALMDALE AND IMPEX TECHNOLOGIES, INC

The City of Palmdale has agreed to the terms and conditions of the above-stated contract with IMPEX TECHNOLOGIES, INC (hereinafter called "CONTRACTOR").

The parties agree to the use of Cooperative Contract AR2472 - A-8997.

The city shall pay the CONTRACTOR an amount not to exceed one hundred fifty-nine thousand three hundred twenty-seven dollars (\$159327) for the completion of all the work and services, which sum shall include all costs or expenses incurred by CONTRACTOR, payable as follows:

The total contract amount is to be paid in a single upfront payment.

The insurance requirements are outlined below:

1. General Liability (GL):

Coverage Amount: \$2,000,000 million per occurrence / \$4,000,000 million aggregate.

2. Workers' Compensation and Employer's Liability:

Coverage Amount: As required by state law.

3. Automobile Liability:

Coverage Amount: \$1,000,000 million per occurrence.

4. Professional Liability / Errors and Omissions (E&O):

Coverage Amount: \$2,000,000 million per occurrence / \$2,000,000 million aggregate.

5. Cyber Liability:

Coverage Amount: \$5,000,000 million.

The term of this Contract is five (5) years, commencing on the effective date, with CITY reserving the option to extend the agreement for N/A additional terms of one year each.

Specify what services will be provided:

The services provided will include both hardware and software solutions to facilitate the backup of the City's applications and data. For a detailed description of the requirements and scope of work, please refer to Attachment No. 4.

CITY OF PALMDALE:

IMPEX TECHNOLOGIES, INC

Ronda Perez
City Manager
38300 Sierra Highway
CITY OF PALMDALE
Palmdale, CA 93550

JS

Signed: 9/5/2024

Rajiv Shah

Signed: 9/6/2024

ADDRESS FOR NOTICE:
Rajiv Shah, President
880 Apollo Street, Suite 315
El Segundo, CA 90245

APPROVE AS TO FORM:

William P. Curley, III
City Attorney

ATTEST:

Roxanne Faber
City Clerk

Record of Signing

For
Name
Title

JS

Signed on 2024-09-05 22:24:37 GMT

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Signing date: 9/5/2024
IP Address: 206.171.111.149
Email: jsamson@cityofpalmdale.org

For
Name
Title

Rajiv Shah

Signed on 2024-09-06 03:43:02 GMT

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Signing date: 9/6/2024
IP Address: 107.116.79.72
Email: rshah@impextechnologies.com



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City Council Staff Report

DATE: SEPTEMBER 18, 2024

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: ECONOMIC AND COMMUNITY DEVELOPMENT DEPARTMENT
VISIT PALMDALE

DISTRICT: ALL

SUBJECT: RECEIVE AND FILE THE ANNUAL REPORT FOR THE PALMDALE
TOURISM IMPROVEMENT DISTRICT FOR FISCAL YEAR 2024-25

RECOMMENDATION

Staff recommends that the City Council receive and file the annual report for the PTID for FY 2024-25.

BACKGROUND

The PTID was formed in 2021 pursuant to the Property and Business Improvement Law of 1994, Streets and Highways Code § 36600 et seq. (94 Law). Visit Palmdale, the designated Owners' Association for the PTID, is required to present an annual report to the City Council at the end of each FY of operation for the upcoming FY.

DISCUSSION

In 2021, the City Council approved the formation of the PTID, which is a benefit assessment district proposed to help fund sales, marketing & communications, and destination development programs for all Palmdale lodging businesses. The PTID includes all existing and future lodging businesses available for public occupancy located within the City's boundaries. The two percent assessment began on November 1, 2021, for an initial five-year term.

Visit Palmdale is a non-profit organization formed and designated to serve as the Owners' Association pursuant to Streets and Highways Code §36651. Visit Palmdale manages 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 the adopted PTID Management District Plan (MDP). The annual reports provide a broad overview of how the PTID funds are projected to be utilized in alignment with the adopted budget.

During the first three years of operation, Visit Palmdale has established partnerships with the City of Palmdale, Antelope Valley Fair, Air Force Plant 42, Edwards Airforce Base, and various sports organizations. Additionally, Visit Palmdale hosts the annual High Desert Beer and Wine Festival at the Palmdale Amphitheater, which has been highly successful. Creation of a brand identity and build-out of the Visit Palmdale website with the help of Simpleview Inc., has also been a focus of the PTID.

The cost of providing improvements and activities for FY 2024-25 is consistent with the MDP. The categorical breakdown and FY 2023-24 actuals are detailed in the attached annual report. All budget category allocations are within the authorized 15 percent adjustment of the total budget from the prior year as required by the MDP.

FISCAL IMPACT

\$60,210; The City received a fee of one percent of the total amount collected (\$10,210) to cover the costs of collecting the assessment from the hotel partners. In addition, the City receives an annual \$50,000 reimbursement to administer the day-to-day activities of Visit Palmdale.

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:	Megan Taggart, Executive Director – Visit Palmdale
Certified as to availability of Funds:	Janelle Samson, Director of Operations
Approved by:	Ronda Perez, City Manager
Approved as to form:	William P. Curley III, City Attorney

ATTACHMENTS

Rpt. PTID Annual Report for FY 2024-25



Palmdale Tourism Improvement District 2024-2025 Annual Report

Submitted to the City of Palmdale pursuant to Streets and Highways Code Section 36650, for the period from November 1, 2024, through October 31, 2025

November 1, 2024 - October 31, 2025

Contents

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 - FY 2023/2024 Actuals*.....6
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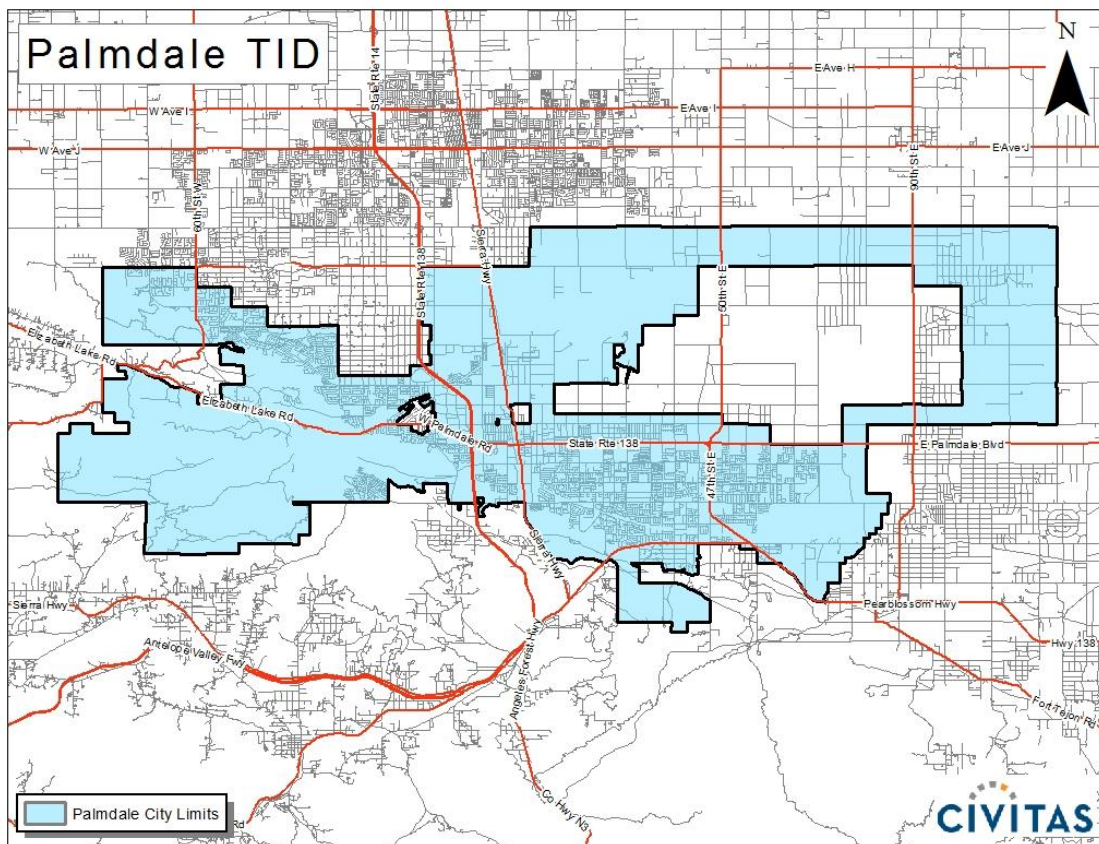
Boundaries

There are no proposed changes to the boundaries for fiscal year 2024/2025. One (1) lodging business has closed:

- Knights Inn Motel - 130 East Palmdale Boulevard, Palmdale CA 93550.

The Palmdale Tourism Improvement District (PTID) will continue to include all lodging businesses, existing and in the future, available for public occupancy located within the boundaries of the City of Palmdale.

A complete listing of lodging businesses currently within the PTID can be found in the Appendix.



Improvements and Activities

For fiscal year 2024/2025, the improvements and activities to be provided are consistent with the Management District Plan (Plan).

Sales, Marketing, and Communications

A sales, marketing and communications program will continue to promote assessed businesses as tourist, meeting, and event destinations. The sales, marketing and communications program will continue to have a central theme of promoting the destination as a desirable place for overnight visits. The program will continue to 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 continue to 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

The administration and operations portion of the budget shall continue to 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 continue 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 continue to retain a fee equal to one percent of the amount of assessments collected, to cover collection and administration costs.

Cost

FY 2024/2025 Projections

The cost of providing improvements and activities for FY 2024/2025 is consistent with the Plan. The anticipated total budget for FY 2024/2025 is \$1,100,000.00 in anticipated collections and \$1,680,000 in carryover from previous years, for a total estimated budget of \$2,780,000.00.

The categorical collections breakdown for FY 2024/25 is below:

Category	FY 2024/2025 Estimated Collections	% of Budget
Sales, Marketing & Communications	\$891,000	81%
Destination Development	\$66,000	6%
Administration	\$110,000	10%
Contingency/Reserve	\$22,000	2%
City Fee	\$11,000	1%
Totals	\$1,100,000	100%

FY 2023/2024 Actuals

The projected FY 2023/2024 assessment collections were \$1,036,668.42. Actual collections were slightly less than anticipated, totaling \$1,021,000. Budgeted and actual expenses are shown below.

Category	FY 2023/2024 Budgeted		FY 2023/2024 Actual			
	\$	%	\$ Actual	%	\$ Spent	\$ Carryover
Sales, Marketing & Communications	\$829,334.74	81%	\$827,010	81%	\$385,063.89	\$441,946.11
Destination Development	\$62,200.11	6%	\$61,260	6%	\$0	\$61,260.00
Administration	\$114,033.53	10%	\$102,100	10%	\$65,848.27	\$36,251.73
Contingency/Reserve	\$20,733.37	2%	\$20,420	2%	\$49,920	(\$29,500.00)
City Fee	\$10,366.68	1%	\$10,210	1%	\$10,210	\$0.00
Totals	\$1,036,668.42	100%	\$1,021,000	100%	\$511,042.16	\$509,957.84

Note that the carryover amount of \$509,957.84 only includes carryover in assessment revenue from the previous fiscal year. The total carryover amount of \$1,680,000 is a running total including carryover from multiple years.

Assessment

There is no change in the method and basis of levying the assessment.

Assessment Rate

The annual 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 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.

Time and Manner for Collecting Assessments

The City will continue to 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, Visit Palmdale.

Penalties and Interest

The PTID shall continue to 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% of the amount of the unpaid assessment in addition to the amount of the assessment.
2. **Continued Delinquency:** Any lodging business owner who fails to remit any delinquent remittance on or before a period of 30 days following the date on which the remittance first became delinquent shall pay a second delinquency penalty of 10% of the amount of unpaid assessment, in addition to the amount of the assessment and the 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% 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 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.

Surplus and Other Funding

Surplus

The amount of surplus to be carried over from the previous years is \$1,680,000.00.

Other Funding

Approximately \$280,000.00 will be contributed from other sources, including advertising in the Visitor's Guide and income from the annual High Desert Beer and Wine Festival.

Appendix – 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 Palmdale	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
Palm Inn & Suites	430 W Palmdale Blvd, Palmdale, CA 93551
Fairfield Inn & Suites	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
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 93551



City Council Staff Report

DATE: SEPTEMBER 18, 2024

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: PUBLIC SAFETY DEPARTMENT

DISTRICT: ALL

SUBJECT: ADOPT RESOLUTION NO. CC 2024-072, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE APPROVING MUNICIPAL LAW ENFORCEMENT SERVICES AGREEMENT WITH THE COUNTY OF LOS ANGELES FOR PUBLIC SERVICES PROVIDED BY THE LOS ANGELES COUNTY SHERIFF'S DEPARTMENT AND AUTHORIZING THE CITY MANAGER TO PROCURE SERVICES OF THE LOS ANGELES COUNTY SHERIFF'S DEPARTMENT ANNUALLY UP TO AN AMOUNT APPROVED IN THE CITY'S OPERATING AND CAPITAL BUDGET FOR A FIVE-YEAR PERIOD OF JULY 1, 2024 THROUGH JUNE 30, 2029

RECOMMENDATION

Staff recommends that the City Council:

1. Adopt Resolution No. CC 2024-072, a Resolution of the City Council of the City of Palmdale approving Municipal Law Enforcement Services Agreement with the County of Los Angeles for public services provided by the Los Angeles County Sheriff's Department and authorizing the City Manager to procure services of the Los Angeles County Sheriff's Department annually up to an amount approved in the City's Operating and Capital Budget for a five-year period of July 1, 2024 through June 30, 2029; and,
2. Authorize the City Manager or her designee to execute Municipal Law Enforcement Services Agreement (Agreement No. A-8944) with the County of Los Angeles for public services, including minimal and/or non-substantial changes.

BACKGROUND

Contracting for municipal law enforcement services in Los Angeles County dates to 1954, when the City of Lakewood initiated the first contract with the County. Currently, 42 cities contract with the County through the Los Angeles Sheriff's Department for primary and supplemental law enforcement services. Since August 24, 1962, the City of Palmdale has

utilized the Los Angeles County Sheriff's Department in providing intergovernmental services on a contractual basis.

The City of Palmdale's current Municipal Law Enforcement Services Agreement (MLESA) with the County of Los Angeles (County) expired on June 30, 2024. A new five-year agreement, commencing July 1, 2024, to June 30, 2029, has been formulated for the City Council's review and approval.

In addition to the MLESAs approved over the past few decades, the contract cities have entered into three additional agreements concerning liability and indemnification for County services, as follows:

- **1977 Assumption of Liability (Exhibit A):** The County established a fund to cover liability costs associated with contract services, assuming liability and defense for contract cities (replaced by the 1991 Joint Indemnity Agreement for law enforcement services).
- **1991 Joint Indemnity Agreement (Exhibit B):** The County and cities established the structure of the Liability Trust Fund, transferring responsibility for liability and payment for settlements and claims to this fund, which is fully funded by contract cities.
- **2009 Special Indemnity Agreement (Exhibit C):** The County and cities agreed to split the liability and funding responsibility equally for certain cases involving deputies or other peace officers incurring felony convictions or any criminal convictions of certain sexual crimes.

DISCUSSION

Over the past year, a California Contract Cities Association (CCCA) City Managers subcommittee, including key participation from Palmdale's executive team, collaborated with the County and the Los Angeles Sheriff's Department (LASD) to negotiate and amend the MLESA terms. The County and the CCCA subcommittee have mutually agreed upon the proposed revisions. The following is a summary of the county's cost recovery for contract services, the city's requests for law enforcement resources from the county and a list of changes to the MLESA terms.

County Cost Recovery for Contract Services

The County's Auditor/Controller established a formula to set the price of each contract service unit. At the same time, the Liability Trust Fund Claims Board has determined the recommended funding level for the liability component based on an actuarial study. These

two components form the total cost per service unit assessed to the contract cities for each procured service unit.

City Requests Law Enforcement Resources from the County

In fiscal year 2023-24, the City procured resources from various categories, including deputies and civilian personnel, resulting in a total service provision budget of \$31,812,605.80. This figure includes a 12% charge allocated to the Liability Trust Fund to cover settlements and claims arising from MLESA operations.

For fiscal year 2024-25, the City will procure the same number of resources, with estimated costs increasing by 3.94%.

Changes to the 2024-2029 MLESA

Based on the contract cities negotiations, the MLESA includes changes that benefit the City. The changes include:

- **Performance will be measured at the Service Unit level rather than overall:** The agreement's performance standard undergoes a transition from a single overall measure to multiple measures at the service unit level. Since MLESA performance is tied to service minutes, the number of deputies and civilians procured by a city is converted into available minutes. This allows the County to adjust minutes to meet their 98-102% target, yet it may result in unintended shortcomings in areas such as traffic, special assignments, or motor units.
- **Retaining Vehicle of Deleted Service Unit:** When a city adds a new resource that necessitates a vehicle (i.e. new deputy), it incurs a substantial initial expense for acquiring the additional vehicle. The maintenance and replacement costs for the vehicle are already factored into the city's annual charge if the city retains the new deputy. However, the language of the MLESA was not explicitly clear on protecting a city from losing a deputy temporarily and then incurring another new vehicle cost when the city restored the deputy. The MLESA now includes language allowing a city to regain access to a vehicle procured with a new deputy service unit if the unit is deleted and reinstated within 24 months.
- **Transfer of City Property to County:** The agreement requires separate written agreements, managed at the LASD contract city stations, to regulate items purchased by the City and temporarily transferred to the County. Additionally, the County is required to maintain a detailed and regularly updated inventory of all non-vehicle City equipment in its possession, including descriptions, serial numbers (if applicable), condition upon receipt and location.

- **Equipment Replacement after Extended Maintenance and Repair:** The agreement requires that the County make its best efforts to provide a temporary replacement of equipment if the original equipment takes more than 60 days to be returned.
- **Continue Negotiations on Indemnity Agreements:** Section No. 5.4 of the agreement acknowledges ongoing negotiations between the County and contract cities related to concerns over cities bearing the full liability cost for contract activities, which the County should also share. A Letter of Understanding (Exhibit D) between the County and the California Contract Cities Association outlines both parties' commitment to addressing several concerns raised by contract cities.

Liability Trust Fund Claims Board

Under the 1991 Joint Indemnity Agreement, the County established the Los Angeles Contract Cities Liability Trust Fund Claims Board (Board). This Board reviews and approves settlement of claims and lawsuits for monetary damages, funded by the County's Contract Cities Liability Trust Fund. Contract cities contribute to this fund to reimburse the County for all costs related to contract city operations that result in litigation and settlements under the MLESA. The Liability Trust Fund is self-insured for liabilities up to \$10 million and carries insurance coverage up to \$50,000,000.

Due to significant payouts from settlements and litigation, insurers have increased the self-insurance retention from \$2 million in 2011-12 to \$10 million in 2023-24. Additionally, the rate paid by contract cities has risen from 4% to 12% and will increase to 12.5% in 2024-25.

The subcommittee strongly feels the need to revisit the liability and indemnity relationship between the contract cities and the County, which is crucial to sustaining the long-term viability of the Liability Trust Fund. Discussions to amend this language will continue to be held even after the MLESA is approved, retaining the existing liability and indemnity language from the previous MLESA.

FISCAL IMPACT

\$33,036,079.88 for FY 2024-2025; includes \$29,445,685.00 for law enforcement services, \$3,569,034.88 for Liability Trust Fund contribution, and \$21,360 in Public Safety Equipment.

For Fiscal Year 2024-25, the City will procure the same number of resources, with estimated costs increasing by 3.94%. This comprises a 3.44% increase for a deputy service unit plus a 0.5% increase to the Liability Trust Fund (Liability Trust fund will go from 12% to 12.5% of personnel cost).

Funds are available in account 10125002-737126. Funds for subsequent years will be requested through the annual 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:	Sara Gallagher, Deputy City Manager
Certified as to availability of Funds:	Janelle Samson, Director of Operations
Approved by:	Ronda Perez, City Manager
Approved as to form:	William P. Curley, III, City Attorney

ATTACHMENTS

Reso. No. CC 2024-072
Agrmt No. A-8944 with County of Los Angeles
Exh A 1977 Assumption of Liability Agreement
Exh B 1991 Joint Indemnity Agreement
Exh C 2009 Special Indemnity Agreement
Exh D Contract Cities Indemnification Letter of Understanding

CITY COUNCIL
CITY OF PALMDALE, CALIFORNIA
RESOLUTION NO. CC 2024-072

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE APPROVING MUNICIPAL LAW ENFORCEMENT SERVICES AGREEMENT WITH THE COUNTY OF LOS ANGELES FOR PUBLIC SERVICES PROVIDED BY THE LOS ANGELES COUNTY SHERIFF'S DEPARTMENT AND AUTHORIZING THE CITY MANAGER TO PROCURE SERVICES OF THE LOS ANGELES COUNTY SHERIFF'S DEPARTMENT ANNUALLY UP TO AN AMOUNT APPROVED IN THE CITY'S OPERATING AND CAPITAL BUDGET FOR A FIVE-YEAR PERIOD OF JULY 1, 2024 THROUGH JUNE 30, 2029

WHEREAS, The City of Palmdale, California (City) and the County of Los Angeles (County) have previously entered into a Municipal Law Enforcement Service Agreement (MLESA) whereby the County, through its Los Angeles Sheriff's Department (LASD), provides general and additional law enforcement services within the jurisdiction of the City; and

WHEREAS, the current MLESA expired on June 30, 2024, and the City desires to continue receiving general and additional law enforcement services from the County through the LASD for an additional five years; and

WHEREAS, the City intends to enter into an MLESA for a five-year period starting July 1, 2024 through June 30, 2029, and to procure and allocate funds for such general law and additional services up to such amount appropriated in the City's Annual Operating and Capital Budgets; and

WHEREAS, the City relies upon the City Manager or designee in partnership with the Palmdale Station Captain of the LASD to implement the MLESA in such a manner to best protect the public safety interests of the City of Palmdale and to make such operational changes as necessary to implement the MLESA and fulfill the public safety needs of the City.

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

SECTION 1. The City Council of the City of Palmdale hereby approves the MLESA between the City and the County for law enforcement and additional services for a five-year period beginning July 1, 2024, and expiring on June 30, 2029.

SECTION 2. The City Manager is authorized to execute the MLESA on behalf of the City.

SECTION 3. The City Manager or her designee is authorized to procure annual services up to the appropriated amount provided in the City’s Annual Operating and Capital Budgets and to make any such operational changes to further the public safety interest of the City. Permanently deleting or adding positions will be brought forth to the City Council for authorization and approval.

SECTION 4. The City requests that the Los Angeles County Board of Supervisors, or its designated agent or agency, approve and authorize the performance of services requested in this Resolution, subject to the terms and conditions set forth in the MLESA and any other relevant agreement(s).

SECTION 5. The City Clerk shall certify the adoption of this Resolution.

PASSED, APPROVED, and ADOPTED this 18th day of September, 2024.

Approved as to form:	_____
	Austin Bishop, Mayor
	ATTEST:
_____	_____
William P. Curley, III	Rochelle Scott, City Clerk
City Attorney	

I, Rochelle Scott, City Clerk of the City of Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the 18th day of September, 2024 by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____ ABSENT: _____

Date: _____

Rochelle Scott, City Clerk

**MUNICIPAL LAW ENFORCEMENT SERVICES AGREEMENT
BY AND BETWEEN
COUNTY OF LOS ANGELES
AND CITY OF PALMDALE**

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**MUNICIPAL LAW ENFORCEMENT SERVICES AGREEMENT
BY AND BETWEEN
COUNTY OF LOS ANGELES
AND CITY OF PALMDALE**

This Municipal Law Enforcement Services Agreement ("Agreement") is made and entered into this _____ day of _____, 2024 by and between the County of Los Angeles ("County") and the City of Palmdale ("City").

RECITALS

- A. Whereas, the City is desirous of contracting with the County for the performance of municipal law enforcement services by the Los Angeles County Sheriff's Department ("Sheriff's Department"); and
- B. Whereas, the County is agreeable to rendering such municipal law enforcement services on the terms and conditions set forth in this Agreement; and
- C. Whereas, this Agreement is authorized by Sections 56½ and 56¾ of the County Charter and California Government Code Section 51301.

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, the parties mutually agree as follows:

1.0 SCOPE OF SERVICES

- 1.1 The County, by and through the Sheriff's Department, agrees to provide general law enforcement services within the corporate limits of the City to the extent and in the manner hereinafter set forth in this Agreement.
- 1.2 Except as otherwise specifically set forth in this Agreement, such services shall only encompass duties and functions of the type coming within the jurisdiction of and customarily rendered by the Sheriff's Department under the County Charter, State of California statutes, and the City municipal codes.
- 1.3 General law enforcement services performed hereunder may include, if requested by the City, supplemental security support, supplemental sworn officer support, and supplemental professional civilian support staff.

2.0 ADMINISTRATION OF PERSONNEL

- 2.1 During the term of this Agreement, the Sheriff or his designee shall serve as the Chief of Police of the City and shall perform the functions of the Chief of Police at the direction of the City.
- 2.2 The rendition of the services performed by the Sheriff's Department, the standards of performance, the discipline of officers, and other matters incident to the performance of such services and the control of personnel so employed shall remain with the County. The City understands and agrees that, at the Sheriff's Department's sole discretion, the Sheriff's Department may redeploy personnel for mutual aid purposes pursuant to the California Emergency Services Act, codified at California Government Code Sections 8550-8668. Absent exigent circumstances, any sustained deployment of more than fifty percent (50%) of the City's contracted items, with the calculation determined by service unit type, requires consultation with the City manager or his/her designee. For the purpose of this section, exigent circumstances are defined as such cases where the immediacy of deployment is of such nature where prior consultation is materially detrimental to public safety and the length of such deployment does not exceed 24 hours.
- 2.3 In the event of a dispute between the parties to this Agreement as to the extent of the duties and functions to be rendered hereunder, or the minimum level or manner of performance of such service, the City shall be consulted and a mutual determination thereof shall be made by both the Sheriff's Department and the City. The City shall first consult with the Station Captain, Division Commander, and Division Chief, in an effort to reach a mutual determination. If a mutual determination cannot be realized at a subordinate level, then the matter will be elevated to a Sheriff's Department Assistant Sheriff or the Sheriff.
- 2.4 With regard to Paragraphs 2.2 and 2.3 above, the Sheriff's Department, in an unresolved dispute, shall have final and conclusive determination as between the parties hereto.
- 2.5 All City employees who work in conjunction with the Sheriff's Department pursuant to this Agreement shall remain employees of the City and shall not have

any claim or right to employment, civil service protection, salary, or benefits or claims of any kind from the County based on this Agreement. No City employees as such shall become employees of the County unless by specific additional agreement in the form of a merger agreement which must be concurrently adopted by the City and the County. The Sheriff's Department will provide approved City employees with the required training necessary to access authorized County programs (i.e. CAD, MDC, etc.), so such City employees can perform the functions of their positions.

- 2.6 While performing law enforcement services and functions under this Agreement, every Sheriff's Department employee shall be authorized to enforce all City laws and regulations, including all City codes and ordinances.
- 2.7 The City shall not be called upon to assume any liability for the direct payment of any Sheriff's Department salaries, wages, or other compensation to any County personnel performing services hereunder for the City. Except as herein otherwise specified, the City shall not be liable for compensation or indemnity to any County employee or agent of the County for injury or sickness arising out of the performance of services under this Agreement.
- 2.8 As part of its compliance with all applicable laws and regulations relating to employee hiring, the County agrees that the County Civil Service Rules to which it is subject and which prohibit discrimination on the basis of non-merit factors, shall for purposes of this Agreement be read and understood to prohibit discrimination on the basis of sexual orientation.

3.0 DEPLOYMENT OF PERSONNEL

- 3.1 Services performed hereunder and specifically requested by the City shall be developed in conjunction with the Sheriff's Department and indicated on Attachment A, Los Angeles County Sheriff's Department Service Level Authorization (SH-AD 575) Form, of this Agreement.
- 3.2 The City, or its designated representative, shall meet with its respective Sheriff's Department Station Captain when requesting law enforcement services to be performed in the City, and provide direction to the Sheriff's Department Station Captain regarding the method of deployment for such services. The City and the

Sheriff's Department shall also determine a minimum daily standard of staffing needs for services rendered to ensure an adequate personnel presence during station operation and patrol. The City and the Station Captain shall meet to discuss the minimum daily standard which is documented in Attachment A, Los Angeles County Sheriff's Department Service Level Authorization (SH-AD 575) Form, of this Agreement. The Station Captain shall endeavor to meet this standard without increased cost to the City. The Sheriff's Department shall ensure that all services are delivered in a manner consistent with the priorities, annual performance objectives, and goals established by the City.

- 3.3 The Sheriff's Department shall make every attempt to avoid deployment deficiencies (i.e., "busting" of cars) by following the daily minimum standard of staffing, as stipulated in Attachment A, Los Angeles County Sheriff's Department Service Level Authorization (SH-AD 575) Form, of this Agreement. Should deployment deficiencies occur, the Sheriff's Department should make every effort to reallocate those resources to the shift where the deficiencies occurred. Should the Sheriff's Department determine that a temporary increase, decrease, and/or realignment in the deployment methodologies is necessary, the Sheriff's Department shall promptly notify the City of this change in advance. In the event that prior notice is not possible, the City shall be notified of the change within two (2) City business days. If monthly service compliance falls below ninety-eight percent (98%) for each service unit type, then the Sheriff's Department Station Captain shall meet with the City to discuss compliance and identify a plan for resolution. If the quarterly and/or year-to-date (September 30th, December 31st, March 31st, and June 30th) service compliance falls below ninety-eight percent (98%) for each service unit type, then the respective Sheriff's Department Division Chief shall meet with the Sheriff's Department Station Captain and the City to discuss compliance and identify a plan for resolution. If the City is dissatisfied with the outcome of either resolution process, the matter will be elevated to a Sheriff's Department Assistant Sheriff or the Sheriff until all City concerns are fully resolved. Resolution may include, but is not limited to, the use of overtime, staffing adjustments, and/or City-initiated service suspensions, at no additional cost to the

City. If the City determines it is unnecessary, the City may waive either dispute resolution process discussed above.

3.3.1 The Sheriff's Department shall monitor and make every attempt to backfill vacant and impaired (to include loaned) sworn supervisorial overhead positions by the beginning of the following quarter.

3.3.2 The Sheriff's Department will work with the City to provide an appropriate tool and/or reports to demonstrate adequate service level compliance under this Agreement. Such service level compliance reports include, but not limited to, daily staffing levels, service levels, deployment of service units, daily deputy activity, or similar type data that is reasonably available.

- 3.4 A new Attachment A, Los Angeles County Sheriff's Department Service Level Authorization (SH-AD 575) Form, of this Agreement shall be authorized and signed annually by the City and the Sheriff or his designee effective each July 1, and attached hereto as an Amendment to this Agreement.
- 3.5 Should the City request a change in the level of service other than pursuant to the annual July 1 readjustment, a revised Attachment A, Los Angeles County Sheriff's Department Service Level Authorization (SH-AD 575) Form, of this Agreement shall be signed and authorized by the City and the Sheriff or his designee and attached hereto as an Amendment to this Agreement.
- 3.6 The most recent dated and signed Attachment A, Los Angeles County Sheriff's Department Service Level Authorization (SH-AD 575) Form, of this Agreement shall be the staffing level in effect between the County and the City.
- 3.7 The City is not limited to the services indicated in Attachment A, Los Angeles County Sheriff's Department Service Level Authorization (SH-AD 575) Form, of this Agreement. The City may also request any other service or equipment in the field of public safety, law, or related fields within the legal power of the Sheriff's Department to provide. Such other services and equipment shall be reflected in a revised Attachment A, Los Angeles County Sheriff's Department Service Level Authorization (SH-AD 575) Form, of this Agreement under the procedures set forth

in Paragraphs 3.4 and 3.5 above.

- 3.8 With regard to any public safety equipment requested by the City and set forth on Attachment A, Los Angeles County Sheriff's Department Service Level Authorization (SH-AD 575) Form, of this Agreement, the City shall adhere to the terms and conditions set forth in Attachment C, Public Safety Equipment Use Requirements, of this Agreement.
- 3.9 When a contracted service unit, requiring the procurement of a vehicle at the onset of service, is deleted from the Service Level Authorization (SH-AD-575) , and the City reinstates said service unit within a 24-month period, the City will not be required to procure a vehicle.

4.0 PERFORMANCE OF AGREEMENT

- 4.1 For the purpose of performing general law enforcement services under this Agreement, the County shall furnish and supply all necessary labor, supervision, equipment, technology, communication facilities, and supplies necessary to maintain the agreed level of service to be rendered hereunder.
- 4.2 Notwithstanding the foregoing, the City may provide additional resources for the County to utilize in performance of the services.

4.2.1 All bailments require a separate Bailment Agreement governing the County's use of the bailed equipment. Such Bailment Agreements shall be administered at the station level. A bailment is a legal arrangement where one party (City) temporarily transfers possession of specific property or assets to another party (County) to facilitate the provision of certain services.

4.2.2 All donations made by a City to the County will be governed by the most current Sheriff's Department donation procedures.

4.2.3 The County, through the Sheriff's Department, acknowledges its obligation to maintain an inventory of all non-vehicle equipment owned by the City ("City Equipment") provided to the County for its use. The inventory shall include, but not limited to, a detailed description of each item of City Equipment, its serial number (if applicable), its condition upon receipt, and its location. The County shall be responsible for regularly updating and maintaining the inventory of City Equipment, including documenting any changes in the status, condition, or location

of equipment. The inventory shall be kept current and accurate at all times during the term of this Agreement. Upon request by the City, the County shall provide access to the inventory records and facilitate any necessary inspections or audit of the City Equipment. The County shall cooperate fully with the City in verifying the accuracy and completeness of the inventory. In the event of loss, damage, or theft of any City Equipment while under the custody or control of the County, the County shall promptly notify the City in writing and provide a detailed explanation of the circumstances surrounding the incident. All inventory records shall be completed and maintained at the station level.

- 4.3 When and if both parties to this Agreement concur as to the necessity of maintaining a law enforcement headquarters or Sheriff's Department substation within the City which would not normally be provided by the Sheriff's Department, the City shall furnish at its own cost and expense all necessary office space, and the Sheriff's Department shall have authority to negotiate with the City regarding which entity shall pay for furniture and furnishings, office supplies, janitor service, telephone, light, water, and other utilities.
- 4.4 It is expressly further understood that in the event a local office or building is maintained in the City, such local office or building may be used by the Sheriff's Department in connection with the performance of its duties in territory outside of the City, provided, however, that the performance of such outside duties shall not be at any additional cost to the City.
- 4.5 Notwithstanding the foregoing, it is mutually agreed that in all instances where special supplies, stationery, notices, forms, and the like must be issued in the name of the City, the same shall be supplied by the City at its own cost and expense.

5.0 INDEMNIFICATION

- 5.1 The parties hereto have executed an Assumption of Liability Agreement approved by the County Board of Supervisors on December 27, 1977, and/or a Joint Indemnity Agreement approved by the County Board of Supervisors on October 8, 1991. Whichever of these documents the City has signed later in time is currently in effect and hereby made a part of and incorporated into this Agreement as if set out in full herein.

- 5.2 The parties hereto have also executed a County-City Special Indemnity Agreement approved by the County Board of Supervisors on August 25, 2009. This document is made a part of and incorporated into this Agreement as if set out in full herein.
- 5.3 In the event the County Board of Supervisors later approves a revised Joint Indemnity Agreement and the City executes the revised agreement, the subsequent agreement as of its effective date shall supersede the agreement previously in effect between the parties hereto.
- 5.4 Notwithstanding anything to the contrary contained in the Agreement, the indemnification term under this section shall be in effect for a period of nine (9) months, through and including March 31, 2025, with an automatic six-month (6) renewal thereafter, through and including September 30, 2025 (“Indemnification Extension”), unless: (a) this section is amended at any time prior to September 30, 2025; or (b) the entire Agreement is terminated earlier, pursuant to Section 7.0 of this Agreement. If the parties continue to perform under the Agreement after the expiration of the Indemnification Extension without any amendment to this section in accordance with Section 11.0, then the indemnification term under this section will be automatically renewed and incorporated herein for the entire duration of this Agreement.

6.0 TERM OF AGREEMENT

- 6.1 The term of this Agreement shall be from July 1, 2024 through June 30, 2029, unless sooner terminated or extended as provided for herein.
- 6.2 At the option of the County Board of Supervisors and with the consent of the City Council, this Agreement may be renewed or extended for successive periods not to exceed five (5) years each.
- 6.3 Nine (9) months prior to the expiration of this Agreement, the parties shall meet and confer in good faith to discuss the possible renewal or extension of this Agreement pursuant to Paragraph 6.2 above. The parties shall reach an agreement as to the terms of any renewal or extension period no later than six (6) months prior to the expiration of this Agreement. Absent mutual agreement by the parties within that time frame, this Agreement shall expire at the conclusion of the then-existing term.

7.0 RIGHT OF TERMINATION

- 7.1 Either party may terminate this Agreement as of the first day of July of any year upon notice in writing to the other party of not less than one hundred eighty (180) calendar days prior thereto.
- 7.2 Notwithstanding any provision herein to the contrary, the City may terminate this Agreement upon notice in writing to the County given within sixty (60) calendar days of receipt of written notice from the County of any increase in the rate for any service to be performed hereunder, and in such an event this Agreement shall terminate sixty (60) calendar days from the date of the City's notice to the County.
- 7.3 This Agreement may be terminated at any time, with or without cause, by either party upon written notice given to the other party at least one hundred eighty (180) calendar days before the date specified for such termination.
- 7.4 In the event of a termination, each party shall fully discharge all obligations owed to the other party accruing prior to the date of such termination, and, except as otherwise provided herein, each party shall be released from all obligations which would otherwise accrue subsequent to the date of termination.
- 7.5 In the case of termination of this Agreement, the Sheriff will provide only such duties as are required by law.

8.0 BILLING RATES

- 8.1 The City shall pay the County for the services and equipment provided under the terms of this Agreement at the billing rates set forth on Attachment B, Contract City Law Enforcement Services and Equipment Master Rate Sheet, of this Agreement, as established by the County Auditor-Controller.
- 8.2 The billing rates set forth on Attachment B, Contract City Law Enforcement Services and Equipment Master Rate Sheet, of this Agreement shall be readjusted by the County Auditor-Controller annually effective July 1 of each year, published by the County, and attached hereto as an Amendment to this Agreement, to reflect the cost of such service in accordance with the policies and procedures for the determination of such rates as adopted by the County Board of Supervisors.
- 8.3 The City shall be billed at the current fiscal year's billing rates based on the service level provided within the parameters of Attachment A, Los Angeles County

Sheriff's Department Service Level Authorization (SH-AD 575) Form, of this Agreement.

- 8.4 The billing rates for other services and equipment requested pursuant to Paragraph 3.7 of this Agreement and not set forth on Attachment B, Contract City Law Enforcement Services and Equipment Master Rate Sheet, of this Agreement shall be determined by the County Auditor-Controller in accordance with the policies and procedures established by the County Board of Supervisors and then set forth and published on a revised Attachment B, Contract City Law Enforcement Services and Equipment Master Rate Sheet, of this Agreement.

9.0 PAYMENT PROCEDURES

- 9.1 The County, through the Sheriff's Department, shall render to the City, after the close of each calendar month, a summarized invoice which covers all services performed during said month, and the City shall pay the County for all undisputed amounts within sixty (60) calendar days after date of the invoice.
- 9.2 If such payment is not delivered to the County office which is described on the invoice within sixty (60) calendar days after the date of the invoice, the County is entitled to recover interest thereon. For all disputed amounts, the City shall provide the County with written notice of the dispute including the invoice date, amount, and reasons for dispute within ten (10) calendar days after receipt of the invoice. The parties shall memorialize the resolution of the dispute in writing. For any disputed amounts, interest shall accrue if payment is not received within sixty (60) calendar days after the dispute resolution is memorialized.
- 9.3 Interest shall be at the rate of ten percent (10%) per annum or any portion thereof, calculated from the due date of the invoice for the month in which the services were performed, or in the case of disputed amounts, calculated from the date the resolution is memorialized.
- 9.4 Notwithstanding the provisions of California Government Code Section 907, if such payment is not delivered to the County office which is described on said invoice within sixty (60) calendar days after the date of the invoice, or in the case of disputed amounts, from the date the resolution is memorialized, the County may satisfy such indebtedness, including interest thereon, from any funds of the City on

deposit with the County without giving further notice to the City of the County's intention to do so.

10.0 NOTICES

10.1 Unless otherwise specified herein, all notices or demands required or permitted to be given or made under this Agreement shall be in writing and shall be hand delivered with signed receipt or mailed by first class registered or certified mail, postage prepaid, addressed to the parties at the following addresses and to the attention of the person named. Addresses and persons to be notified may be changed by either party by giving ten (10) calendar days prior written notice thereof to the other party.

10.2 Notices to the County shall be addressed as follows:

Los Angeles County Sheriff's Department
Contract Law Enforcement Bureau
Attn: Unit Commander
211 W. Temple Street, 7th Floor
Los Angeles, California 90012
Phone #: 213-229-1647

10.3 Notices to the City of shall be addressed as follows:

City of Palmdale
Attn: City Manager
Address: 38300 Sierra Highway, Palmdale, CA 93550
Phone #: 661-267-5100

11.0 AMENDMENTS

11.1 Except for changes pursuant to Paragraphs 8.2 and 8.4 of this Agreement, all changes, modifications, or amendments to this Agreement must be in the form of a written Amendment duly executed by the County Board of Supervisors and an authorized representative of the City.

11.2 Notwithstanding Paragraph 11.1 above, the Sheriff or his designee is hereby authorized to execute, on behalf of the County, any Amendments and/or supplemental agreements referenced in Sections 3.0, 4.0, and 9.0 of this Agreement.

11.3 In accordance with Paragraphs 8.2 and 8.4 of this Agreement, the Sheriff or his designee is hereby authorized to publish, on behalf of the County, the annual

revised Attachment B, Contract City Law Enforcement Services and Equipment Master Rate Sheet, of this Agreement. The revised Attachment B, Contract City Law Enforcement Services and Equipment Master Rate Sheet, of this Agreement shall serve as an Amendment to this Agreement, but shall not require the signature of either party.

12.0 AUTHORIZATION WARRANTY

12.1 The City represents and warrants that the person executing this Agreement for the City is an authorized agent who has actual authority to bind the City to each and every term, condition, and obligation of this Agreement and that all requirements of the City have been fulfilled to provide such actual authority.

12.2 The County represents and warrants that the person executing this Agreement for the County is an authorized agent who has actual authority to bind the County to each and every term, condition, and obligation of this Agreement and that all requirements of the County have been fulfilled to provide such actual authority.

13.0 ENTIRE AGREEMENT

This Agreement, including Attachment A, Attachment B, and Attachment C, and any Amendments hereto constitute the complete and exclusive statement of understanding of the parties which supersedes all previous agreements, written or oral, and all communications between the parties relating to the subject matter of this Agreement. No change to this Agreement shall be valid unless prepared pursuant to Section 11.0, Amendments, of this Agreement.

**MUNICIPAL LAW ENFORCEMENT SERVICES AGREEMENT
BY AND BETWEEN
COUNTY OF LOS ANGELES
AND CITY OF PALMDALE**

IN WITNESS WHEREOF, the County of Los Angeles, by order of its Board of Supervisors, has caused this Agreement to be executed by the Sheriff of Los Angeles County, and the City has caused this Agreement to be executed by its duly authorized representative, on the dates written below.

COUNTY OF LOS ANGELES

By _____
ROBERT G. LUNA
Sheriff

Date _____

CITY OF PALMDALE

By _____

Date _____

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:
DAWYN R. HARRISON
County Counsel

By APPROVAL ON FILE _____
Principal Deputy County Counsel

APPROVED AS TO FORM:
CITY ATTORNEY

By _____



LOS ANGELES COUNTY SHERIFF'S DEPARTMENT
CONTRACT LAW ENFORCEMENT SERVICES
SERVICE LEVEL AUTHORIZATION (SH-AD 575)

Attachment A

CITY: Palmdale

FISCAL YEAR: 2024-2025

EFFECTIVE DATE: 7/1/2024

RANK, RELIEF FACTOR	SERVICE CODE	NEW	PREV.	CHNG.	ANNUAL RATE	ESTIMATED TOTAL ANNUAL COST	LIABILITY 12.5%	TOTAL ANNUAL COST W/LIABILITY	ANNUAL HOURS PER SERVICE UNIT	ANNUAL HOURS SCHEDULED	ANNUAL MINUTES SCHEDULED	PERSONNEL REQUIRED
DEPUTY SHERIFF SERVICE UNIT												
Deputy Sheriff, Non-Relief	310	1.00	1.00	0.00	\$ 335,385.00	\$ 335,385.00	\$ 41,923.13	\$ 377,308.13	1,789	1,789	107,340	1.00
Deputy Sheriff, 40-Hour Unit	306	6.00	6.00	0.00	\$ 368,924.00	\$ 2,213,544.00	\$ 276,693.00	\$ 2,490,237.00	2,086	12,516	750,960	6.996
Deputy Sheriff, 56-Hour Unit	307	36.00	36.00	0.00	\$ 516,493.00	\$ 18,593,748.00	\$ 2,324,218.50	\$ 20,917,966.50	2,920	105,120	6,307,200	58.752
Special Assignment Deputy, Non-Relief	278	13.00	13.00	0.00	\$ 335,385.00	\$ 4,360,005.00	\$ 545,000.63	\$ 4,905,005.63	1,789	23,257	1,395,420	13.00

DEPUTY SHERIFF SERVICE UNIT (BONUS)												
Deputy Sheriff, Bonus I, Non-Relief	305	3.00	3.00	0.00	\$ 361,026.00	\$ 1,083,078.00	\$ 135,384.75	\$ 1,218,462.75	1,789	5,367	322,020	3.00

GROWTH DEPUTY UNIT

GRANT DEPUTY UNIT												
Grant Motor Deputy, Non-Relief	422	2.00	2.00	0.00	\$ 252,024.00	\$ 504,048.00	\$ 63,006.00	\$ 567,054.00	1,789	3,578	214,680	2.00
Grant Deputy Generalist, Non-Relief	386	2.00	2.00	0.00	\$ 233,680.00	\$ 467,360.00	\$ 58,420.00	\$ 525,780.00	1,789	3,578	214,680	2.00

SUPPLEMENTAL POSITIONS												
Sergeant, Supplemental, Non-Relief	353	2.00	2.00	0.00	\$ 307,637.00	\$ 615,274.00	\$ -	\$ 615,274.00	1,789	3,578	214,680	2.00
Motor Sergeant, Non-Relief	348	1.00	1.00	0.00	\$ 324,341.00	\$ 324,341.00	\$ 40,542.63	\$ 364,883.63	1,789	1,789	107,340	1.00
Motor Deputy, Non-Relief	305A	2.00	2.00	0.00	\$ 335,385.00	\$ 670,770.00	\$ 83,846.25	\$ 754,616.25	1,789	3,578	214,680	2.00
Crime Analyst, Non-Relief	329	1.00	1.00	0.00	\$ 166,637.00	\$ 166,637.00	\$ -	\$ 166,637.00	1,789	1,789	107,340	1.00
Station Clerk II, Non-Relief	351	1.00	1.00	0.00	\$ 111,495.00	\$ 111,495.00	\$ -	\$ 111,495.00	1,789	1,789	107,340	1.00

Estimated Cost for Service Units: \$	29,445,685.00	Total Liability (12.5%): \$	3,569,034.88	Estimated Subtotal: \$	33,014,719.88
				Public Safety Equipment Cost (See page 3): \$	21,360.00
				Estimated Total Annual Cost: \$	33,036,079.88

The terms of this Service Level Authorization (SH-AD 575) will remain in effect until a subsequent SH-AD 575 is signed and received by LASD.

Notwithstanding, annual rates shall be revised annually per Sections 8.2 and 11.3 of the MLESA.

LASD Approval By:

Report Prepared By:

UNIT COMMANDER NAME SIGNATURE DATE

Rudy P. Sanchez 6/26/2024
SERGEANT DATE

City Approval By:

"I certify that I am authorized to make this commitment on behalf of the City."

Processed at CLEB By:

CITY OFFICIAL NAME SIGNATURE DATE

SERGEANT DATE



LOS ANGELES COUNTY SHERIFF'S DEPARTMENT

Attachment A

CONTRACT LAW ENFORCEMENT SERVICES

SERVICE LEVEL AUTHORIZATION (SH-AD 575)

DEPLOYMENT OF PERSONNEL

CITY: Palmdale FISCAL YEAR: 2024-2025 EFFECTIVE DATE: 7/1/2024

SERVICE UNIT	TOTAL UNITS PURCHASED	GENERAL LAW			TRAFFIC LAW			MOTOR DEP	SAD	D.B.	TEAM LEADER	TOTAL UNITS ASSIGNED
		EM	AM	PM	EM	AM	PM					
DEPUTY SHERIFF SERVICE UNIT												
Deputy Sheriff, Non-Relief	1.00					1.00						1.00
Deputy Sheriff, 40-Hour Unit	6.00			4.00		1.00	1.00					6.00
Deputy Sheriff, 56-Hour Unit	36.00	6.00	9.00	11.00	3.00	4.00	3.00					36.00
Motor Deputy, Non-Relief	2.00							2.00				2.00
Special Assignment Deputy, Non-Relief	13.00								11.00	2.00		13.00
DEPUTY SHERIFF SERVICE UNIT (BONUS)												
Deputy Sheriff, Bonus I, Non-Relief	3.00								1.00	2.00		3.00
GRANT DEPUTY UNIT												
Grant Deputy Generalist, Non-Relief	2.00					2.00						2.00
Grant Motor Deputy, Non-Relief	2.00							2.00				2.00
Routine City Helicopter Agreement												
License Detail - Business & Renewal Applications												
License Detail - Acts on Violations Observed within the City												
Other Supplemental Services												
NOTE: License Detail is billed on an hourly basis and billed monthly as service is provided.												

YES ☐ NO ☐
YES ☐ NO ☐
YES ☐ NO ☐
YES ☐ NO ☐

Sworn						
	Lieutenant	Sergeant	Bonus Deputy	Motor Deputy	Deputy	SAD
Hours	0	5,367	5,367	7,156	123,003	23,257
Minutes	0	322,020	322,020	429,360	7,380,180	1,395,420
Personnel	0.000	3.000	3.000	4.000	68.748	13.000

Civilian			
	SSO	LET/CSA/CA/PCO	Clerical
Hours	0	1,789	1,789
Minutes	0	107,340	107,340
Personnel	0.000	1.000	1.000

Agreement

City Official: _____

Unit Commander: _____

Palmdale 575 FY 24-25 /(2) ALPR systems deleted.



LOS ANGELES COUNTY SHERIFF'S DEPARTMENT
CONTRACT LAW ENFORCEMENT SERVICES
SERVICE LEVEL AUTHORIZATION (SH-AD 575)
PUBLIC SAFETY EQUIPMENT

Attachment A

CITY: Palmdale FISCAL YEAR: 2024-2025

Public Safety Equipment				
Equipment	SERVICE CODE	#	RATE	TOTAL COST
Equipment				
MDC Type	SERVICE CODE	#	RATE	TOTAL COST
MDC Data & Maintenance Only	595	12.00	\$ 1,780.00	\$ 21,360.00
ALPR With Install				
SERVICE CODE	#	RATE	TOTAL COST	
Total Public Safety Equipment Cost: \$				21,360.00

(2) ALPR systems were deleted from contract due to city no longer desirous of utilizing systems. ALPR vehicles will be removed from fleet and replaced with non-ALPR equipped vehicles.

Palmdale 575 FY 24-25 /(2) ALPR systems deleted.

CONTRACT LAW ENFORCEMENT SERVICES AND EQUIPMENT MASTER RATE SHEET

Liability Rate: 12.5%

Deputy Sheriff Service Unit Rates		
Rank / Relief Factor	Annual Rate	Service Code
Deputy Sheriff, Non-Relief	\$ 335,385.00	310
Deputy Sheriff, 40-Hour Unit	\$ 368,924.00	306
Deputy Sheriff, 56-Hour Unit	\$ 516,493.00	307
Deputy Sheriff, 70-Hour Unit	\$ 645,616.00	308
Special Assignment Deputy, Non-Relief	\$ 335,385.00	278
Catalina Deputy, Non-Relief	\$ 334,861.00	324

Deputy Sheriff Service Unit (Bonus) Rates		
Rank / Relief Factor	Annual Rate	Service Code
Deputy Sheriff, Bonus I, Non-Relief	\$ 361,026.00	305
Deputy Sheriff, Bonus I, 40-Hour Unit	\$ 397,128.00	301
Deputy Sheriff, Bonus I, 56-Hour Unit	\$ 555,980.00	302
Deputy Sheriff, Bonus I, 70-Hour Unit	\$ 694,975.00	303

Growth Deputy Unit Rates		
Rank / Relief Factor	Annual Rate	Service Code
Growth Special Assignment Deputy, Non-Relief	\$ 233,680.00	204
Growth Deputy Generalist, Non-Relief	\$ 233,680.00	335
Growth Deputy Generalist, 40-Hour Unit	\$ 272,471.00	573
Growth Deputy Generalist, 56-Hour Unit	\$ 381,366.00	582
Growth Deputy Generalist, 70-Hour Unit	\$ 476,707.00	583
Growth Motor Deputy, Non-Relief	\$ 252,024.00	424
Growth Deputy Bonus I, Non-Relief	\$ 254,004.00	336

Grant Deputy Unit Rates		
Rank / Relief Factor	Annual Rate	Service Code
Grant Special Assignment Deputy	\$ 233,680.00	312
Grant Motor Deputy, Non-Relief	\$ 252,024.00	422
Grant Deputy Generalist, Non-Relief	\$ 233,680.00	386
Grant Deputy Bonus I, Non-Relief	\$ 254,004.00	384

Supplemental Positions Rates		
Rank / Relief Factor	Annual Rate	Service Code
Captain, Non-Relief	\$ 457,914.00	321
Lieutenant, Non-Relief	\$ 364,606.00	342
Sergeant, Patrol, Non-Relief	\$ 389,902.00	631
Sergeant, Supplemental, Non-Relief	\$ 307,637.00	353
Motor Sergeant, Non-Relief	\$ 324,341.00	348
Motor Deputy, Non-Relief	\$ 335,385.00	305A
Watch Deputy, Non-Relief	\$ 249,796.00	354
Community Services Assistant (w/ veh), Non-Relief	\$ 84,226.00	325
Community Services Assistant (w/out veh), Non-Relief	\$ 80,327.00	327
Crime Analyst, Non-Relief	\$ 166,637.00	329
Custody Assistant, Non-Relief	\$ 136,462.00	331
Forensic ID Specialist II, Non-Relief	\$ 206,497.00	356
Information Systems Analyst I, Non-Relief	\$ 181,206.00	332
Intermediate Clerk, Non-Relief	\$ 89,517.00	338
Law Enforcement Technician (w/ veh), Non-Relief	\$ 123,400.00	340
Law Enforcement Technician (w/out veh), Non-Relief	\$ 122,440.00	339
Operations Assistant I, Non-Relief	\$ 118,285.00	343
Operations Assistant II, Non-Relief	\$ 146,942.00	344
Operations Assistant III, Non-Relief	\$ 168,289.00	345
Secretary V, Non-Relief	\$ 128,003.00	346
Security Assistant, Non-Relief	\$ 67,750.00	362
Security Officer, Non-Relief	\$ 105,091.00	347

Senior Information Systems Analyst, Non-Relief	\$ 237,072.00	334
Station Clerk II, Non-Relief	\$ 111,495.00	351
Skynight Observer, Non-Relief	\$ 361,026.00	349
Supervising Station Clerk, Non-Relief	\$ 134,799.00	352

Equipment Rates		
Public Safety Equipment	Annual Rate	Service Code
Supplemental K9 Services (Santa Clarita)	\$ 5,000.00	671

MDC Type Rates		
Equipment	Annual Rate	Service Code
MDC New Purchase, Data & Maintenance - FZ-40	\$ 9,839.00	198
MDC New Purchase, Data & Maintenance - GETAC V110	\$ 8,805.00	164
MDC Data & Maintenance Only	\$ 1,780.00	595

ALPR With Install Rates		
Equipment	Annual Rate	Service Code
ALPR New Install 1st Year (5yr Program)	\$ 5,000.00	680
ALPR System 2nd Year	\$ 5,000.00	680A
ALPR System 3rd Year	\$ 5,000.00	680B
ALPR System 4th Year	\$ 5,000.00	680C
ALPR System 5th Year	\$ 5,000.00	680D

Annual revised rates shall be readjusted annually per Sections 8.2 and 11.3 of the MLESA.

PUBLIC SAFETY EQUIPMENT USE REQUIREMENTS

1.0 TRANSFER OF PUBLIC SAFETY EQUIPMENT

- 1.1 The County, through the Sheriff's Department, hereby transfers the public safety equipment set forth on Attachment A, Los Angeles County Sheriff's Department Service Level Authorization (SH-AD 575) Form, of this Agreement ("Equipment") for the exclusive use of the City during the term of the Agreement.

2.0 USE OF EQUIPMENT

- 2.1 The City may use the Equipment for any lawful purpose, including use in connection with public safety activities in all areas under the City's jurisdiction.
- 2.2 The City shall not use or operate the Equipment in violation of any federal, state, or local law, rule, regulation, or ordinance.
- 2.3 The Equipment shall not be used or operated as follows:
 - 2.3.1 In a manner subjecting the Equipment to depreciation above the normal depreciation associated with public safety use; and/or
 - 2.3.2 For an illegal purpose or by a person under the influence of alcohol or narcotics.

3.0 SAFEKEEPING AND MAINTENANCE

- 3.1 The City shall exercise due care for the safekeeping of the Equipment during the term of the Agreement.
- 3.2 The City shall ensure that the Equipment is kept in good working order and condition, shall ensure that the Equipment is scheduled and available to County for the performance of its regularly scheduled maintenance by the County, and shall comply in every respect with any manufacturer's/owner's manual that comes with the Equipment.
- 3.3 The County shall perform all maintenance and repairs required for the proper operation of the Equipment. Except as otherwise set forth herein, such maintenance and repairs are provided in exchange for the City's payment of the annual billing rates set forth on Attachment B, Contract City Law Enforcement Services and Equipment Master Rate Sheet, of the Agreement. The City has the right to inspect said Equipment prior to acceptance of the Equipment following maintenance and repairs by the County.
- 3.4 Maintenance and repairs provided by the County under the Agreement may be

performed by the County, its third party vendors, and/or the manufacturer of the Equipment.

- 3.5 The County shall assume responsibility for ensuring that the Equipment has been inspected or otherwise tested in accordance with the laws of the State of California and the United States prior to use by the City.
- 3.6 The City shall inspect the Equipment upon initial delivery and return from County following maintenance and repair, and, by acceptance thereof, finds the Equipment in good working order and condition.
- 3.7 The Equipment shall be maintained and repaired solely by the County. The City and any of its third party vendors are prohibited from performing any maintenance and repairs on the Equipment.
- 3.8 All regularly scheduled maintenance shall be performed by the County, and the City shall timely present the Equipment to the County for the performance of regularly scheduled maintenance at the direction of, and in accordance with the policies and procedures of, the Sheriff's Department's Communications and Fleet Management Bureau. The Sheriff's Department shall make every effort to perform any maintenance in a timely manner.
- 3.9 Any Equipment requiring maintenance and repair by the County for any extended length of time, as determined by the Sheriff's Department's Communications and Fleet Management Bureau, will make best efforts to provide a temporary replacement piece of Equipment if such extended time exceeds or is projected to exceed sixty (60) calendar days. All terms and conditions set forth herein shall apply to the City's use of any temporary replacement Equipment provided by the County. The County shall not be responsible for any damages or liability resulting from the City's loss of use of the Equipment during the performance of maintenance and repair services by the County.

4.0 INSPECTION BY COUNTY

- 4.1 The County shall have the right to inspect the Equipment, immediately upon request by the County, at any time during the term of the Agreement. The City shall provide the County with such operating, and other information, or copies of any such records maintained by the City with respect to the Equipment, as the County or any government agency may require from time to time.

5.0 TITLES

- 5.1 The County shall retain ownership of the Equipment used by the City during the term of the Agreement. Legal title to the Equipment is, and shall, at all times, remain in the name of the County. The Equipment shall not be transferred or delivered by the City to any persons other than the County without the County's prior written consent.

6.0 INDEMNIFICATION

- 6.1 The City agrees to indemnify, defend, and hold harmless the County from any and all liability, losses, or damages the County may suffer and from any claims, demands, costs, or judgments against the County arising out of City's use or operation of the Equipment. This indemnification does not extend to (1) any liability resulting from inherent defects or malfunctions in such Equipment related to manufacturer's acts or omissions, or (2) negligent or wrongful maintenance or repair of the Equipment provided by the County.

7. RISK OF LOSS

- 7.1 The City shall assume all risk of loss to the Equipment from the time it is delivered by the County to the City, and inspected and accepted by the City, until (1) the Equipment is returned to the County upon expiration or termination of the Agreement, or (2) the County regains temporary possession of the Equipment for purposes of providing maintenance and repair.
- 7.2 Upon inspection/acceptance of the Equipment, the City shall be responsible for any and all damage to the Equipment, except those damages resulting from (1) inherent defects or malfunctions in such Equipment related to manufacturer's acts or omissions, or (2) the negligent or wrongful maintenance or repair of the Equipment provided by the County.
- 7.3 In the event of damage to the Equipment or the Equipment is in need of repair, the City shall notify the County to that effect and follow such instructions that the County may provide with respect to repair or disposal of the Equipment. If the Equipment is lost, stolen, destroyed, or declared to be a total constructive loss (subject to the County's agreement as to such condition), the City shall properly notify the County thereof and hold any Equipment for disposal by the County. With respect to any loss, theft, or destruction of the Equipment, the County and the City shall negotiate the value for comparable equipment in a condition similar to the lost, stolen, or destroyed Equipment immediately prior to any such loss. The City shall reimburse the County for the value of the lost, stolen, or destroyed Equipment.

8.0 BILLING RATES

- 8.1 As further discussed in Section 8.0, Billing Rates, of the Agreement, the City shall pay the County for the use of the Equipment provided under the Agreement at the annual billing rates set forth on Attachment B, Contract City Law Enforcement Services and Equipment Master Rate Sheet, of the Agreement, as established by the County Auditor-Controller.

ASSUMPTION OF LIABILITY AGREEMENT

THIS AGREEMENT, dated for reference purposes only, on the 14th day of November, 1977, is made and entered into between the County of Los Angeles, sometimes hereinafter referred to as the "County," and the City of San Dimas, sometimes hereinafter referred to as the "City."

RECITALS

(a) City and County have heretofore contracted for the performance of services by County, its officers, agents and employees, and will in the future extend, renew and amend such contracts, and enter into other and further contracts for the performance of services; and

(b) Such contracts are agreements defined under §895 of the Government Code, and pursuant to §895.2 thereof joint and several liability is imposed on the parties; and

(c) Pursuant to §895.4 of the Government Code the parties as a part of the aforementioned agreements may provide for contribution or indemnification upon any liability arising out of the performance of the agreement; and

(d) The County is willing to assume liability and defend and hold the City harmless from any loss, cost or expense caused by the negligent or wrongful acts or omissions of County officers, its agents and employees, occurring in the performance of said agreement; and

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1 (e) The City is willing to assume liability and defend and
2 hold the County harmless from loss, cost or expenses caused by
3 the negligent or wrongful act or omission of city officers, agents
4 or employees occurring in the performance of agreements between
5 the parties, except as hereinafter provided,

6 NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

7 1. The County will assume liability and defend and
8 hold the City harmless from loss, costs or expenses caused
9 by the negligent or wrongful act or omission of County
10 officers, agents and employees occurring in the performance
11 of agreements between the parties hereto to the extent that
12 such liability is imposed on the City by the provisions of
13 §895.2 of the Government Code of the State of California.

14 2. The City will assume liability and defend and hold
15 the County harmless from loss, costs or expenses caused by
16 the negligent or wrongful act or omission of City officers,
17 agents and employees occurring in the performance of agree-
18 ments between the parties hereto to the extent that such
19 liability is imposed on the County by the provisions of
20 §895.2 of the Government Code of the State of California. In
21 addition, when liability arises pursuant to §§830, et seq.,
22 of the Government Code, by reason of a dangerous condition
23 of public property of the City, the City shall assume
24 liability and defend and hold the County harmless from loss,
25 costs or expenses caused by the negligent or wrongful act or
26 omission of City officers, agents and employees, whether

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1 arising in the performance of an agreement between the
2 parties hereto, with the exception that the County shall
3 assume liability and defend and hold the City harmless from
4 loss, costs or expenses caused by the negligent or wrongful
5 act or omission of County officers, agents and employees,
6 occurring in the performance of any agreement between the
7 parties hereto where a duty is imposed on the County pursuant
8 to such agreement to provide maintenance or inspection
9 services pertaining to said property. Where such an agree-
10 ment between a City and County provides that the County will
11 provide at least the same level of maintenance or inspection
12 services that the County provides to unincorporated areas,
13 the County will assume liability and defend and hold the City
14 harmless from loss, costs or expense caused by the negligent
15 or wrongful act or omission of County officers, agents and
16 employees in failing to provide said services in accordance
17 with said agreement.

18 3. The parties further agree that the Auditor-
19 Controller of the County shall establish a fund for the pay-
20 ment of losses for which the County may be liable under the
21 terms of this agreement, and the County agrees to maintain
22 the fund for the purpose of paying such losses which may
23 occur through its performance under agreements to provide
24 city services to the cities within the County.

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1 4. It is understood by the parties that the fund
2 referred to in paragraph 3 above is under the full control
3 of the Board of Supervisors and reappropriation of unen-
4 cumbered year-end balances in this fund is discretionary
5 with the Board of Supervisors.

6 5. The City agrees to make payment to the fund, and
7 the County agrees to require each city receiving services
8 under City Service Agreements to also contribute to the fund.
9 Payments towards the total amount of the fund shall be made
10 by the City in such amounts as may be established by the
11 Auditor-Controller according to the policy and procedure
12 established by the Board of Supervisors, and in the same
13 ratio as the cost of services received by the City is to the
14 total cost to the County for its performance of City Service
15 Agreements during each fiscal year. In the event that City
16 should elect to terminate its Service Agreement with the
17 County, its responsibility to contribute to the fund pursuant
18 to this agreement shall be limited to payment of amounts
19 which accrue prior to the effective date of said termination.

20 6. Each party agrees to fully cooperate with the other
21 and assist the other party hereto in all matters relating to
22 losses covered by the terms of this agreement, and more
23 specifically but not being limited thereby, each party will:

24 (a) Give prompt notification of all occurrences
25 covered or likely to be covered by the terms hereof,
26 together with the particulars thereof to the other party
27 hereto;

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1 (b) If claim is made, or suit is brought against
2 a party on occurrences covered or likely to be covered
3 by the terms hereof, such party shall immediately
4 forward every claim, demand, notice, summons or other
5 process received by it to the other party hereto.

6 7. Should City agree, stipulate, consent to, or other-
7 wise suffer the granting of any claim, the making of any
8 judgment, order, or other award for damages or other relief
9 against itself or any of its or the County's officers,
10 agents, or employees in any proceeding or action authorized
11 by law involving a matter arising out of the performance by
12 the County of services affected hereby without the prior
13 written consent thereto of the County, the City agrees to
14 indemnify, hold harmless, and defend the County from any
15 loss, cost or expense to it arising from such claim, judgment,
16 or other award irrespective of the legal basis upon which
17 liability may be imposed by such action including liability
18 of the County under the provisions of Section 895.2 of the
19 Government Code.

20 8. Any party may at its own cost participate in the
21 defense of any suit, or in the prosecution of any appeal
22 affecting matters herein involved where the duty of defense
23 or prosecution is imposed on the other party, and where the
24 other party has consented thereto.

25 9. This agreement shall apply to and shall be deemed
26 to be a part of all agreements now existing or hereafter

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1 entered into, including amendments, renewals, or other
2 extensions thereof, wherein the City and County have con-
3 tracted under circumstances wherein the liability of the City
4 and County is joint and several under §895.2 of the Govern-
5 ment Code of the State of California. The provisions of this
6 agreement shall supersede and control over any other provi-
7 sions inconsistent therewith in any such contract, heretofore
8 or hereafter entered into by and between the parties hereto,
9 unless by specific reference therein this Assumption of
10 Liability Agreement is inapplicable.

11 10. On the effective date of this agreement that cer-
12 tain agreement entitled "Assumption of Liability Amendment,"
13 if any between the parties, is terminated. The effective
14 date of this agreement is the date executed by the parties,
15 but in no event sooner than 12:00 A.M., March 15, 1978,
16 unless the aforementioned Assumption of Liability Amendment
17 should be sooner terminated by the parties, in which event
18 the date of such termination shall be the effective date of
19 this agreement. Upon the effective date of this agreement the
20 same shall continue during the term of any agreement for
21 services to which the same is applicable, unless the County
22 shall sooner elect to terminate this agreement upon thirty
23 days written notice to the City. The County further agrees
24 that this agreement shall be only terminated upon the occur-
25 rence of the foregoing, or any one or more of the following
26 events:

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1 (a) Failure of the City to cooperate with the
2 County as required by this agreement.

3 (b) Upon the City authorizing any judgment, order
4 or other award for damages without the consent of the
5 County in violation of the terms and provisions of this
6 agreement.

7 (c) Upon the County's election in its absolute
8 discretion to terminate this Assumption of Liability
9 Agreement as to all cities having such service agree-
10 ments with the County.

11 11. To the extent that the County has agreed to indem-
12 nify, defend and waive harmless a city, its officers, agents
13 and employees under this agreement, said obligation shall
14 continue to exist during the term of this agreement whether
15 or not there are sufficient funds for such indemnity, defense
16 or hold harmless in the fund established by the Auditor-
17 Controller. It is further understood that the County may
18 also utilize said fund for the purchase of commercial
19 insurance and claims management services and for the payment
20 of other costs to cover the exposures of the County hereunder
21 in whole or in part.

22 12. On termination by the City of service contract with
23 the County, or upon termination by the County for any cause,
24 the County shall continue to indemnify, defend and hold harm-
25 less the City for all claims and losses for which liability
26 is imposed on the County by the terms of this agreement, and

27 ///

28 ///

where arising out of the County's negligent or wrongful act or omission, prior to the effective date of said termination. Said City shall not be entitled to return of any consideration paid by it towards the fund established by the Auditor-Controller on the termination of this agreement.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their duly authorized officers the day and year hereinafter set forth.

CITY OF SAN DIMAS

By Maurin Enker
Mayor

ATTEST this 28th day of February, 1978.

Ruth V. Foster
City Clerk



COUNTY OF LOS ANGELES

By Robert F. Shuman
Chairman, Board of Supervisors

ATTEST this 22 day of MARCH, 1978.

JAMES S. MIZE, Executive Officer-Clerk of the Board of Supervisors

By Wm Jordan
Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

109

DEC 27 1977

James S. Mize
JAMES S. MIZE
EXECUTIVE OFFICER

JOINT INDEMNITY AGREEMENT

THIS AGREEMENT, dated for reference purposes on the ____ day of _____, 1991, is made and entered into between the County of Los Angeles, sometimes hereinafter referred to as the "County", and the City of _____, sometimes hereinafter referred to as the "City."

This agreement is entered into based upon the following facts:

(a) City and County have contracted for the performance of services by County, its officers, agents and employees, and may in the future extend, renew and amend such contracts, and enter into other and further contracts for the performance of services, all of which are hereinafter referred to as "service contracts";

(b) Pursuant to Government Code Section 895.6, if the agreements between City and County fail to specify how the responsibility for liability for injuries to persons or property is to be allocated, each entity is to contribute an equal share of the amount of any judgment based on an injury that occurs in the performance of the agreement;

(c) Pursuant to Government Code Section 895.4, the City and County may allocate the ultimate financial responsibility among themselves in whatever manner seems most desirable to them;

(d) County has established the Contract Cities Trust Fund (sometimes hereinafter referred to as "Trust Fund") into which County will deposit designated portions of the funds received from City and other cities as compensation for the performance of services;

(e) County is willing to perform the services for City if City is willing to contribute to the Trust Fund as a part of the compensation for the performance of the services;

(f) City is willing to have County provide the services and to contribute to the Trust Fund as a part of the compensation for the performance of the services;

(g) Utilizing the Trust Fund, County is willing to assume liability and defend and hold City harmless from any loss, cost or expense caused by the negligent or wrongful acts or omissions of County officers, its agents or employees, occurring in the performance of said agreements.

(h) Using its own funds and without contribution from the Trust Fund, City is willing to assume liability and defend and hold County harmless from loss, cost or expenses caused by the negligent or wrongful act or omission of City officers, agents or employees occurring in the performance of agreements between the parties.

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

1. Establishment of Trust Fund

City and County agree that the Auditor-Controller of the County shall establish a fund for the payment of losses for which County may be liable under the terms of this agreement.

County agrees to maintain the fund, to be known as the Contract Cities Trust Fund, for the purposes set forth in this Agreement.

2. Control of Trust Fund

City and County agree that the Trust Fund is under the full control of County.

3. Payment to Trust Fund

City agrees to make payment to the fund, and County agrees to require each City receiving services under service contracts to also contribute to the fund.

Payments towards the total amount of the fund shall be made by City in such amounts as may be established by County Trust

Fund Administrator with concurrence of Auditor-Controller according to the policy and procedures established by County.

Such payments may be at a rate calculated separately for each specific service provided by County through its performance of service contracts during each fiscal year.

4. Sufficiency and Use of Trust Fund

To the extent that County has agreed to indemnify, defend and hold harmless City, its officers, agents and employees under this agreement, said obligation shall continue to exist during the term of this agreement whether or not there are sufficient funds for such indemnity, defense or hold harmless in the Trust Fund.

If in the discretion of the Trust Fund Administrator the Trust Fund balance is inadequate to fund contract cities liabilities, the Auditor will advance from the County's funds amounts necessary to temporarily finance such liabilities.

City agrees, together with others who will be required to make like contributions, to contribute upon demand by the Trust Fund Administrator such sums as the Trust Fund Administrator determines are necessary to replenish the Trust Fund so that the County's funds may be reimbursed.

The Trust Fund shall reimburse the County's funds for all

such costs temporarily advanced on behalf of the Trust Fund with interest at County treasury rate within one calendar year from the date of the County's advance.

It is further understood that County may also utilize said fund for the purchase of commercial insurance and claims management services and for the payment of other costs to cover all or any part of County's exposures hereunder.

5. Indemnity from the Trust Fund

Utilizing the Trust Fund, County will undertake to investigate, defend and pay any losses, costs, settlement awards, judgments or expenses originating from claims or litigation based or alleged to be based upon the negligent or wrongful act or omission of County officers, agents or employees engaged in the performance of services for City pursuant to the service contracts.

County will not undertake this responsibility if the liability is based or alleged to be based upon the negligent or wrongful act or omission of City, its officers, agents or employees occurring during the performance of the service contracts. Where County contends that the City is partially responsible through its negligence or wrongful act or omission, County shall still undertake the responsibility herein imposed,

but County may, by written notification to City, reserve its right to claim indemnification from the City for that portion of the loss, cost, settlement, award or judgment attributable to the City's negligence or wrongful act or omission.

Except for its contribution to the Trust Fund, City will not be liable for defense costs or for holding County harmless from loss, costs, or expenses caused in whole or in part by the negligent or wrongful act or omission of County, its officers, agents and employees occurring during the performance of the services pursuant to the contracts.

6. Indemnity by City

a. Acts or Omissions

City will undertake to investigate, defend and pay any losses, costs, settlement awards, judgments, or expenses originating from claims or litigation based or alleged to be based in whole or in part upon the negligent or wrongful act or omission of City, its officers, agents or employees occurring during the performance of the service contracts.

b. Dangerous Conditions of City Property

When liability is based or alleged to be based on a dangerous condition of City property pursuant to §830

et. seq. of the Government Code (including, but not limited to, the plan or design of the City property), City shall assume liability and defend and hold County harmless from any loss, cost or expense caused by the negligent or wrongful act or omission of City, its officers, agents or employees.

c. Exception for Maintenance or Inspection of City Property

Where a duty is imposed on County pursuant to a service contract to provide maintenance or inspection services pertaining to City property, County shall utilize the Trust Fund to investigate, defend, and pay any losses, costs, settlement awards, judgments or expenses originating from claims or litigation allegedly based upon the existence of a dangerous condition of City's property as a result of the negligent or wrongful act or omission of County officers, agents or employees in the performance of such service contracts.

7. No Funding of City's Unilateral Settlements or Litigation

Should City agree, or stipulate or consent to the settlement of any claim or action, the making or entry of any judgment, order or other award for damages or for other relief against itself or any of its officers, agents or employees or against County or its officers, agents or employees in any proceeding or action authorized by law, involving a matter arising out of the performance by County pursuant to the service contracts, without the prior written consent thereto of County, then City agrees to indemnify, hold harmless and defend County from any loss, cost or expense sustained by County arising from such claim, judgment or other award irrespective of the legal basis upon which liability may be imposed by such claim or action, including liability of County under the provision of §895.2 of the Government Code.

8. Cooperation in Assumption of Liability

City and County agree to fully cooperate and assist each other in all matters relating to losses covered by the terms of this agreement.

More specifically, but not limited thereby, each party will:

(a) In the event of a claim or suit or an occurrence likely to involve a claim or suit covered by this agreement, give prompt

written notice to the other party. Written notice shall contain the name and address of the person or organization sustaining injury or damage, and of any witnesses, as well as the time, place and circumstances of the occurrence.

(b) If claim is made or suit is brought against a party on occurrences covered or likely to be covered by the terms hereof, such party shall immediately forward every claim, demand, notice, summons or other process received by it to the other party.

c) Cooperate with the other party and, upon the other party's request assist in the processing of suits and enforcing any right of contribution or indemnity against any person or organization who may be liable to the other party for injury or damage covered by this agreement; attend upon request hearings and trials, assist in securing and giving of evidence and obtaining the attendance of witnesses.

9. Participation in Litigation

Any party may at its own cost participate in the defense of any suit, or in the prosecution of any appeal affecting matters herein involved where the duty of defense or prosecution is imposed on the other party, and where the other party has consented thereto.

10. Application of Agreement to Other Agreements

This agreement shall apply to and shall be deemed to be a part of all agreements now existing or hereafter entered into including amendments, renewals, or other extensions thereof, wherein City and County have contracted under circumstances wherein the liability of City and County is joint and several under §895.2 of the Government Code of the State of California.

11. Control over Prior Agreements

Any references in service contracts to the "Assumption of Liability Agreement" shall be deemed to be to this Agreement.

The provisions of this agreement shall supersede and control over any other provisions inconsistent herewith in any such contract, and control future agreements between the parties hereto unless by specific reference therein this Joint Indemnity Agreement is made inapplicable.

12. Termination of Agreement

This agreement shall continue during the term of any service contract between City and County unless:

(a) County elects to terminate this agreement upon thirty days written notice to City.

(b) Upon County's election, if City fails to cooperate with County as required by this agreement.

(c) Upon County's election if City authorizes any judgment, order or other award for damages without the consent of County in violation of the terms and provisions of this agreement.

(d) Upon County's election in its absolute discretion to terminate this Joint Indemnity Agreement as to all cities having such service contracts with County.

On the termination of this agreement, City shall not be entitled to return of any consideration paid by it towards the Trust Fund. Termination of this agreement shall not relieve City of its obligation to make contributions as required by Paragraph 4.

13. Termination of Service Contracts Between
County and City

On termination by City of service contract with County or termination of said contract by County for any cause, County and/or City shall continue to defend, indemnify and hold harmless the other party for all claims and losses pursuant to the terms of this agreement arising prior to the effective date of said termination.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their duly authorized officers the day and year hereinafter set forth.

CITY OF

By _____
Mayor

ATTEST this ____ day of ____, 1991

By _____
City Clerk

COUNTY OF LOS ANGELES

By _____
Chairman, Board of Supervisors

ATTEST this ____ day of ____, 1991

LARRY J. MONTEILH
Executive Officer
Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

DE WITT W. CLINTON
County Counsel

By _____
Deputy
9-12.JIA

COUNTY-CITY SPECIAL INDEMNITY AGREEMENT

THIS AGREEMENT ("Agreement"), dated for reference purposes on the ____ day of _____, 2009, is made and entered into between the County of Los Angeles, hereinafter referred to as the "County," and the Cities identified in Recital G below, hereinafter cumulatively referred to as the "Cities."

RECITALS

A. Cities, and each of them, and County have heretofore contracted for the performance of law enforcement services to be provided by the County, its officers, agents and employees, known as "Municipal Law Enforcement Services Agreements" which contracts the parties may in the future extend, renew and amend, and enter into other and further contracts for the performance of such services (hereinafter referred to as "MLESA"); and

B. Cities and County have heretofore contracted for the indemnification of the Cities by the County, utilizing the Liability Trust Fund ("LTF") for the acts and omissions committed by the County's employees in the course and scope of providing services under the MLESA agreements, more particularly described as the Joint Indemnity Agreements or Assumption of Liability Agreements (hereinafter referred to as "Joint Indemnity Agreements") which have remained in full force and effect to the present time; and

C. In accordance with the Joint Indemnity Agreements, the County established the LTF, as provided in those agreements. In accordance with the Joint Indemnity Agreements, the Cities, and each of them, are required

to pay monies into the LTF. The monies in the LTF are used to reimburse the County for claims, losses, costs and expenses it incurs for which indemnification is provided in the parties' MLESA and/or Joint Indemnity Agreements; and

D. The County withdrew sums from the LTF for the purpose of reimbursing itself for its payment of settlement of claims related to sexual assaults committed by a deputy sheriff (Gonzales) in the years 2002 and 2003 (the "Claims"); and

E. A dispute has arisen between the parties regarding the circumstances under which the County may utilize the funds in the LTF for claims arising from sexual assaults committed by deputy sheriffs employed by the County ("Sexual Assaults"); and

F. The parties desire to continue the Joint Indemnity Agreements and MLESA agreements, as amended, modified and supplemented from time to time. As further consideration to the Cities, the County is willing to reimburse the LTF for a portion of the sums that are used or may be used by it from the LTF for claims, losses, costs or expenses arising out of certain Sexual Assaults, as defined in Section 2 below, occurring in the performance of the MLESA agreements on the terms and in the manner provided in this Agreement.

G. The Cities that are a party to this Agreement are as follows:

City of Agoura Hills
City of Artesia
City of Avalon

City of Bellflower
City of Bradbury
City of Calabasas

City of Carson
City of Cerritos
City of Commerce
City of Compton
City of Diamond Bar
City of Duarte
City of Hawaiian
Gardens
City of Hidden Hills
City of Industry
City of La Canada
City of La Habra Heights
City of La Mirada
City of La Puente
City of Lakewood
City of Lancaster
City of Lawndale
City of Lomita
City of Lynwood

City of Malibu
City of Norwalk
City of Palmdale
City of Paramount
City of Pico Rivera
City of Rancho Palos
Verde
City of Rolling Hills
City of Rolling Hills
Estate
City of Rosemead
City of San Dimas
City of Santa Clarita
City of South El Monte
City of Temple City
City of Walnut
City of West Hollywood
City of Westlake Village

NOW, THEREFORE, for good and valuable consideration, receipt of which is acknowledged, it is mutually agreed as follows:

AGREEMENT

1. Effective Date.

This Agreement shall be effective as of July 1, 2009. The foregoing notwithstanding, this Agreement shall apply to any claims notice of which is first given to the Liability Trust Fund Oversight Committee after the effective date of this agreement, regardless of the date of occurrence. For purposes of this Agreement "notice" shall mean notification to the Chief Executive Officer of the California Joint Powers Insurance Authority and the Executive Director of the California Contract Cities Association, unless otherwise instructed in writing.

2. Indemnity by the County to the City.

The parties agree that the maximum liability of the LTF for any losses, claims, costs or expenses related to certain Sexual Assaults, as herein below defined, by deputies or other peace officers in the employ of the County shall be one-half (1/2) of any settlement, judgment or award for such assaults and the costs of defense, including attorneys fees, for such claims or lawsuits. In the event that a withdrawal is made by the County from the LTF for any liability related to certain Sexual Assaults by deputies or other peace officers, as herein below defined, the County shall reimburse the LTF, or, in the event that it has not made a withdrawal of funds from the LTF it shall assume the responsibility to pay from its own funds, one-half (1/2) of any amounts necessary to satisfy any judgment, award or settlement not otherwise covered by insurance, if there is any, together with costs of defense, including attorneys fees, under the following circumstances:

- a. A felony judgment of criminal conviction is entered in a state or federal court based upon the same facts as the claim; and
- b. The felony judgment of criminal conviction is based upon an act of rape, sodomy, oral copulation or other sexual penetration of a person;

For purposes of calculating the amount that the County is obligated to pay into the LTF under this Agreement, any amount paid by an insurance carrier directly to a claimant on a claim which is subject to this Agreement shall not be deemed to have been paid from the LTF.

For purposes of calculating the amount that the County is obligated to pay into the LTF under this Agreement, any amount paid from the LTF on a claim

which is subject to this Agreement but which is reimbursed to the LTF by an insurance carrier shall not have been deemed paid from the LTF.

Nothing herein creates an obligation upon the Cities, or any of them, or any other entity to acquire, have or maintain any policy of insurance.

3. Term of and Application to Other Agreements.

This Agreement shall apply to all MLESA agreements now existing or hereafter entered into, including amendments, renewals or other extensions thereof. This Agreement shall serve to supplement the Joint Indemnity Agreements with respect to the single subject matter addressed herein.

Nothing herein shall be deemed to change, modify, alter, amend, or substitute any term, right, obligation or condition set forth in an MLESA, as amended or modified, from time to time.

4. Termination of Service Contracts Between County and Cities.

This Agreement shall continue in effect until the last of any MLESA or similar agreement is lawfully terminated in accordance with its terms. Such termination shall not relieve County or City for any obligations set forth in such MLESA agreement relating to obligations upon termination of such agreement and this Agreement to any claims related to a Sexual Assault.

5. Release of the Claims.

The Cities and each of them hereby waive, release and relinquish any claim they may have for the reimbursement of the sums withdrawn by the County with respect to the Claims. The County hereby waives, releases and relinquishes any right or claim it may have for reimbursement of any sums it has or may have

paid or incurred with regard to any Sexual Assault occurring prior to the effective date of this Agreement.

6. Further Assurances.

Each of the parties hereto agrees to execute and deliver any and all additional papers and documents, and to do any and all acts reasonably necessary in connection with the performance of its obligations hereunder and to carry out the intent of the parties hereto.

7. Non-Admission of Liability.

Each of the parties hereto agrees that nothing contained or incorporated herein shall be deemed as an admission of liability with respect to any matter, thing, or dispute whatsoever.

8. Entire Agreement.

This Agreement with regard to the use of LTF funds by the County for claims arising out of Sexual Assaults, and the other agreements between the parties referenced herein, shall constitute the entire agreement between the parties hereto with respect to the subject matter hereof, and shall supersede all prior and contemporaneous agreements, representations of the parties concerning the subject matter hereof and the terms applicable thereto.

9. Amendment.

This Agreement may not be supplemented, modified or amended in any manner, except by an instrument in writing stating that it is a supplement, modification or amendment of this Agreement and signed by each of the parties hereto.

10. Waiver.

No waiver of any of the provisions of this Agreement shall be deemed or constitute a waiver of any other provision, whether or not similar, nor shall any wavier constitute a continuing wavier. No waiver shall be binding unless executed in writing by the party making the waiver.

11. Counterparts.

This Agreement may be executed by one or more separate counterparts, each of which, when so executed shall together constitute one and the same instrument. A copy transmitted electronically or by facsimile shall be deemed effective as an original.

12. Captions.

The captions appearing in this Agreement are descriptive only and for convenience of reference. Should there be any conflict between any such caption and the terms of this Agreement, the latter shall control and govern the construction of this Agreement.

13. Constructions and Interpretation.

The parties have participated equally in the preparation of this Agreement, which shall be construed and interpreted simply and fairly and not strictly for or against any party.

14. Recitals.

The Recitals set forth in this Agreement are incorporated herein by reference and made a part hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their fully authorized officers the day and year hereinafter set forth.

COUNTY OF LOS ANGELES

By _____
DON KNABE
Chairman, Board of Supervisors

ATTEST:
SACHI HAMAI
Executive Officer-Clerk
Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:
ROBERT E. KALUNIAN
Acting County Counsel

By _____

(Signatures continued)

CITY OF AGOURA HILLS

By _____

MAYOR

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY

By _____

CITY OF ARTESIA

By _____

MAYOR

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY

By _____

(Signatures Continued)

CITY OF AVALON

By _____

MAYOR

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY

By _____

CITY OF BELLFLOWER

By _____

MAYOR

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY

By _____

(Signatures Continued)

CITY OF BRADBURY

By _____

MAYOR

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY

By _____

CITY OF CALABASAS

By _____

MAYOR

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY

By _____

(Signatures Continued)

CITY OF CARSON

By _____

MAYOR

ATTEST:

By _____

City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY

By _____

CITY OF CERRITOS

By _____

MAYOR

ATTEST:

By _____

City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY

By _____

(Signatures Continued)

CITY OF COMMERCE

By _____

MAYOR

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY

By _____

CITY OF COMPTON

By _____

MAYOR

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY

By _____

(Signatures Continued)

CITY OF DIAMOND BAR

By _____

MAYOR

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY

By _____

CITY OF DUARTE

By _____

MAYOR

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY

By _____

(Signatures Continued)

CITY OF HAWAIIAN GARDENS

By _____

MAYOR

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY

By _____

CITY OF HIDDEN HILLS

By _____

MAYOR

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY

By _____

(Signatures Continued)

CITY OF INDUSTRY

By _____

MAYOR

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY

By _____

CITY OF LA CANADA

By _____

MAYOR

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY-

By _____

(Signatures Continued)

CITY OF LA HABRA HEIGHTS

By _____

MAYOR

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY

By _____

CITY OF LA MIRADA

By _____

MAYOR

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY

By _____

(Signatures Continued)

CITY OF LA PUENTE

By _____

MAYOR

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY

By _____

CITY OF LAKEWOOD

By _____

MAYOR

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY

By _____

(Signatures Continued)

CITY OF LANCASTER

By _____

MAYOR

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY

By _____

CITY OF LAWNSDALE

By _____

MAYOR

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY

By _____

(Signatures Continued)

CITY OF LOMITA

By _____

MAYOR

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY

By _____

CITY OF LYNWOOD

By _____

MAYOR

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY

By _____

(Signatures Continued)

CITY OF MALIBU

By _____

MAYOR

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY

By _____

CITY OF NORWALK

By _____

MAYOR

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY

By _____

(Signatures Continued)

CITY OF PALMDALE

By _____

MAYOR

ATTEST:

By _____

City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY

By _____

CITY OF PARAMOUNT

By _____

MAYOR

ATTEST:

By _____

City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY

By _____

(Signatures Continued)

CITY OF PICO RIVERA

By _____

MAYOR

ATTEST:

By _____

City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY

By _____

CITY OF RANCHO PALOS VERDE

By _____

MAYOR

ATTEST:

By _____

City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY

By _____

(Signatures continued)

CITY OF ROLLING HILLS

By _____

MAYOR

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY

By _____

CITY OF ROLLING HILLS ESTATE

By _____

MAYOR

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY

By _____

(Signatures continued)

CITY OF ROSEMEAD

By _____

MAYOR

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY

By _____

CITY OF SAN DIMAS

By Curtis W Morris

MAYOR

ATTEST:

By Sharon
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY

By Heather

(Signatures continued)

CITY OF SANTA CLARITA

By _____

MAYOR

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY

By _____

CITY OF SOUTH EL MONTE

By _____

MAYOR

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY

By _____

(Signatures continued)

CITY OF TEMPLE CITY

By _____

MAYOR

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY

By _____

CITY OF WALNUT

By _____

MAYOR

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY

By _____

(Signatures continued)

CITY OF WEST HOLLYWOOD

By _____

MAYOR

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY

By _____

CITY OF WESTLAKE VILLAGE

By _____

MAYOR

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY

By _____
(End)

**LETTER OF UNDERSTANDING
BETWEEN
COUNTY OF LOS ANGELES
AND CONTRACT CITIES ASSOCIATION
REGARDING CONTRACT CITIES LIABILITY TRUST FUND**

The Los Angeles County Sheriff's Department (LASD) provides law enforcement services to 42 cities in Los Angeles County (Contract Cities) through the Municipal Law Enforcement Services Agreement (MLESA). The MLESA is negotiated every five years, and we are pleased to have reached agreement with the Contract Cities on a five-year MLESA renewal, effective July 1, 2024. We value our mutual goal and partnership to keep our communities safe.

During the negotiation of the renewed MLESA, both Contract Cities and the County of Los Angeles (County) agreed that continued discussions around the MLESA's indemnification provisions are warranted. The increasing value of legal settlements and jury verdicts, escalating insurance costs, and other factors have raised concerns about the potential for exposure to liability at severe or unanticipated levels.

This Letter of Understanding (LOU) sets forth the framework within which the County and Contract Cities intend to continue discussions around the MLESA's indemnification provisions. It is not intended, nor shall it be construed, to impose any monetary or legal duty upon either party.

I. PURPOSE

The purpose of this LOU is to memorialize the County's and Contract Cities' mutual intent to continue to discuss potential changes to the indemnification provisions contained in Section 5.0 (Indemnification) of the MLESA, and to discuss funding models and practices with respect to liability costs.

In the renewed MLESA, the parties agreed to maintain the indemnification language from the prior MLESA for a period of nine (9) months, with an automatic extension for an additional six (6) months, to allow these continued discussions to take place. Neither the County nor Contract Cities are committing to any particular resolution or agreement resulting from these discussions, and this LOU is not enforceable against either the County or Contract Cities.

II. TOPICS FOR DISCUSSIONS

The County and Contract Cities intend to discuss the specific topic areas identified below. These topic areas are described generally so as not to be unduly prescriptive or limiting. However, the County and Contract Cities do not intend by this LOU to discuss topic areas outside the reasonable scope of the Assumption of Liability Agreement, Indemnity Agreement, Special Indemnity Agreement, and those items listed below, and agree that limiting discussion to these topic areas will ensure that discussions proceed in a focused, orderly, and timely manner.

1. Acts or omissions by LASD employees that will not be considered "Contract City business" for the purposes of determining whether the LTF shall pay for resulting litigation costs and liability.
2. Loss control measures to reduce liabilities paid for by the LTF.
3. A formal process to resolve disputes between the County and Contract Cities over responsibility for certain costs of litigation or liability.
4. Responsibility for the costs to defend LASD employees and punitive damages awards under certain circumstances, including but not limited to, when employees are engaged in conduct outside the course and scope of their employment, illegal or sexual activity or with willful disregard for the safety of others.
5. Participation by Contract Cities in the selection of attorneys for Priority 1 & 2 cases, as well as discussions of which firms should be on the panel.
6. Defining what constitutes timely notice by the County to Contract Cities' claims and the ramification of a failure to do so.
7. Litigation cost reduction measures.
8. Addressing the solvency of the LTF.
9. Discuss other fee-for-service models that reflect the County's desire to fully recover its cost of providing MLESA services in Contract Cities, including any liability costs, and the Contract Cities' desire to reduce liability costs associated with the existing MLESA structure.

III. MEETING SCHEDULE AND FORMAT

Within 15 days of the execution of this LOU by all parties, the parties will mutually agree on a meeting schedule. Meetings will take place no less than monthly, either in person or virtually. To foster meaningful and productive discussions, the County and Contract Cities intend to limit their respective number of participants at each meeting to no more than six (6) representatives each. County representatives will include, at a minimum, the Chief Executive Office, LASD, and County Counsel. Contract Cities' representatives will include, at a minimum, Contract Cities Executive Director, the California Joint Powers Insurance Authority, and a representative from the City Managers workgroup. This does not restrict the use of external professionals to assist in any technical analysis beneficial to the discussions.

IV.

COUNTY OF LOS ANGELES

By: _____
Signature

Date: _____

Name: _____

Title: _____

LOS ANGELES SHERIFF'S DEPARTMENT

By: _____
Signature

Date: _____

Name: _____

Title: _____

CONTRACT CITIES ASSOCIATION

By: _____
Signature

Date: _____

Name: _____

Title: _____



City Council Staff Report

DATE: SEPTEMBER 18, 2024

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: PUBLIC WORKS DEPARTMENT
INNOVATION AND ENVIRONMENTAL DIVISION

DISTRICT: ALL

SUBJECT: APPROVE TERM SHEET BETWEEN ENERGY FOR PALMDALE'S
INDEPENDENT CHOICE (EPIC) AND DEER CREEK SOLAR, LLC
FOR THE PURCHASE OF LONG-TERM RPS-ELIGIBLE
RENEWABLE ENERGY & MID-TERM RELIABILITY CAPACITY

RECOMMENDATION

Staff recommends that the City Council:

1. Approve the Term Sheet between Energy for Palmdale's Independent Choice (EPIC) and Deer Creek Solar, LLC (Deer Creek) for the purchase of long-term RPS-eligible renewable energy & mid-term reliability capacity; and,
2. Authorize the City Manager or her designee to execute the future Master Power Purchase and Sale Agreement between EPIC and Deer Creek, including minimal and/or non-substantial changes; the Agreement is to be executed based on the information provided in the term sheet.

BACKGROUND

The City's Community Choice Aggregation (CCA) Program, EPIC, was established by the City Council through the adoption of Resolution No. CC 2018-087, approving the submittal of an Implementation Plan (Plan), per Public Utilities Code Section 366.2(c), on December 4, 2018. The Plan was certified by the Energy Division on February 28, 2019, and EPIC successfully began serving customers on October 1, 2022.

Additionally, pursuant to an agreement between the City and California Choice Energy Authority (CalChoice), before entering into a Master Power Purchase and Sale Agreement, for a term in excess of five years, the City Council must grant the City Manager signing approval.

DISCUSSION

California Public Utilities Commission (CPUC) Decision 23-02-040 mandates that load-serving entities within the Commission's jurisdiction collectively procure an additional 4,000 megawatts of electrical capacity. This procurement is intended to ensure sufficient electricity supplies to meet anticipated demand and bolster grid reliability in the face of potential resource adequacy challenges. The newly acquired capacity is required to be operational and available for delivery starting in 2026 and 2027.

To meet this requirement and California's increasing renewable energy procurement mandate, CalChoice, on behalf of EPIC and its other member agencies, issued a Request for Proposals for Renewable Energy Projects in March 2024.

CalChoice and its legal and technical team spent several months negotiating and finalizing commercial and contract terms with Deer Creek. The Deer Creek project involves a solar power plant capable of generating 50 megawatts of electricity and a battery storage system that can store 200 megawatt-hours of energy in Terra Bella, California, with a commercial delivery date of April 2026. EPIC will receive approximately 6.7% of the project's generation.

As a condition of the Agreement, Deer Creek recognizes and accepts the secured deposit account in EPIC's name as credit and collateral.

FISCAL IMPACT

\$1.2 Million; annual costs associated with the Master Power Purchase and Sale Agreement between EPIC and Deer Creek will range from \$1 to \$1.2 million. Adequate annual revenues to support this agreement are forecasted within EPIC's Financial Pro Forma, contingent upon the appropriation of funds by the City Council during the adoption of future Palmdale Annual Budgets.

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

Goal III: Invest in infrastructure to improve community livability.

B. Implement and administer environmentally sustainable programs.

Report to Mayor and City Council
Re: Approve Term Sheet between EPIC and Deer Creek Solar, LLC
September 18, 2024
Page 3

Prepared by:	Hamed Hashemian, P.E. Deputy Director of Public Works
Certified as to availability of Funds:	Janelle Samson, Director of Operations
Approved by:	Ronda Perez, City Manager
Approved as to form:	William P. Curley, III, City Attorney

ATTACHMENTS

Term Sheet

**2024 Request for Proposals
for
Long-Term RPS-Eligible Renewable Energy & Mid-Term Reliability Capacity**

**TERM SHEET
FOR
POWER PURCHASE AGREEMENT**

THIS TERM SHEET FOR POWER PURCHASE AGREEMENT (“**Term Sheet**”) is entered into as of the last dated signature on the signature page hereto (the “**Effective Date**”), between and among California Choice Energy Authority, a California joint powers authority (“**CalChoice**”), Clean Energy Alliance, a California joint powers authority (“**CEA**”), and Deer Creek Solar I, LLC (“**Respondent**”). This Term Sheet includes the key commercial terms and conditions to be included in one or more proposed agreement(s) for the purchase and sale of renewable energy and battery energy storage services (each such agreement, a “**PPA**”) to be negotiated between CalChoice and CEA (each, a “**Buyer**”) and Respondent, or other affiliate of Respondent (“**Seller**”) (the “**Proposed Transaction**”). As used herein, Buyer and Respondent are each a “**Party**” and collectively the “**Parties**.” Notwithstanding anything herein to the contrary, until a definitive agreement is fully negotiated and all applicable approvals have been received for each Party, no Party shall have any legal obligations, expressed or implied, or arising in any other manner under this Term Sheet to continue negotiations or proceed with the Proposed Transaction or the PPA.

1. Terms and Conditions

Description of Facility:	A [REDACTED] solar photovoltaic electricity generating facility (the “Generating Facility”), which includes a [REDACTED] MWh co-located battery energy storage facility (the “Storage Facility”), located in Terra Bella, California. The Generating Facility and the associated Storage Facility are referred to herein as the “Facility.”
Product:	The “Product” includes all of the following: (1) Buyer’s Share of the Generating Facility Energy; (2) Environmental Attributes: All renewable energy credits (“RECs”) and any other Environmental Attributes associated with Buyer’s Share of the Generating Facility Energy. All RECs associated with Generating Facility Energy shall meet the Portfolio Content Category 1 specifications as of the effective date of the PPA; (3) Capacity Attributes: All capacity rights associated with Buyer’s Share of the Guaranteed Capacity and the Storage Contract Capacity; (4) Ancillary Services: All ancillary services, products and other attributes, if any, to the extent available, that may be obtained from Buyer’s Share of the Guaranteed Capacity and the Storage Contract Capacity; and (5) Storage Capacity: All rights and products and attributes associated with the maximum dependable operating capability of Buyer’s Share of the Storage Contract Capacity of the Storage Facility to be charged with, store and discharge electric energy.

	Seller shall deliver the Generating Facility Energy and shall be responsible for securing and maintaining all required arrangements, other than Buyer's responsibility as Scheduling Coordinator, with CAISO, the PTO and any other Transmission Provider, as necessary, for such delivery. Specifications for Portfolio Content Category 1 are described in California Public Utilities Code §399.16, California Public Utilities Commission Decision 11-12-052, and other applicable statutes, regulations, and regulatory orders.
Delivery Term:	<u>"Delivery Term"</u> means fifteen (15) Contract Years. <u>"Contract Year"</u> means a period of twelve (12) consecutive months. The first Contract Year shall commence on the Commercial Operation Date and the last Contract Year shall end at midnight at the end of the day prior to the anniversary of the Commercial Operation Date.
Renewable Rate:	The <u>"Renewable Rate"</u> shall be [REDACTED]
Storage Rate:	The <u>"Storage Rate"</u> shall be [REDACTED] Seller shall be paid on a monthly basis at the Storage Rate, <i>multiplied</i> by current Storage Capacity, as adjusted for the Storage Capacity Test (which shall be defined in the PPA), and <i>multiplied</i> by the monthly Availability Adjustment. Such payment constitutes the entirety of the amount due to Seller from Buyer for the Storage Capacity. The Storage Rate shall allow for up to of 2 cycles per day with a maximum of 365 cycles per Contract Year.
Payment:	During the Delivery Term, Buyer shall pay Seller the Renewable Rate for all Generating Facility Energy and Deemed Delivered Energy during a Contract Year up to [REDACTED] of the amount of Expected Energy for such Contract Year. For any deliveries of Generating Facility Energy or Deemed Delivered Energy during a Contract Year in excess of [REDACTED] of the amount of Expected Energy for such Contract Year ([REDACTED] "Excess Contract Year Deliveries"), Buyer shall owe no compensation to Seller. If during any Settlement Interval, Seller delivers Product amounts to the CAISO grid, as measured by the amount of energy delivered to the CAISO, in excess of the product of [REDACTED] and the duration of the Settlement Interval, expressed in hours (or fractions thereof) (<u>"Excess MWh"</u>), then the price applicable to all such excess MWh in such Settlement Interval shall be [REDACTED] and if there is a Negative LMP during such Settlement Interval, Seller shall pay to Buyer an amount equal to the absolute value of the Negative LMP times such excess MWh (<u>"Negative LMP Costs"</u>).
Interconnection Point:	The Facility shall interconnect to the California Independent System Operator balancing authority (the <u>"Interconnection Point"</u>). Seller shall be responsible for all costs of interconnecting the Facility to the Interconnection Point.
Delivery Point:	<u>"Delivery Point"</u> means the Facility Pnode on the CAISO-Controlled Grid. The PPA shall include mutually acceptable provisions addressing the criteria

	and requirements for a change to the Delivery Point during the term of the PPA.
Contract Quantity:	The hourly Contract Quantity shall be equal to Buyer's Share of the Generating Facility Energy generated in such hour; provided, that Seller shall be entitled to reduce the Generating Facility Energy in accordance with the PPA for Planned/Maintenance Outages, Forced Facility Outages, Testing and System Emergency or CAISO directed dispatch.
Guaranteed Capacity:	The Generating Facility has a Guaranteed Capacity of [REDACTED]. Generating Facility Energy production in excess of the AC capacity is expected to be used to charge the Storage Facility.
Storage Contract Capacity:	The Storage Facility will have an initial Storage Capacity of [REDACTED] (4) hour discharge (the " Storage Contract Capacity ").
Expected Energy:	" Expected Energy " means [REDACTED] during the first Contract Year and for each Contract Year thereafter during the Delivery Term. Annual degradation is [REDACTED]
RA Capacity:	Buyer's RA Capacity shall be equal to Buyer's Share of the Qualifying Capacity of the Facility. In the event any change in change by CPUC, CAISO or any governmental authority results in a decrease of the amount of RA Capacity or NQC from the Facility due to a reduction methodology that has been generally applied to resources materially similar to the Facility in terms of type, market and operational characteristics, including any methodology that incorporates fleet averages or other average outage rates, then Seller's delivery obligation shall be reduced accordingly.
RA Guarantee Date:	" RA Guarantee Date " means the date that is sixty (60) days after the Commercial Operation Date.
Capacity Area:	CAISO System
Deliverability:	The Facility will have Full Capacity Deliverability Status by the Commercial Operation Date.
Seller Representations and Warranties:	Seller will represent and warrant to Buyer that: (i) The Generating Facility is an energy source that is located within the WECC and that is considered by the State of California to have zero greenhouse gas emissions in accordance with the Cap and Trade Regulations; (ii) Seller has the right to sell the Product from the Facility; (iii) the Product will comply with all eligibility and counting rules of the resource adequacy plan in place as of the date of execution of the PPA; (iv) the Product includes the right to claim the Guaranteed Capacity as an incremental resource for purposes of CPUC D.21-06-035;

	(v) Seller has not sold the Product, including, the right to claim the Guaranteed Capacity as an incremental resource for purposes of CPUC D.21-06-035, to any other person or entity; and (vi) the Product is free and clear of all liens or other encumbrances.
Scheduling Coordinator:	Buyer or Buyer's agent shall act as Scheduling Coordinator (as defined by the CAISO), or " SC ," for the Facility.
Facility Milestones:	• Completed – Obtain Site Control • Completed – Execute Interconnection Agreement • Q4 2024 – Procure major equipment • Completed – Obtain federal and state discretionary permits • 02/01/2025 – Expected Construction Start Date • Completed – Obtain Full Capacity Deliverability Status • 04/01/2026 – Expected Commercial Operation Date
Progress Reporting:	Within fifteen (15) days after the close of (a) each calendar quarter from the first calendar quarter following the Effective Date until the Expected Construction Start Date, and (b) each calendar month from the first calendar month following the Expected Construction Start Date until the Commercial Operation Date, Seller shall provide to Buyer a Progress Report and shall hold regularly scheduled meetings between representatives of Buyer and Seller to review such monthly reports and discuss Seller's construction progress. If Seller (i) misses the Guaranteed Construction Start Date, (b) misses three (3) or more Facility Milestones (other than the Guaranteed Construction Start Date), or (c) misses any one (1) Milestone (other than the Guaranteed Construction Start Date) by more than ninety (90) days, Seller shall provide a remedial action plan ("Remedial Action Plan"), which will describe in detail any delays (actual or anticipated) beyond the scheduled Facility Milestone dates, including the cause of the delay, if known, and Seller's detailed description of its proposed course of action to achieve the missed Facility Milestones and all subsequent Facility Milestones by the Guaranteed Commercial Operation Date.
Test Energy:	Buyer shall purchase from Seller all Test Energy and associated products, including RECS, and Seller will be compensated for such Test Energy and associated Product, including RECs, at an amount equal to fifty percent (50%) of the net CAISO revenues received by Buyer for such Test Energy.
Commercial Operation Date ("COD"):	The COD shall be the date when all of the following requirements have been met to Buyer's reasonable satisfaction including Seller providing a certificate from an independent licensed professional engineer to Buyer with respect to subparts (i) through (vi):

	(i) Seller has installed equipment for the Generating Facility with a nameplate capacity of no less than ninety-five percent (95%) of the Guaranteed Capacity. (ii) Seller has installed equipment for the Storage Facility with a nameplate capacity of no less than ninety-five percent (95%) of the Storage Contract Capacity. (iii) The Generating Facility's testing included a performance test demonstrating peak electrical output of no less than ninety-five percent (95%) of the Guaranteed Capacity for the Generating Facility at the Delivery Point, as adjusted for ambient conditions on the date of the Facility testing. (iv) The Storage Facility is fully capable of charging, storing and discharging energy up to no less than ninety-five percent (95%) of the Storage Contract Capacity and receiving instructions to charge, store and discharge energy, all within the operational constraints and subject to the applicable Operating Restrictions. (v) The Generating Facility is fully operational, reliable and interconnected, fully integrated and synchronized with the Transmission System. (vi) Seller has demonstrated functionality of the Facility's communication systems and automatic generation control (AGC) interface to operate the Facility as necessary to respond and follow instructions, including an electronic signal conveying real time and intra-day instructions, directed by the Buyer in accordance with the PPA and/or the CAISO. (vii) Seller has commissioned all equipment in accordance with its respective manufacturer's specifications. (viii) Authorization to parallel the Facility was obtained from the Participating Transmission Owner. (ix) Seller has provided Buyer with a copy of written notice from the CAISO supporting Commercial Operation, in accordance with the CAISO Tariff. (x) Seller has provided Buyer with a copy of written notice from the CAISO that the Facility has achieved Full Capacity Deliverability Status. (xi) Seller shall have caused the Facility to be included in the Full Network Model and has the ability to offer Bids into the CAISO Day-Ahead and Real-Time markets in respect of the Facility. (xii) All applicable permits and government approvals required for the operation of the Facility have been obtained. (xiii) Seller has provided copies of all documentation required to be provided as a condition precedent to commencement of the Delivery Term, e.g., Interconnection Agreement, proof of insurance, satisfaction of other Seller commitments, etc. (xiv) Seller has delivered the Performance Security to Buyer.
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	(xv) Seller has paid Buyer all amounts owing under this PPA, if any. (xvi) Seller shall provide notice of expected COD to Buyer in writing no less than sixty (60) days in advance of such date. If Seller has not installed one hundred percent (100%) of the Guaranteed Capacity, or one hundred percent (100%) of the Storage Contract Capacity, within one hundred twenty (120) days after the Commercial Operation Date, Seller shall pay Capacity Damages, as Buyer's sole and exclusive remedy for such shortfall, to Buyer for (A) each MW that Buyer's Share of the Guaranteed Capacity exceeds Buyer's Share of the Installed Capacity, and (B) each MW that Buyer's Share of the Storage Contract Capacity exceeds Buyer's Share of the Installed Storage Capacity, and the Guaranteed Capacity and Storage Contract Capacity and other applicable portions of the PPA shall be adjusted accordingly. "Capacity Damages" means an amount equal to [REDACTED]. Seller agrees to amount subject to agreement in the PPA on Seller security.
CPUC Mid-Term Reliability Requirements:	Buyer intends to use this PPA to comply with mandatory procurement obligations for incremental capacity pursuant to CPUC Decision 21-06-035. In accordance with such requirements, Seller represents and warrants to Buyer that: (a) The Facility shall be incremental to the CPUC's baseline generator list identified in CPUC Decision 21-06-035; (b) The Product shall include the exclusive right to claim the Capacity Attributes of the Facility as an incremental resource for purposes of CPUC Decision 21-06-035; (c) Seller has not and will not sell, assign or transfer the right to claim procurement of the Capacity Attributes of the Facility as an incremental resource for purposes of CPUC Decision 21-06-035 during the Delivery Term to any other person or entity; and (d) Seller will provide additional information and documentation to Buyer upon request to enable Buyer to demonstrate that the Facility meets the procurement mandates set forth in CPUC Decision 21-06-035. Note: Depending on the resource, CCEA may require additional MTR compliance language.
Dedicated Interconnection Capacity:	Seller shall ensure that commencing with the delivery of test energy and throughout the Delivery Term that (a) the Facility will have an interconnection agreement providing for interconnection capacity available or allocable to the Facility that is no less than [REDACTED] and (b) Seller shall have sufficient interconnection capacity and rights under such interconnection agreement to interconnect the Facility with the CAISO-balancing authority, to fulfill Seller's obligations under the PPA, including with respect to Resource Adequacy, and to allow Buyer's dispatch rights of the Facility to be fully reflected in the CAISO's market optimization and not result in CAISO market awards that are not physically feasible (collectively, the "Dedicated Interconnection Capacity"). Seller shall hold Buyer

	harmless from any penalties, imbalance energy charges, or other costs from CAISO or under the PPA resulting from Seller's inability to provide, the Dedicated Interconnection Capacity. To the extent that transmission service is required to deliver the Product to the Delivery Point, Seller shall maintain firm transmission equal to the Contract Capacity during the Delivery Term at Seller's expense.
Scheduling Requirements and CAISO Settlements:	As Scheduling Coordinator for the Facility, Buyer shall be financially responsible for such services and shall pay for all CAISO charges and retain all CAISO payments; provided however, that notwithstanding the foregoing, Seller shall assume all liability and reimburse Buyer for any and all costs or charges (i) incurred by Buyer because of Seller's failure to perform, (ii) incurred by Buyer because of any outages for which notice has not been provided from Seller to Buyer as required, (iii) associated with Resource Adequacy Capacity (as defined by the CAISO) from the Facility (including RAIMM and other Non-Availability Charges (as defined by the CAISO)), except to the extent such charges are associated with properly noticed Excused Outages, if applicable or (iv) to the extent arising as a result of Seller's failure to comply with a timely Buyer Curtailment Order if such failure results in incremental costs to Buyer. Seller shall provide to Buyer non-binding annual, monthly, and day-ahead forecasts of Generating Facility Energy within a timeline that allows Buyer's Scheduling Coordinator to meet the CAISO day-ahead scheduling protocols and deadlines.
Monthly Settlement and Invoice:	Within ten (10) days after the end of each month of the Delivery Term, Seller shall send a detailed invoice to Buyer for the amount due for Product delivered during such month. The invoice shall include all information necessary to confirm the amount due. Payment for undisputed amounts shall be due to the applicable party thirty (30) days from the invoice date, with disputed payments subject to the billing dispute process set forth in the PPA.
Operations and Maintenance:	Seller shall not during the months of June through September inclusive schedule any non-emergency maintenance that reduces the energy generating or storage capability of the Facility by more than ten percent (10%), unless (i) such outage is required to avoid damage to the Facility, (ii) such maintenance is necessary to maintain equipment warranties and cannot be scheduled outside the months of June through September, (iii) such outage is required in accordance with prudent electrical practices, or (iv) the parties agree otherwise in writing.
Credit Requirements:	Seller shall post security as follows: Development Security – The sum of [REDACTED] of Guaranteed Capacity and [REDACTED] of Storage Contract Capacity Performance Security – The sum of [REDACTED] of Guaranteed Capacity and [REDACTED] of Storage Contract Capacity

	To secure its obligations under this PPA, Seller shall deliver the Development Security to Buyer within thirty (30) days of the Effective Date. Development Security shall be in the form of cash or a Letter of Credit. To secure its obligations under this PPA, Seller shall deliver Performance Security to Buyer on or before the Commercial Operation Date. <i>[Development Security is cash or LC. Buyer will consider a guaranty from Vistra Operations Company LLC for the Performance Security.]</i> Buyer shall provide Seller a first lien on a lockbox account agreed upon by the parties where payments to Buyer from its customers will be paid. <i>[Buyer will provide copies of lockbox agreements for Seller review.]</i>
Site Control:	Seller shall maintain site control of the Facility throughout the Delivery Term.
Permits and Approvals:	Seller shall obtain any and all permits and approvals, including without limitation, environmental clearance under the California Environmental Quality Act (“ CEQA ”) or other environmental law, from the local jurisdiction where the Facility is or will be constructed. Seller agrees and acknowledges that Buyer is simply purchasing energy and storage services under the PPA and does not intend to be the lead agency for the Facility.
Change in Tax Law:	In the event that as a result of a Change in Tax Law, Seller or the Facility becomes eligible for or entitled to any new Tax Benefits or changes to or extensions of existing Tax Benefits, Seller shall share such additional Tax Benefit Amount on a [REDACTED] with Buyer either through a one-time payment or through a Contract Price reduction reflecting an equivalent value applied over the Delivery Term in a manner reasonably acceptable to Buyer. “Change in Tax Law” means (a) (i) any change in or amendment to the Code or another applicable federal income tax statute; (ii) any change in, or issuance of, or promulgation of any temporary or final regulations by the U.S. Department of the Treasury that would result in any change to the interpretation of the Tax Code or existing temporary or final regulations promulgated by the U.S. Department of the Treasury; (iii) any IRS guidance published in the Internal Revenue Bulletin and/or Cumulative Bulletin, notice, announcement, revenue ruling, revenue procedure, technical advice memorandum, examination directive or similar authority issued by the IRS Large Business and International division, or any published advice, advisory, or legal memorandum issued by IRS Chief Counsel, that applies, advances or articulates a new or different interpretation or analysis of any provision of the Code, any other applicable federal tax statute or any temporary or final Treasury Regulation promulgated thereunder; or (iv) any change in the interpretation of any of the authorities described in clauses (a)(i) through (iii) by a decision of the U.S. Tax Court, the U.S. Court of Federal Claims, a U.S. District Court, a U.S. Court of Appeals or the U.S. Supreme Court, that applies, advances or articulates a new or different interpretation or analysis of federal income tax law, and (b) in the case of (a)(i) through (iv), such change or new or different interpretation, as applicable, occurs after the Effective Date of the PPA. “Tax Benefits” means any state, local and/or federal tax benefit or incentive, including energy credits determined under Section 45 or 48 of the Internal

	Revenue Code of 1986, as amended, investment tax credits, production tax credits, depreciation, amortization, deduction, expense, exemption, preferential rate, and/or other tax benefit or incentive associated with the production of renewable energy and/or the operation of, construction, investments in or ownership of the Facility (including any cash payment or grant).
Change in Law:	If a change in laws occurring after the Effective Date has increased Seller's known or reasonably expected costs to comply with Seller's obligations under the PPA with respect to obtaining, maintaining, conveying or effectuating Buyer's use of (as applicable) any Product pursuant to PPA provisions relating to Future Environmental Attributes, Capacity Attributes, CEC Certification and Verification, RPS, CAISO Tariff requirements, Seller Equipment Required for Curtailment Instruction Communications, or WREGIS, including costs, fees, taxes, or charges imposed in connection with the foregoing (any action required to be taken by Seller to comply with such change in Law, a "<u>Compliance Action</u>"), then the Parties agree that the maximum aggregate amount of costs and expenses Seller shall be required to bear during the Delivery Term to comply with all of such obligations shall be capped at [REDACTED] per MW of Guaranteed Capacity in aggregate over the Delivery Term (the "<u>Compliance Expenditure Cap</u>"). Seller's internal administrative costs associated with obtaining, maintaining, conveying or effectuating Buyer's use of (as applicable) any Product are excluded from the Compliance Expenditure Cap.
Guaranteed Construction Start Date:	The "<u>Guaranteed Construction Start Date</u>" means the Expected Construction Start Date, subject to extensions on a day-for-day basis due to Force Majeure or delays caused by transmission provider (e.g., the CAISO) or transmission owner (e.g., SCE) that are outside of the reasonable control of Seller (the "<u>Development Cure Period</u>"). The Development Cure Period, including for Force Majeure, shall be no longer than one-hundred twenty (120) days on a cumulative basis. For clarity, the Development Cure Period extends both the Guaranteed Construction Start Date and the Guaranteed COD simultaneously. Notwithstanding anything to the contrary, no extension shall be given if (i) the delay was the result of Seller's failure to take all commercially reasonable actions to meet its requirements and deadlines, (ii) Seller failed to provide requested documentation as provided below, or (iii) Seller failed to provide written notice to Buyer as required in the next sentence. Seller shall provide prompt written notice to Buyer of a delay, but in no case more than thirty (30) days after Seller became aware of such delay, except that in the case of a delay occurring within sixty (60) days of the Expected Commercial Operation Date, or after such date, Seller must provide written notice within five (5) Business Days of Seller becoming aware of such delay. Upon request from Buyer, Seller shall provide documentation demonstrating to Buyer's reasonable satisfaction that the delays described above did not result from Seller's actions or failure to take commercially reasonable actions. In the event that Seller fails to achieve the Guaranteed Construction Start Date, Seller shall pay Construction Delay Damages for each day of delay until Seller achieves Construction Start. "<u>Construction Delay Damages</u>"

	are equal to the sum of [REDACTED] per MW of Guaranteed Capacity and [REDACTED] per MW of Storage Contract Capacity. If Seller fails to pay the Construction Delay Damages within 10 Business Days of receipt of Buyer's invoice, Buyer shall be entitled to deduct such Construction Delay Damages from the Development Security. The Construction Delay Damages shall be refundable to Seller if, and only if, Seller achieves COD on or before the Guaranteed COD. Failure to achieve Guaranteed Construction Start within 180 days of the Guaranteed Construction Start Date shall constitute an Event of Default, and Buyer shall have the right, in its sole discretion, to terminate the PPA and retain a damage payment in the amount of the Development Security.
Guaranteed Commercial Operation Date (Guaranteed COD):	The "Guaranteed Commercial Operation Date" or "Guaranteed COD" means the Expected Commercial Operation Date, subject to extensions on a day-for-day basis under the Development Cure Period. If the Seller does not achieve COD of the Facility by the Guaranteed COD, Seller shall pay COD Delay Damages to the Buyer for each day of delay until Seller achieves COD. "COD Delay Damages" are equal to [REDACTED] per MW of Storage Contract Capacity. COD Delay Damages shall be paid for each day of delay and shall be paid to Buyer in advance monthly. If Seller fails to pay the COD Delay Damages within 10 Business Days of receipt of Buyer's invoice, Buyer shall be entitled to deduct such COD Delay Damages from the Development Security. A prorated amount will be returned to Seller if COD is achieved during the month for which Delay Damages were paid in advance. Failure to achieve COD within 60 days of the Guaranteed COD shall constitute an Event of Default, and Buyer shall have the right, in its sole discretion, to terminate the PPA and retain the Development Security. COD Delay Damages, Construction Delay Damages, and termination damages for Event of Default related to Guaranteed Construction Start Date and Guaranteed Commercial Operation Date in the aggregate are capped at [REDACTED] times the Development Security amount.
Bridge Capacity:	Notwithstanding any provision in this PPA to the contrary, if the Commercial Operation Date has not occurred by October 1, 2026 (<i>i.e., 180 days after April 1, 2026</i>), upon written request of Buyer, Seller shall use commercially reasonable efforts to deliver to Buyer Resource Adequacy Benefits from a resource other than the Facility in a quantity not to exceed the Guaranteed Capacity (the "Bridge Capacity"), subject to the following terms and conditions: 1. Seller shall be responsible for the cost of the Bridge Capacity, except that (a) the amount of COD Delay Damages that would otherwise be owed by Seller during any such period of delivery of Bridge Capacity shall be reduced on a pro rata basis to reflect the quantity (in MW) of

	Bridge Capacity delivered to Buyer, and (b) if the total cost of such Bridge Capacity for a Showing Month, including the costs and expenses incurred by Seller to procure such Bridge Capacity, is greater than the amount of COD Delay Damages that would have otherwise been paid by Seller during such time period, Buyer will credit or reimburse Seller for all reasonable and documented out of pocket costs in excess of such amount. 2. Bridge Capacity shall be required to comply with all applicable requirements of CPUC D.21-06-035. 3. The Parties shall cooperate in good faith on arrangements for such Bridge Capacity. 4. The Bridge Capacity must (i) be accepted by the CAISO; and (ii) otherwise satisfy the requirements of this PPA. 5. Seller shall, or shall cause the SC to submit a Supply Plan for each Showing Month and, if applicable, annual filing, no later than the Notification Deadline for Buyer's Compliance Showings. 6. Neither Party will be obligated to deliver or pay for any such Bridge Capacity until both Parties have consented to the terms and conditions of such delivery in writing.
Environmental Attributes:	Buyer shall be entitled to renewable energy credits ("RECs") and any other Environmental Attributes associated with Facility Energy. Seller shall transfer RECs associated with the generation from the Facility for each month via WREGIS pursuant to the timelines in the WREGIS Operating Rules. Seller shall, at its sole expense, ensure that the WREGIS Certificates for a given calendar month correspond with the Facility Energy for such calendar month as evidenced by the Facility's meters. Seller shall ensure that no WREGIS Certificates are transferred to Buyer's WREGIS Account unless they are the result of Facility Energy. Each party shall be responsible for setting up an account with WREGIS.
Guaranteed Energy Production:	Seller shall deliver to Buyer no less than the Guaranteed Energy Production in each Performance Measurement Period. The "Guaranteed Energy Production" means an amount of Energy, as measured in MWh, equal to the total Expected Energy for the applicable Performance Measurement Period multiplied by eighty-five percent (85%). The "Performance Measurement Period" shall be each two (2) consecutive Contract Year period during the Delivery Term, calculated on a rolling basis (e.g., Contract Years 1-2, 2-3, 3-4, etc.). For purposes of determining whether Seller has achieved the Guaranteed Energy Production, Seller shall be deemed to have delivered to Buyer (i) any Deemed Delivered Energy and (ii) energy in the amount it could reasonably have delivered to Buyer but was prevented from delivering to Buyer by reason of Force Majeure Events, System Emergency, and Curtailment Periods (the "Adjusted Energy Production").

	If Seller fails to achieve the Guaranteed Energy Production amount in any Performance Measurement Period, Seller shall pay Buyer liquidated damages equal to (a) the difference of the Guaranteed Energy Production less the Adjusted Energy Production, multiplied by (b) the replacement price for the energy and RECs less the Renewable Rate. No payment shall be due if the calculation yields a negative number.
Performance Guarantee:	The occurrence of any of the following shall constitute an Event of Default: (1) if, in any two (2) consecutive Contract Years during the Delivery Term, the average Monthly Storage Availability is, in each Contract Year, less than seventy percent (70%); (2) if, beginning in the second Contract Year, the Adjusted Energy Production amount is not at least fifty percent (50%) of the Expected Energy amount in any Contract Year; (3) if, in any two (2) consecutive Contract Years during the Delivery Term, the Adjusted Energy Production amount is not at least sixty-five percent (65%) of the Expected Energy amount in each Contract Year; (4) if, Seller fails to maintain an average Efficiency Rate of at least seventy percent (70%) over a rolling 12-month period; or (5) if, Seller fails to maintain a Storage Capacity equal to at least seventy-five percent (75%) of Buyer's Share of the Storage Contract Capacity for longer than three hundred sixty (360) days.
RA Failure:	Unless caused by an Excused Event or a reduction in NQC, for each RA Shortfall Month occurring after the RA Guarantee Date, Seller shall pay to Buyer an amount (the "<u>RA Deficiency Amount</u>") equal to the product of the difference, expressed in kW, of (i) the Qualifying Capacity of the Facility, minus (ii) the Net Qualifying Capacity of the Facility for such month able to be shown on Buyer's monthly or annual RA Plan to the CAISO and counted as Resource Adequacy for System RA and, if applicable, Local RA, (such difference, the "<u>RA Shortfall</u>"), multiplied by the sum of (a) the CPUC System RA Penalty and (b) CPM Soft Offer Cap as listed in Section 43A.4.1.1 of the CAISO Tariff (or its successor), subject to a monthly cap of (i) [REDACTED] for Showing Months June through October and (ii) [REDACTED] for all other Showing Months, which cap shall be subject to an annual escalator of [REDACTED] for each Contract Year of the Delivery Term; provided that Seller may, as an alternative to paying RA Deficiency Amounts, provide Replacement RA in amounts up to the RA Shortfall, provided that any Replacement RA capacity is communicated by Seller to Buyer with Replacement RA product information in a written notice to Buyer at least seventy-five (75) days before the applicable CPUC operating month for the purpose of monthly RA reporting. NTD: Buyer would like to discuss with the Seller the derivation and intent of the monthly cap amounts in (i) and (ii). Seller needs to be able to take planned outages without revenue penalty and without incurring substitute RA costs.
Guaranteed Efficiency Rate:	"Guaranteed Efficiency Rate" means [REDACTED]

		Contract Year	Guaranteed Round-Trip Efficiency	
		1-20		
	<u>Liquidated Damages for Failure to Achieve Guaranteed Efficiency Rate:</u> If during any month during the Delivery Term, the Efficiency Rate for such month is less than the Guaranteed Efficiency Rate, Seller shall owe liquidated damages to Buyer, which damages shall be calculated by <u>multiplying</u> (i) the total Charging Energy for such month, <u>by</u> (ii) the percentage amount by which the Efficiency Rate is less than the Guaranteed Efficiency Rate, <u>by</u> (iii) the Renewable Rate, which amount Seller shall set off against amounts payable by Buyer in the applicable monthly invoice.			
Ramp Rate:				
Monthly Cycles:	(365 cycles per year)			
Daily Dispatch Limits:	Charging: two charge cycles per day Discharging: two discharge cycles per day			
Other Operating Limits:	None, except as to be set forth in PPA. <i>[Any additional operating limits not set forth herein must be reasonable and not materially affect Buyer's ability to dispatch the Facility.]</i>			
State of Charge:	The BESS minimum, maximum and average state of charge requirements shall be as follows: • Minimum: • Maximum: • Average: Greater than or equal to 30% and less than or equal to 50%, calculated on a rolling twelve-month basis.			
Ancillary Services Capability:	The capability of Storage Facility to provide Ancillary Services shall be described in the PPA.			
Grid Charging of Storage Facility:	The Storage Facility is capable of receiving charging energy from the Generating Facility and in the form of grid energy. Buyer shall be able to charge energy from the grid and shall be solely responsible, at Buyer's sole cost, for the costs of using grid energy used to charge the Storage Facility. For the avoidance of doubt, Buyer is not responsible for any property tax exclusions or exemptions associated with grid charging.			
Station Use:	Seller shall be responsible for providing all energy to serve Station Use (including paying the cost of any energy procured to serve Station Use) and all Station Use will be provided in accordance with applicable law, including in accordance with the applicable tariff of the local utility providing retail service to the Site. Station Use will not be provided by the Generating Facility or the Storage Facility.			

Guaranteed Storage Availability:	██████████ during the months of July through September and ██████████ during the months of October through June.
Availability Adjustment:	If the Monthly Storage Availability (as defined in the PPA) during any month is less than the Guaranteed Storage Availability, Buyer's payment for the Storage Product shall be calculated by reference to the Availability Adjustment ("Availability Adjustment" or "AA"), which is calculated as follows: (i) If the monthly storage availability is greater than or equal to the Guaranteed Storage Availability, then: $AA = 100\%$ (ii) If the monthly storage availability is less than the Guaranteed Storage Availability, but greater than or equal to 70%, then: $AA = 100\% - [(Guaranteed\ Storage\ Availability - monthly\ storage\ availability) \times 1.0]$ (iii) If the monthly storage availability is less than 70%, then: $AA = 0$ <i>NTD: Monthly Storage Availability definition in PPA to include Excused Outages.</i>
Dispute Resolution:	In the event of any dispute arising under the PPA, within ten (10) days following the receipt of a written notice from either party identifying such dispute, the authorized members of the parties' senior management shall meet, negotiate and attempt, in good faith, to resolve the dispute quickly, informally and inexpensively. If the parties are unable to resolve a dispute arising hereunder within thirty (30) days of initiating such discussions, the parties shall submit the dispute to mediation prior to seeking any and all remedies available to it at Law in or equity.
Force Majeure:	"Force Majeure Event" means any act or event that delays or prevents a party from timely performing all or a portion of its obligations under this PPA or from complying with all or a portion of the conditions under this PPA if such act or event, despite the exercise of reasonable efforts, cannot be avoided by and is beyond the reasonable control (whether direct or indirect) of and without the fault or negligence of the party relying thereon as justification for such delay, nonperformance, or noncompliance. Notwithstanding the foregoing, the term "Force Majeure Event" does not include (i) economic conditions that render a party's performance of this PPA at the Renewable Rate or Storage Rate unprofitable or otherwise uneconomic (including an increase in component costs for any reason, including foreign or domestic tariffs, Buyer's ability to buy the Product at a lower price, or Seller's ability to sell Product at a higher price, than the Renewable Rate or Storage Rate); (ii) Seller's inability to obtain permits or approvals of any type for the construction, operation, or maintenance of the Generating Facility or the Storage Facility; (iii) the inability of a party to make payments when due under this PPA, unless the cause of such inability is an event that would

	otherwise constitute a Force Majeure Event as described above that disables physical or electronic facilities necessary to transfer funds to the payee party; (iv) a Curtailment Period, except to the extent such Curtailment Period is caused by a Force Majeure Event; (v) Seller's inability to obtain sufficient labor, equipment, materials, or other resources to build or operate the Generating Facility or the Storage Facility except to the extent such inability is caused by a Force Majeure Event; (vi) any equipment failure except (A) if such equipment failure is caused by a Force Majeure Event, or (B) such equipment failure is a transformer failure that occurs after the Commercial Operation Date; or (vii) events otherwise constituting a Force Majeure Event that prevent Seller from achieving Construction Start or Commercial Operation of the Generating Facility or the Storage Facility, except to the extent expressly permitted as an extension under the PPA. Within two (2) Business Days of commencement of a Force Majeure Event, the non-performing party shall provide the other party with oral notice of the event of Force Majeure, and within two (2) weeks of the commencement of the Force Majeure Event the non-performing party shall provide the other party with written notice in the form of a letter describing in detail the particulars of the occurrence giving rise to the Force Majeure claim. Failure to provide timely written notice as described in the preceding sentence constitutes a waiver of a Force Majeure claim for all periods prior to Buyer's receipt of such written notice. The suspension of performance due to a claim of Force Majeure must be of no greater scope and of no longer duration than is required by the Force Majeure.
No Recourse to Members of Buyer:	Buyer is organized as a Joint Powers Authorities in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) pursuant to its Joint Powers Agreement and is a public entity separate from its constituent members. Buyer shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this PPA. Seller shall have no rights and shall not make any claims, take any actions or assert any remedies against any of Buyer's constituent members in connection with the PPA.
Prevailing Wage Requirement:	Seller shall comply with all federal, state and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals, including, without limitation employment discrimination laws and prevailing wage laws. Seller shall enter into a project labor agreement for construction of the Facility. As a condition precedent to commencement of the Delivery Term, Seller must certify that it complied with the foregoing requirements, and be able to demonstrate, upon request, compliance with this requirement via copies of executed PLAs or similar agreements, a certified payroll system and such other documentation reasonably requested by Buyer, including pursuant to an audit.
Assignment:	Neither Party may assign the PPA without prior written consent of the other Party, which will not be unreasonably withheld; provided, that Seller has the

	right to assign the PPA as collateral for any financing or refinancing of the Facility, and to assign the PPA to an Affiliate (as defined in the PPA) under the direct or indirect control of the Ultimate Parent (as defined in the PPA) [e.g., Vistra Corp.] without the consent of Buyer. Any direct or indirect change of control of Seller (whether voluntary or by operation of law) will be deemed an assignment and will require the prior written consent of Buyer, which will not be unreasonably withheld, conditioned or delayed; <i>provided</i>, it shall not be deemed a change of control if 50% or more of the voting interests of Seller are directly or indirectly owned by the Ultimate Parent (as defined in the PPA) [e.g., Vistra Corp.]. Seller shall pay Buyer's reasonable expenses, including attorneys' fees, incurred to provide consents, estoppels, or other required documentation in connection with Seller's financing for the Facility. Buyer will have no obligation to provide any consent, or enter into any agreement, that materially and adversely affects any of Buyer's rights, benefits, risks or obligations under the PPA, or to modify such PPA. Neither Party shall effect any assignment that would cause either Party to be in conflict with any Laws. Any assignment made in violation of the conditions to assignment set out in the PPA shall be null and void.
Other Standard Contract Terms to be included in the PPA:	• <u>Event of Default:</u> Events of Default shall include, but not be limited to, failure to pay any amounts when due, breach of representations and warranties, failure to perform covenants and material obligations in the PPA, bankruptcy, assignment not permitted by the PPA, Seller failure to deliver a reasonable Remedial Action Plan if not remedied within ten (10) Business Days after written notice thereof, Seller failure to achieve Construction Start within one hundred eighty (180) days of Guaranteed Construction Start Date, and Seller failure to achieve Commercial Operation within sixty (60) days after the Guaranteed Commercial Operation Date. • <u>Indemnification:</u> Mutual indemnification from and against all claims, demands, losses, liabilities, penalties, and expenses (including reasonable attorneys' fees) for personal injury or death to persons and damage to the property of any third party to the extent arising out of, resulting from, or caused by negligence or willful misconduct of the indemnifying Party, its affiliates, its directors, officers, employees, or agents. • <u>Governing Law:</u> State of California • <u>Venue:</u> California
Definitions:	The following terms, when used herein with initial capitalization, shall have the meanings set forth below: <u>"Buyer's Share"</u> means Buyer's prorated share of the capacity and energy, which shall be a percentage mutually agreed upon by the Parties in the PPA. <u>"CAISO"</u> means the California Independent System Operator. <u>"CAISO-Controlled Grid"</u> has the meaning set forth in the CAISO Tariff.

	<u>“CAISO Tariff”</u> means the California Independent System Operator Corporation Agreement and Tariff, Business Practice Manuals (BPMs), and Operating Procedures, including the rules, protocols, procedures and standards attached thereto, as the same may be amended or modified from time-to-time and approved by FERC. <u>“California Renewables Portfolio Standard”</u> or <u>“RPS”</u> means the renewable energy program and policies established by California State Senate Bills 1038 (2002), 1078 (2002), 107 (2008), X-1 2 (2011), 350 (2015), and 100 (2018) as codified in, <i>inter alia</i>, California Public Utilities Code Sections 399.11 through 399.31 and California Public Resources Code Sections 25740 through 25751, as such provisions are amended or supplemented from time to time. <u>“Cap and Trade Regulations”</u> shall have the meaning as mutually agreed upon by the Parties in the PPA. <u>“Contract Capacity”</u> means the sum of the Guaranteed Capacity and the Storage Contract Capacity. <u>“Deemed Delivered Energy”</u> means the amount of Energy expressed in MWh that the Generating Facility would have produced and delivered to the Storage Facility or at the Generating Facility Meter, but that is not produced by the Generating Facility during a Buyer Curtailment Period, which amount shall be equal to the Real-Time Forecast (of the hourly expected Energy) provided pursuant to the PPA for the period of time during the Buyer Curtailment Period (or other relevant period), less the amount of Energy delivered to the Storage Facility or at the Generating Facility Meter during the Buyer Curtailment Period (or other relevant period); provided that, if the applicable difference is negative, the Deemed Delivered Energy shall be zero (0). If the LMP for the Facility’s PNode during such Settlement Interval was less than zero, Deemed Delivered Energy shall be reduced in any Settlement Interval by the amount of any Charging Energy that was not able to be delivered to the Storage Facility during such Settlement Interval due to the unavailability of the Storage Facility due to a Forced Facility Outage. <u>“Environmental Attribute”</u> means renewable energy credits, guarantees of origin, generation certificates and any other attributes, aspects, characteristics, certificates, claims, credits, benefits, reductions, offsets, or allowances of an environmental or other nature that are created, granted or otherwise arising from the Facility’s generation of electricity from a renewable energy resource. Environmental Attributes include those currently existing at the time of execution or created during the Term under local, state, regional, federal, or international Law or treaty. “Environmental Attributes” do not include (a) any tax credits or tax incentives under applicable law or (b) direct third-party subsidies, filed rates, or feed-in tariffs for generation of electricity by the Facility. <u>“Excused Event”</u> means the occurrence of (i) any Force Majeure; (ii) Buyer’s failure to perform; or, (iii) any NERC, CAISO or PTO related outage. <u>“Excused Outages”</u> means Excused Events and Planned Outages.
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	<u>“Facility Energy”</u> means, without duplication, the sum of Generating Facility Energy and discharging energy from the Storage Facility during any Settlement Interval or Settlement Period, net of electrical losses and station use, as measured by the Facility meter, which will be adjusted in accordance with CAISO meter requirements to account for electrical losses and station use. <u>“Forced Facility Outages”</u> shall have the meaning as agreed upon by the Parties in the PPA. <u>“Full Capacity Deliverability Status”</u> has the meaning set forth in the CAISO Tariff. <u>“Generating Facility Energy”</u> means, in any Settlement Interval or Settlement Period, Buyer’s Share of the energy generated by the Generating Facility, net of Electrical Losses and Station Use, as measured by the Generating Facility Meter, which shall be adjusted to the extent necessary to account for Electrical Losses and Station Use, in accordance with the requirements of CAISO and Prudent Operating Practices, including WREGIS. <u>“Guaranteed Capacity”</u> means the amount of generating capacity of the Generating Facility, as measured in MW at the Delivery Point, as the same may be adjusted pursuant to the PPA. <u>“Letter(s) of Credit”</u> means one or more irrevocable, standby letters of credit issued by a U.S. commercial bank or U.S branch of a foreign bank in each case having a credit rating of at least A- with an outlook designation of “stable” from S&P or A3 with an outlook designation of “stable” from Moody’s, in a form substantially similar to the letter of credit set forth in the PPA, or as otherwise reasonably acceptable to Buyer. <u>“MW”</u> means megawatts in alternating current, unless expressly stated in terms of direct current. <u>“MWh”</u> means megawatt-hour measured in alternating current, unless expressly stated in terms of direct current. <u>“NQC”</u> means Net Qualifying Capacity as defined in the CAISO Tariff. <u>“Planned Outages”</u> means, subject to and as further described in the CPUC Decisions, a CAISO-approved, planned or scheduled disconnection, separation or reduction in capacity of the Unit that is conducted for the purposes of (i) carrying out routine repair or maintenance of the Facility, or (ii) new construction work for such Facility, which is taken in accordance with requirements of the PPA (e.g., notice requirements, limits on June-September Planned Outages, limits on number of excused Planned Outages per year). <u>“Qualifying Capacity”</u> has the meaning set forth in the CAISO Tariff. <u>“Scheduling Coordinator”</u> has the meaning set forth in the CAISO Tariff. <u>“System Emergency”</u> shall have the meaning as agreed upon by the Parties in the PPA.
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	“Test Energy” Test Energy is that energy delivered to the grid, either directly from the Facility or indirectly from the Storage Facility, prior to the Commercial Operation Date.
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2. Additional Term Sheet Provisions

- 2.1 Neither Party Obligated to Enter Into Proposed Transaction.** This Term Sheet is intended to provide an overview of the Proposed Transaction and is not intended to constitute a binding contract or an offer to enter into a PPA with respect to the Proposed Transaction and does not obligate any Party to enter into the Proposed Transaction or execute any agreement, including the PPA, in connection with the Proposed Transaction. Neither Buyer nor Seller will be deemed to have agreed to the PPA and will not be bound by any term thereof, unless and until authorized representatives of both Buyer and Seller execute final definitive documents, enforceable in accordance with their terms.
- 2.2 Other Agreements.** In connection with this Term Sheet, Respondent shall execute that certain Exclusive Negotiating Agreement (“**Exclusivity Agreement**”) with Buyer and provide a Shortlist Deposit (as defined in such agreement) to Buyer in accordance with the requirements of the Exclusivity Agreement. The Shortlist Deposit will be returned in accordance with, and subject to, the terms of the Exclusivity Agreement.
- 2.3 Expenses.** Each Party will pay its own costs and expenses (whether internal or out-of-pocket, and whether for legal, financial, technical or other consultants, or other purposes) in connection with the Term Sheet and any definitive agreements.
- 2.4 Contract Price.** Respondent represents and warrants that the Renewable Rate and the Storage Rate set forth above are not subject to any other conditions, adjustments, requirements or assumptions that are not expressly set forth in this Term Sheet.
- 2.5 Termination.** This Term Sheet will terminate upon the earlier of (a) execution of the PPA or (b) expiration of the Exclusivity Period (as defined in the Exclusivity Agreement), as such Exclusivity Period may be extended pursuant to the Exclusivity Agreement.
- 2.6 Governing Law.** This Term Sheet is governed by, and construed in accordance with, the laws of the State of California.
- 2.7 Counterparts and Electronic Signatures.** This Term Sheet may be executed electronically and in counterparts, each of which will be enforceable against the Parties actually executing such counterparts, and all of which together will constitute one instrument. The Parties may rely on electronic or scanned signatures as originals. Delivery of an executed signature page of this Term Sheet as a PDF attachment to an email shall be the same as delivery of an original executed signature page.
- 2.8 Prior Agreements.** This Term Sheet supersedes all prior communications and agreements, oral or written, between the Parties regarding the subject matter herein contemplated.
- 2.9 Assignment.** This Term Sheet will be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. No Party will assign, pledge or otherwise transfer this

Term Sheet or any right or obligation under this Term Sheet without first obtaining the other Parties' prior written consent.

- 2.10 No Consequential Damages.** IN NO EVENT SHALL ANY PARTY, ITS AFFILIATES AND/OR REPRESENTATIVES BE LIABLE FOR ANY LOST OR PROSPECTIVE PROFITS OR ANY OTHER CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE, INDIRECT OR EXEMPLARY DAMAGES UNDER OR IN RESPECT TO THIS TERM SHEET.

[Signatures appear on the following page.]

**MINUTES
CITY COUNCIL/SA/HA
CITY HALL COUNCIL CHAMBER
38300 SIERRA HIGHWAY, SUITE B
PALMDALE, CALIFORNIA
SEPTEMBER 4, 2024**

www.cityofpalmdale.org

1) CALL MEETING TO ORDER

Mayor Bishop called the meeting to order at 5:03 p.m.

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

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

PRESENT: Austin Bishop, Richard J. Loa, Eric Ohlsen, Laura Bettencourt, Andrea Alarcón, Dianne Betts.

ABSENT: Christina Fraga-Saenz.

Motion: Excuse the absence of Commissioner Fraga-Saenz

Moved by Austin Bishop, seconded by Laura Bettencourt.

Vote: Motion carried (6-0)

Yes: Austin Bishop, Richard J. Loa, Eric Ohlsen, Laura Bettencourt, Andrea Alarcón, Dianne Betts.

Absent: Christina Fraga-Saenz.

3) PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE

Mayor Pro Tem Loa led the pledge of allegiance.

Mayor Bishop announced the meeting would be adjourned in honor of Stephen Wood.

The following observances were acknowledged for September: Child Cancer Awareness Month, National Preparedness Month, Suicide Prevention Awareness Month, Hispanic Heritage Month, and National Recovery Month.

4) PRESENTATION

4.1) Presentation by Matthew Perry Foundation on Grassroots Recovery Grant to the Fentanyl Campaign.

A representative from the Matthew Perry Foundation spoke about the fentanyl epidemic and the work that is being done in the City of Palmdale.

Councilmember Ohlsen thanked the Matthew Perry Foundation for the \$10,000 donation.

Mayor Bishop presented a certificate to the Matthew Perry Foundation.

5) PUBLIC COMMENTS
CONSENT CALENDAR, APPOINTMENT(S), NEW BUSINESS, AND CLOSED SESSION:

Eugene Hernandez discussed Antelope Valley Transit Authority (AVTA) bus benches and the appointment process for City boards, commissions, and committees.

Item 6.1 was pulled for discussion by Councilmember Alarcón.

6) HOUSING AUTHORITY CONSENT CALENDAR

- 6.1) Approve the Housing Authority of the City of Palmdale's Annual Report per Health and Safety Code Section 34328 and 34328.1 and authorize the Executive Director or her Designee to submit the report to the State of California Department of Housing and Community Development (HCD).
Supervising Coordinator Nichols presented the Staff Report.

Councilmember Alarcón asked for line-item details, an update on the improvements for the Mobile Home Parks, and additional information on SB1069 legislation. Supervising Coordinator Nichols stated they are in the process of preparing the memo outlining suggestions. City Manager Perez and City Attorney Curley discussed the legislation on Accessory Dwelling Units (ADU's). Discussion ensued on the restriction on the number of animals allowed.

Motion: Approve the Housing Authority of the City of Palmdale's Annual Report.
Moved by Richard J. Loa, seconded by Eric Ohlsen.

Vote: Motion carried (6-0)

Yes: Austin Bishop, Richard J. Loa, Eric Ohlsen, Laura Bettencourt, Andrea Alarcón, Dianne Betts.

Absent: Christina Fraga-Saenz.

- 6.2) Approve the minutes from the previous meetings.

Motion: Approve all items as listed on the Housing Authority Consent Calendar except for item 6.1.

Moved by Richard J. Loa, seconded by Andrea Alarcón.

Vote: Motion carried (6-0)

Yes: Austin Bishop, Richard J. Loa, Eric Ohlsen, Laura Bettencourt, Andrea Alarcón, Dianne Betts.

Absent: Christina Fraga-Saenz.

The Housing Authority was adjourned at 5:25 pm.

Items 7.3, 7.4, and 7.5 were pulled for discussion.

7) CONSENT CALENDAR

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

7.2) Receive and File the Monthly Investment Activity Reports for July 2024.

7.3) Approve the First Amendment to Agreement with Patriot Environmental Services, Inc. for as-needed biohazard clean-up and removal services, increasing the Agreement by \$360,000 for a total not to exceed amount of \$445,000 for the remainder of the contract term through June 2027.

Deputy Director of Public Works Hashemian presented the staff report.

There was Council and staff discussion on the encampment clean-up process, public and staff safety, and leading with compassion.

Motion: Approve the First Amendment to Agreement with Patriot Environmental Services, Inc. for as-needed biohazard clean-up and removal services.

Moved by Richard J. Loa, seconded by Laura Bettencourt.

Vote: Motion carried (5-0)

Yes: Austin Bishop, Richard J. Loa, Eric Ohlsen, Laura Bettencourt, Andrea Alarcón.

7.4) Approve Agreement with Monarch Landscape Holdings, LLC dba Terracare Associates for maintenance services at parks, facility grounds, and transit sites in an amount not to exceed \$14,802,990 for the remaining nine months of Fiscal Year 2024-2025 and the subsequent four fiscal years for a total contract term of fifty-seven months.

Deputy Director of Public Works Hashemian presented the staff report.

Council and staff discussed the bidding process, local hire, the number of trees in the LMAD, graffiti, vandalism, and quality of life.

Motion: Approve Agreement with Monarch Landscape Holdings, LLC dba Terracare Associates for maintenance services at parks, facility grounds, and transit sites.

Moved by Andrea Alarcón, seconded by Laura Bettencourt.

Vote: Motion carried (5-0)

Yes: Austin Bishop, Richard J. Loa, Eric Ohlsen, Laura Bettencourt, Andrea Alarcón.

- 7.5) Approve a budget amendment of \$601,718 for Antelope Valley Transit Authority operating costs for Fiscal Year 2024-2025.

Mayor Bishop recused himself since he has done business with AVTA.

Deputy Director of Public Works Hashemian presented the staff report.

Council and staff discussed the increase in contributed funds by JPA participants, inventory of bus stops and amenities, and ridership. Mr. Tompkins, Executive Director of AVTA, provided clarification on the increase in contributed funds by JPA participants and bus stop amenities.

Motion: Approve a budget amendment of \$601,718 for Antelope Valley Transit Authority operating costs for Fiscal Year 2024-2025.

Moved by Andrea Alarcón, seconded by Laura Bettencourt.

Vote: Motion carried (4-0)

Yes: Richard J. Loa, Eric Ohlsen, Laura Bettencourt, Andrea Alarcón.

Mayor Bishop returned to the dais.

- 7.6) Approve the First Amendment to the agreement with Paragon Partners Consultants, Inc. for PN 653, SR 138 Widening 5th to 10th East Project, to increase the agreement by \$25,420 for the total not to exceed the amount of \$204,270 with an extension of 722 calendar days for a total of 1,357 calendar days.

- 7.7) Approve the minutes from the previous meeting.

Motion: Approve all items listed under the Consent Calendar except for items 7.3, 7.4, and 7.5.

Moved by Richard J. Loa, seconded by Eric Ohlsen.

Vote: Motion carried (5-0)

Yes: Austin Bishop, Richard J. Loa, Eric Ohlsen, Laura Bettencourt, Andrea Alarcón.

8) PUBLIC HEARING

- 8.1) Public Hearing to receive Public Comments on the Draft Consolidated Annual Performance Evaluation Report (CAPER) for Fiscal Year 2023-2024; Review, approve and authorize the City Manager or her Designee to make necessary changes and submit the CAPER report to the U.S. Department of Housing and Urban Development (HUD) by September 28, 2024, in compliance with HUD Regulations.

Supervising Coordinator Nichols presented the staff report.

Mayor Bishop opened the Public Hearing.

Testimony: None.

Mayor Bishop closed the Public Hearing.

Councilmember Alarcón asked questions regarding the unexpended funds for the tenant-based rental assistance program, public facilities, and infrastructure, the racial and ethnic composition of families assisted, the outreach program, and the action plan for targeting and informing Latino communities. Supervising Coordinator Nichols provided clarification. There was further discussion among the Council and staff regarding the information requested on the application and qualifications for the program. Mayor Pro Tem Loa requested a report back.

Motion: Approve the recommendations and findings as listed in the staff report
Moved by Richard J. Loa, seconded by Eric Ohlsen.

Vote: Motion carried (5-0)

Yes: Austin Bishop, Richard J. Loa, Eric Ohlsen, Laura Bettencourt, Andrea Alarcón.

9) APPOINTMENTS

9.1) City Council Nomination and Appointment of One (1) Member to the Mobile Home Park Rental Review Board.

Councilmember Alarcón asked Council to allow the applicants to speak.

Ms. Love introduced herself and spoke regarding her qualifications.

Councilmember Alarcón nominated Ms. Love; the motion died for lack of a second.

Motion: Appoint Ebonni Bernstein to the Mobile Home Park Rental Review Board

Moved by Austin Bishop, seconded by Richard J. Loa.

Vote: Motion carried (4-1)

Yes: Austin Bishop, Richard J. Loa, Eric Ohlsen, Laura Bettencourt.

No: Andrea Alarcón.

9.2) City Council Reappointment of Six (6) Commissioners to the Public Art Commission and Nomination and Appointment of One (1) Commissioner to fill the vacant seat for a Professional Artist.

The Public Art Commissioners came up and shared their experience while serving on the Commission and thanked staff.

Mayor Bishop thanked the Public Art Commission for their leadership.

Mayor Pro Tem Loa pointed out that artist, Michael De Medina created the sculpture of Larry Chimbole, the first mayor of Palmdale.

Motion: Reappoint Nathaniel Ancheta, Doug Grove, Ayeasha Jones, Lisa Sarno, Warren Scherich, Edwin Vasquez as Commissioners to the Public Art Commission. Appoint Michael De Medina as a Commissioner.

Moved by Richard J. Loa, seconded by Laura Bettencourt.

Vote: Motion carried (5-0)

Yes: Austin Bishop, Richard J. Loa, Eric Ohlsen, Laura Bettencourt, Andrea Alarcón.

10) CITY MANAGER'S REPORT

City Manager Perez reported on the following: State of the City 2024; 19th Annual Kiwanis Duck Race September 6; GraceFest at the Palmdale Amphitheater September 6 and 7; Erick A. Garcia "You Are Enough" Foundation Candlelight Vigil at Poncitlan Square on September 10; Antelope Valley Wellness Expo at the Mall on September 14; Palmdale Playhouse 30th Anniversary on September 14; Tequila & Taco Festival September 21 and 22; and State Route 14 North L.A. County Safety & Mobility Improvement Project Scoping Meeting at Oasis Park on September 12.

11) SHERIFF'S REPORT

Captain Bardon reported on the following and announced upcoming events: Response times for routine calls for service; Partnership with the City's Public Safety staff; Part 1 Crimes; Arrests; Firearm recovery; graffiti arrests; traffic enforcement and collision prevention; upcoming event honoring Deputy Ryan Clinkunbroomer with a 24-hour vigil on the one year anniversary of his death on September 16; Gun buyback event on September 20 in Poncitlan Square; Haunted House on October 19; and invited members of the community to participate in the Palmdale Sheriff's Department survey.

Council and Captain Bardon discussed the Code Enforcement partnership, the status of the virtual deputy, community engagement, and the haunted house hosted at the Palmdale Sheriff's Station.

12) COUNCIL REPORTS, ANNOUNCEMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

Council Member Alarcón reported on the following: conversations between Palmdale Regional Medical Center and Palmdale High School; the 1st Annual National Latina Day Celebration—The Antelope Valley Women's Empowerment Conference on August 30th.

Councilmember Ohlsen reported on the following: Homes4Families veteran housing key ceremony; meeting with High-Speed Rail Authority; Albe's Ice Cream grand opening; State of the City 2024; and spoke about the Palmdale Youth Soccer League donation of \$5,600 from the City of Palmdale.

Mayor Pro Tem Loa reported on the following: Spanish Talk Radio; Homes4Families veteran housing key ceremony; Summer Concerts; IBEW NECA barbecue in City of Commerce; Generations Juried Art Exhibit Award ceremony; celebration of life for

Alisha Semchuck; Dr. Smith hosted a reception honoring and welcoming the new commanders and directors for Plant 42 and Edwards Air Force Base; State of the City 2024; and Sav-on Drug Store on Tierra Subida will provide a vaccination program at SAVES.

Councilmember Bettencourt reported on the following: Generations Juried Art Exhibit Award ceremony; State of the City 2024; Avigilon United Systems Training that provides safety on City property; and Citizen Advisory Committee meeting on August 29th.

Mayor Bishop reported on the following: Family Movie Nights and Concerts; Ribbon cutting for Community Self Determination Institute Charter School; Homes4Families veteran housing key ceremony; Big Momma's Chicken & Waffles ribbon cutting ceremony; Auto Mall Dine & Drive; SAVES backpack distribution; Palmdale Youth Soccer League opening ceremony; State of the City 2024; Dinner with a Deputy; Coffee with a Cop; Community Advisory Committee (CAC) meeting; Movie nights; and spoke with residents regarding new street sweeping policy.

City Manager Perez spoke regarding the street sweeping policy and meetings with the public. Council and City Manager Perez discussed the street sweeping policy, street sweeping signage, and communicating information to the community.

Mayor Pro Tem Loa announced the upcoming release of a convicted sexual predator in Pearblossom and stated that the District Attorney is requesting victims of sexual assault and members of the public submit comments to svpcomments@da.lacounty.gov by September 17, 2024. Additionally, Councilmember Alarcón stated to locate offenders near residents, check the Megan's Law website. There was further Council and City Attorney discussion regarding the release.

13) NON-AGENDA PUBLIC COMMENTS:

The following individuals provided public input: Eugene Hernandez commented on the CAPER report and an investigation on the League of United Latin American Citizens (LULAC) in Texas; Iris Rios and Oscar Carrasco spoke about fatalities and accidents occurring at R-8 and 20th Street East and requested the installation of a stop sign. Councilmember Alarcón requested a traffic assessment study at R-8 and 20th Street East; Marcos Alvarez spoke about the conduct of Council and a solution for working together; Roger Soderstedt commented on Section 8 tenants; Marsha Furman commented regarding distributing the Palmdale Magazine in Spanish, changing the typeset, and street sweeping.

14) ADJOURNMENT

Mayor Bishop adjourned the meeting at 7:15 pm in honor of Stephen Wood, Alisha Semchuck, and Ronaldo Rios. He stated that the next meeting will be held on Wednesday, September 18, 2024, at 5:00 pm in the City Hall Council Chamber located at 38300 Sierra Highway, Suite B, Palmdale, California.

PASSED, APPROVED, and ADOPTED this 18th day of September 2024.

Austin Bishop, Mayor

ATTEST:

Rochelle Scott, City Clerk



City Council Staff Report

DATE: SEPTEMBER 18, 2024

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: ECONOMIC AND COMMUNITY DEVELOPMENT DEPARTMENT
ECONOMIC DEVELOPMENT DIVISION

DISTRICT: ALL

SUBJECT: RECEIVE PUBLIC TESTIMONY REGARDING THE RENEWAL OF
THE PALMDALE TOURISM IMPROVEMENT DISTRICT

RECOMMENDATION

Staff recommends that the City Council receive public testimony regarding the renewal of the Palmdale Tourism Improvement District (PTID).

BACKGROUND

In California, Tourism Improvement Districts (TID) are primarily formed pursuant to the Property and Business Improvement District Law of 1994. This law allows for the creation of special benefit assessment districts to raise funds within a specific geographic area. The key difference between TIDs and other special benefit assessment districts is that funds raised are returned to the private non-profit corporation governing the TID.

TID benefits include:

- They are customized to fit the needs of each destination;
- They allow for a wide range of services, including destination marketing, tourism promotion, and sales lead generation;
- They are designed, created, and governed by those who pay the assessment;
- They provide a stable funding source for tourism promotion; and,
- Funds cannot be diverted for other government programs.

Since the creation of the PTID in 2021, lodging businesses have been self-assessed monthly with funds dedicated to increasing overnight stays during typically slower days (holidays and weekends) by helping to market Palmdale as a tourist, meeting, and event destination.

Renewal of the PTID would continue to build upon the partnership between the City and the hotels in Palmdale to create additional tourism and visitor opportunities that both visitors and residents can enjoy. By continuing to utilize funds to host signature events,

enhance tourism attractions, develop additional destinations, and make infrastructure improvements tourism and business travel would continue to increase, which would positively impact hotels, restaurants, and entertainment businesses.

DISCUSSION

Hotel owners and managers throughout Palmdale request to renew the PTID for an additional nine-year, eight-month term. Continued programs will include attraction of special events, building upon existing partnerships that support regional and local events and programs, and improving infrastructure. All services provided by the PTID are intended to attract visitors and generate room nights for Palmdale hotels.

Hotel business owners are requesting that the PTID be renewed to continue a revenue source devoted to marketing Palmdale as a tourist, meeting and event destination. If renewed, the PTID would generate approximately \$1,375,000 annually for the promotion of travel and tourism to the City.

The 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 or stays of any officer or employee of a foreign government who is exempt by federal law or international treaty.

The City will collect the self-assessment from each lodging business located within the PTID boundaries and distribute the assessment to Visit Palmdale, which will be responsible for managing PTID programs as provided in the Management District Plan. The Management District Plan also includes the boundary of the PTID, a service plan, budget, and means of governance. The PTID will include all lodging businesses, existing and in the future, available for public occupancy within the boundaries of the City.

After this public meeting is held, the next steps are as follows:

October 16, 2024

FINAL PUBLIC HEARING

If written protests are received from the owners of businesses in the PTID which will pay more than 50% of the assessments proposed to be levied, no further proceedings will be taken for a period of one year from the date of the finding of a majority protest by the Council.

Following the public hearing, if the Council decides to renew the PTID, the Council must adopt a Resolution of Formation.

FISCAL IMPACT

\$0; There is no fiscal impact associated with this action. If the renewal of 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, during the current PTID's management, lodging businesses have reported increased weekend and holiday stays. As such, renewal of the PTID will likely continue to contribute toward increased 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:	Megan Taggart, Deputy Director of Economic and Community Development
Certified as to availability of Funds:	Janelle Samson, Director of Operations
Approved by:	Ronda Perez, City Manager
Approved as to form:	William P. Curley, III, City Attorney

ATTACHMENTS

PTID Management District Plan 7-10-24



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 10, 2024

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Prepared by

Visit
Palmdale

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I. OVERVIEW

Developed by Palmdale lodging businesses and the City of Palmdale (City), the Palmdale Tourism Improvement District (PTID) is an assessment district proposed to continue 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. The PTID was created in 2021 for a five (5) year term. Visit Palmdale (VP) and Palmdale lodging businesses now wish to renew the PTID for an additional nine (9) year and eight (8) month term.

Location: The renewed 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 IV.

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 each full fiscal year (July 1 – June 30) of operation is anticipated to be approximately \$1,375,000. The initial “year” of operations will be a partial year consisting of eight (8) months, with an anticipated assessment budget of \$1,001,000. A similar assessment budget is expected to apply to subsequent years, but this budget is expected to fluctuate as room sales do, and as lodging businesses open and close.

Cost: The annual assessment rate is two percent (2%) of gross short-term sleeping room rental revenue. Based on the benefit received, assessments will not be collected on stays of more than thirty (30) consecutive days or stays of any officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty.

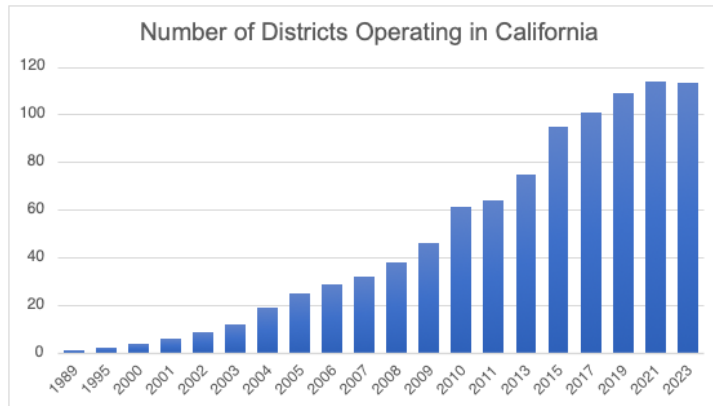
Collection: The City will be responsible for collecting the assessment on a monthly basis (including any delinquencies, interest, and overdue charges) from each lodging business located in the boundaries of the PTID. The City shall take all reasonable efforts to collect the assessments from each lodging business.

Duration: The renewed PTID will have a nine (9) year and eight (8) month life, beginning November 1, 2026, or as soon as possible thereafter, and ending nine (9) years and eight (8) months from its start date. After nine (9) years and eight (8) months, the PTID may be renewed pursuant to the Property and Business Improvement District Law of 1994, Streets and Highways Code section 36600 et seq. (94 Law) if assessed business owners support continuing the PTID programs.

Management: Visit Palmdale (VP) shall continue to 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.

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 – Illinois, Minnesota, Massachusetts, 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. Additionally, 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 continue to invest in stable, commerce-specific marketing programs.

promotion of tourism districts. TIDs allow tourism business owners to organize their efforts to increase commerce. Lodging business owners within the TID pay an assessment and those funds are used to provide services that increase commerce.

TIDs utilize the efficiencies of private sector operation in the market-based

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.

III. ACCOMPLISHMENTS

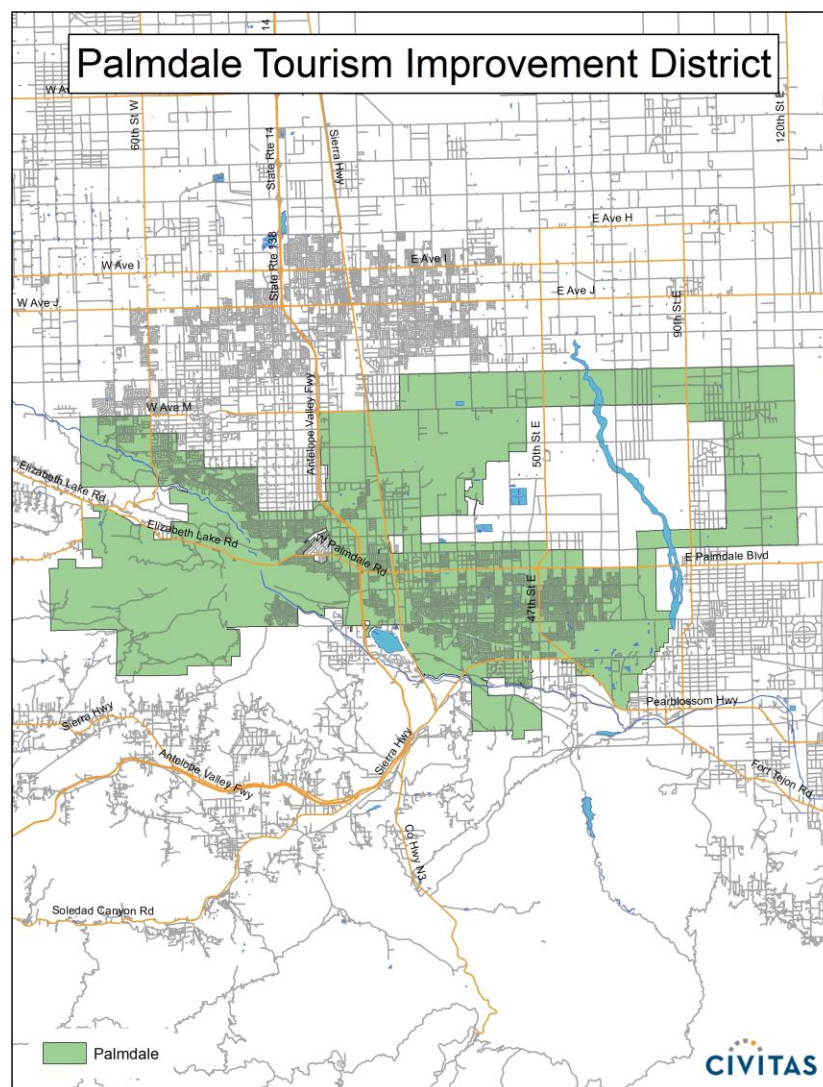
Since the inception of the PTID, large strides have been taken to further Palmdale's position in the tourist economy with the intention to drive overnight visitation to assessed businesses. The PTID has embarked on a collaborative journey, partnering with U.S. Air Force Plant 42, the AV Walls Public Art Program, the Palmdale Amphitheater, the AV Fair, and the Aerospace Valley Air Show. Amidst these efforts, Visit Palmdale successfully launched the High Desert Beer and Wine Festival at the Palmdale Amphitheater, drawing enthusiastic crowds to drive overnight visitation to assessed businesses. Concurrently, the PTID focused on refining Palmdale's brand identity with Simpleview and revamping the Visit Palmdale website, aiming to enhance the PTID's online presence. Looking ahead, the PTID is anticipating the launch of its first visitor's guide, marking another milestone in Palmdale's ongoing development as a destination.

IV. BOUNDARY

The PTID will include all lodging businesses, existing and in the future, available for public occupancy located within the boundaries of the City of Palmdale, as shown in the map below.

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.

A complete listing of assessed lodging businesses within the renewed PTID can be found in Appendix 2.

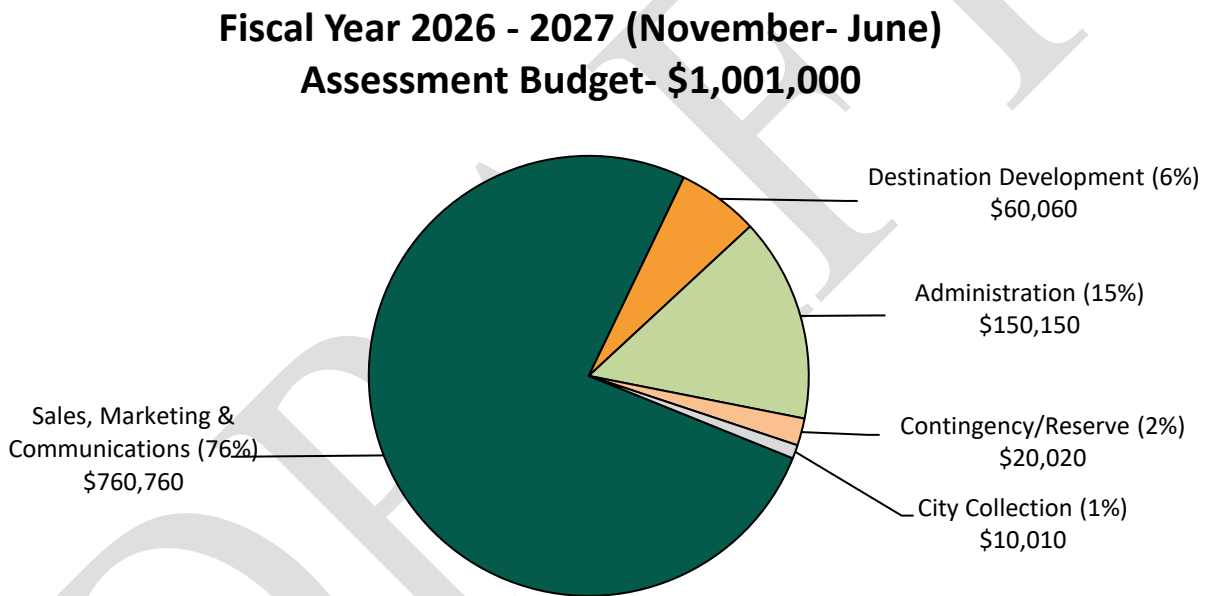


V. ASSESSMENT BUDGET AND SERVICES

A. Annual Service Plan

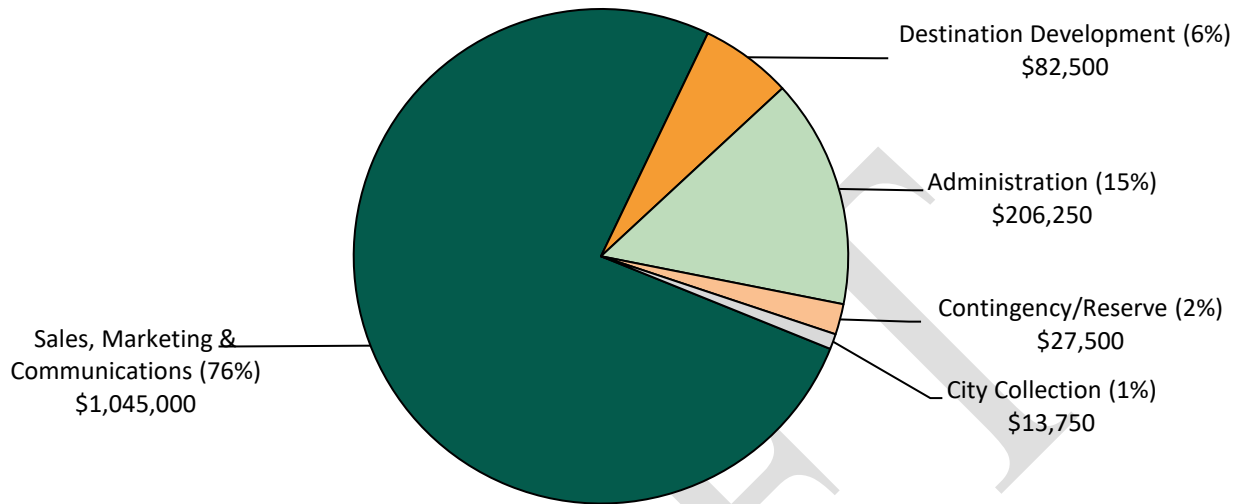
Assessment funds will be spent to provide specific benefits conferred or privileges granted directly to the payors that are not provided to those not charged, and which do not exceed the reasonable cost to the City conferring the benefits or granting the privileges. The privileges and services provided 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 chart below illustrates the initial annual assessment budget for the fiscal year November 1, 2026 – June 30, 2027, which covers the initial eight (8) month period of the PTID. These activities and allocations will also apply in sequent years.



Although actual revenues will fluctuate due to market conditions, the proportional allocations of the budget shall remain the same. The chart below illustrates the annual assessment budget for fiscal year two (July 1, 2027 - June 30, 2028). However, the City and the VP board 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.

Fiscal Year 2027/2028 (July - June) Assessment Budget- \$1,375,000



Each budget category includes all costs related to providing that service. For example, the sales and marketing budget may include project management, graphic design, promotional materials, media buys, staff time dedicated to overseeing and implementing the sales and marketing program, as well as other related costs and services. The costs of an individual staff member may be allocated to multiple budget categories.

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 and sponsorship 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, acquisition and/or site development 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

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 PTID annual assessment budget for each full fiscal year (July 1 – June 30) of operation is anticipated to be approximately \$1,375,000. The initial "year" of operation will be a partial year consisting of eight (8) months, with an anticipated assessment budget of \$1,001,000. A similar assessment budget is expected to apply to subsequent years, but this budget is expected to fluctuate

as room sales do, and as businesses open and close. The total assessment budget for the entire nine (9) year and eight (8) month term of the PTID is anticipated to be approximately \$13,376,000.

The annual assessment rate is two percent (2%) of gross short-term sleeping 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.

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 Palmdale 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 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 City of Palmdale, 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. Nothing in this Plan limits the ability of the Owners’ Association to enter into private contracts with non-assessed lodging businesses for the provision of services to those 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 sales, marketing & communications and destination development programs promoting lodging businesses paying the PTID assessment. The sales, marketing & 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 sales, marketing & 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.

¹ *Jarvis v. the City of San Diego* 72 Cal App. 4th 230

² Cal. Const. art XIII C § 1(e)(1)

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 26⁵. 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 be managed by the PTID, 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 targeted directly to benefit assessed businesses. 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 sleeping room rental revenue. Based on the benefit received, assessments will not be collected on stays of more than thirty (30) consecutive days or stays of any officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty.

The assessment was calculated based on the total cost of the activities to be provided for the benefit of the businesses within the PTID, with costs allocated based on the proportional benefit conferred to each business. Activities funded by the PTID, are specifically targeted to increase room nights at assessed businesses. All room night sales do not represent the same benefit to the payors. For example, a higher priced room night is of greater benefit than a lower priced room night because the assessee derives greater revenue. To account for this benefit differential and to make sure the benefits are proportional, an assessment formula based on a percentage of revenue has been selected. The proposed formula accurately reflects greater benefit to assessed businesses with higher priced room nights.

³ Government Code § 53758(a)

⁴ Cal. Const. art XIII C § 1(e)(2)

⁵ Government Code § 53758(b)

⁶ Government Code § 53758(b)

The term “gross room rental revenue” as used herein means: the consideration charged for the occupancy of space in a hotel, valued in money, not including other charges such as destination fees, resort fees, reservation fees, forfeited deposits, cancelation fees, attrition fees, no-show fees, parking fees, internet fees, roll-a-way beds fees, early and/or late checkout fees, or any other charges or fees (existing or in the future).

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 calculation of transient occupancy taxes.

Bonds shall not be issued.

E. Interest and Overdue Charges

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 lodging 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 overdue charge of 10 percent (10%) of the amount of the unpaid assessment in addition to the amount of the assessment.
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 overdue charge of 10 percent (10%) of the amount of unpaid assessment, in addition to the amount of the assessment and the 10 percent (10%) overdue charge first imposed.
3. *Fraud:* If the City determines that the nonpayment of any remittance due under this section is due to fraud, an overdue charge of 25 percent (25%) of the amount of the assessment shall be added thereto in addition to the overdue charge stated in this section.
4. *Interest:* In addition to the overdue charge 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 overdue charges, from the date on which the remittance first became delinquent until paid.
5. *Overdue Charges Merged with Assessment:* Every overdue charge imposed and such interest as accrued 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, 2026, or as soon as possible thereafter, and ending nine (9) years and eight (8) months from its start date. The City will be responsible for collecting the assessment on a monthly basis (including any delinquencies, interest and overdue charges) from each lodging business located in their respective jurisdictions. 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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VI. 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 VP will continue to serve as the Owners' Association for the PTID. VP shall be comprised of up to (7) directors as follows:

- i. A majority of the Directors shall be owners or owner representatives of businesses paying the Palmdale Tourism Improvement District (PTID) assessment.
- ii. At least one (1) Director shall be an owner or owner representative of a lodging business with 100 rooms or less.
- iii. Two (2) Directors shall be representatives from the City of Palmdale, (1) from the Palmdale City Council and one (1) City Representative.
- iv. At least one (1) Director shall be a representative of a non-lodging business in hospitality or tourism sector located in the City of Palmdale.

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 Board and certain committees must be held in compliance with the public notice and other requirements of the Brown 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. The Owners' Association is also subject to the record-keeping and disclosure requirements of the California Public Records Act.

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.

APPENDIX 1 – LAW

*** THIS DOCUMENT IS CURRENT THROUGH THE 2023 SUPPLEMENT ***
(ALL 2022 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 (Division 10 (commencing with Section 7920.000) 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”

(a) “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.

(b) “Special benefit” also includes, for purposes of a property-based district, a particular and distinct benefit provided directly to each assessed parcel within the district. Merely because parcels throughout an assessment district share the same special benefits does not make the benefits general.

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 estimated 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 their 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.

(3) In a property-based district, properties throughout the district may share the same special benefits. In a district with boundaries that define which parcels are to receive improvements, maintenance, or activities over and above those services provided by the city, the improvements, maintenance, or activities themselves may constitute a special benefit. The city may impose assessments that are less than the proportional special benefit conferred, but shall not impose assessments that exceed the reasonable costs of the proportional special benefit conferred. Because one or more parcels pay less than the special benefit conferred does not necessarily mean that other parcels are assessed more than the reasonable cost of their special benefit.

(l) 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.

(m) 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 assesseses 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	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
Palms Inn & Suites	430 W Palmdale Blvd, Palmdale, CA 93551
Fairfield Inn & Suites	1052 W Ave O-8, Palmdale, CA 93551
Hampton Inn & Suites	9428 Trade Center Dr, Palmdale, CA 93551
Hilton Garden Inn	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
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 93550

**List as of July 2024*