City of South Lake Tahoe
City Council
Meeting Agenda
Tuesday, June 07, 2022 at 9:00 AM
City Hall - Council Chambers - 1901 Lisa Maloff Way, South Lake Tahoe

City Council
Devin Middlebrook, Mayor
Cristi Creegan, Mayor Pro Tem
Cody Bass, Councilmember
John Friedrich, Councilmember
Tamara Wallace, Councilmember

Mission of the City Council
The City Council exists to represent the public interest, to oversee the City's operations and to plan for the City's future.

Public Participation
City Council meetings are held in person at the time and location listed on this agenda. Meetings are live-streamed on Channel 21, City website at www.cityofslt.us, and via ZOOM at this link https://us06web.zoom.us/j/85221370887

A public agenda packet is available for review at City Hall, 1901 Lisa Maloff Way, on the City's Website at www.cityofslt.us, or by contacting the City Clerk's Office, (530) 542-6005 or sblankenship@cityofslt.us

Providing Public Comment:
In Person: Every agenda for regular meetings provides an opportunity for members of the public to directly address the legislative body (City Council), on any item of public interest which is within the jurisdiction of the City Council during Public Communications. For items on the agenda or in connection with any item which the City Council will consider, the public is given the opportunity to comment before or during the City Council's consideration of the item [Government Code Section 54954.3(a)].

By Phone: If you are joining the meeting via ZOOM and would like to make a comment, press the "raise a hand" button. If you are joining the meeting via Channel 21 or live stream and would like to make a comment, please call (530) 542-6500. The meeting ID is ID: 852 2137 0887 press *9 to indicate a desire to make a comment. Press *6 to unmute your phone. The Clerk will call you by the last three digits of your phone number when it is your turn to speak.

In Writing: Written comments received by 3 p.m. the day before the meeting will be distributed to City Council prior to the meeting. Written public comment regarding any item on this agenda may be sent to PublicComment@cityofslt.us. When emailing comments, identify the agenda item number in the subject line to which your comments relate. Any such comment that is a public record and is emailed to PublicComment@cityofslt.us or otherwise provided to a majority of the City Council before the meeting will be made available for public inspection during normal business

hours at the City Clerk's Office located at City Hall, 1901 Lisa Maloff Way, South Lake Tahoe [Government Code Section 54957.5(b)]. Written comments will not be read out loud during the meeting.

The City Council Chambers meeting facility is accessible to people with disabilities. Every reasonable effort will be made to accommodate any person needing special assistance to attend this meeting. Contact the City Clerk at (530) 542-6005 at least 48 hours in advance of the meeting for assistance [28 CFR 35.102.35.104 ADA Title II and Brown Act Government Code Sections 54953.2, 54954.1, 54954.2, and 54957.5].

Spanish Interpretations: The public may access Spanish interpretation using the ZOOM link listed on the front of the Agenda from an internet device (smartphone, laptop, tablet, home computer) with audio capabilities and selecting the Spanish language option. Persons without an internet device may attend the meeting in-person and a device will be provided while supplies last. Requests for interpreter services to offer public comment may be made by contacting the City Clerk.

Call to Order/Pledge of Allegiance

Roll Call

Closed Session Report

City Employee Recognition

1. City Employee Recognitions
Requested Action / Suggested Motions: Two employees will be recognized for reaching 20 Years-Service, one employee will be recognized for reaching 10 Years-Service and one employee will be recognized for reaching 5 Years-Service.
Responsible Staff Member: Various
Item 1 - Executive Summary.pdf
01-Staff Report Employee Service 06 07 2022.pdf

Public Communications

This is the public's opportunity to speak on any topic NOT LISTED on this agenda. Comments shall be limited to four (4) minutes. In accordance with the Brown Act, the City Council cannot deliberate or vote on any matter raised under public communications, but may briefly respond to statements made or questions posed. (Government Code Sections 54954.2)

Proclamations

2. Proclamation - Recognizing June 2022 as "Pride Month"
Requested Action / Suggested Motions: Issue a Proclamation recognizing June 2022, as "Pride Month".
Responsible Staff Member: Susan Blankenship, City Clerk
Item 2 -Executive Summary.pdf
Proclamation - June 2022 Pride Month.docx

3. Proclamation - Recognizing June 16-19 as "El Dorado County Fair Week"
Requested Action / Suggested Motions: Issue a Proclamation recognizing June 16-19 as "El Dorado County Fair Week".
Responsible Staff Member: Susan Blankenship, City Clerk

Item 3 - Executive Summary.pdf
Proclamation June 16-19 El Dorado County Fair Week

City Commission and Student Advisory Reports

Consent Agenda

Public Comment - This is the public's opportunity to speak on any topic listed on the Consent Agenda. Comments shall be limited to three (3) minutes.

The consent agenda consists of items of a repeating or routine nature considered under a single action. Any Councilmember may have an item on the consent agenda removed and considered separately upon request.

Pass a Motion to adopt the Consent Agenda in one motion except as indicated at each item.

4. City Council Meeting Minutes
Requested Action / Suggested Motions: Pass a Motion approving the May 17, 2022, Regular City Council meeting minutes.
Responsible Staff Member: Susan Blankenship, City Clerk
Item 4 - Executive Summary.pdf
05 17 2022 Minutes.pdf

5. Agreement with First Church of Christ for Shared Parking Lot Use for Fire Station 3
Requested Action / Suggested Motions: Pass a Motion authorizing and directing the City Manager to execute an agreement with the First Church of Christ for shared use and maintenance of the church parking lot for Fire Station 3.
Responsible Staff Member: Jim Drennan, Interim Fire Chief
Item 5 - Executive Summary.pdf
01-Staff Report - Fire Station 3 Shared Parking Lot Agreement.docx
02-First Church of Christ Shared Parking Lot Agreement

6. Appropriation of Grant Funds for Pioneer Trail Pedestrian Improvement Project Phase II
Requested Action / Suggested Motions: Pass a Resolution Authorizing Acceptance and Appropriation of Congestion Mitigation and Air Quality Grant in the Amount of $300,000 and Highway Infrastructure Program Grant in the Amount of $111,000, and Authorizing Appropriation of Grant Match Funding from the General Fund Grant Match Set Aside in the Amount of $53,250 into the Pioneer Trail Pedestrian Improvement Project Phase II Account; Authorizing the Director of Public Works to submit an Active Transportation Grant, and Committing to Local Matching Funds in the amount of $194,341.
Responsible Staff Member: Randy Carlson, Associate Civil Engineer
Item 6 - Executive Summary.pdf
01-Staff Report - Pioneer Trail Pedestrian Improvement.docx
02-Resolution - Pioneer Trail Pedestrian Improvement.docx
03-Program Supplement Pioneer Trail

7. Professional Services Agreement with Cardno Inc. for Preliminary Planning Studies for the Dennis Machida Memorial Trail Phase 1C
Requested Action / Suggested Motions: 1) Pass a Resolution authorizing appropriation of $56,037 from the remaining American Rescue Plan Act (ARPA) Funds from the General Fund for Engineering and Design Services for the Dennis Machida Memorial Trail Phase 1C Alignment Analysis; and 2) Pass a Motion authorizing and directing the Mayor to execute a Professional Services Agreement with Cardno Inc., for an amount not to exceed $243,845 for preliminary studies

relating to alignment and environmental documents for the Dennis Machida Memorial Trail Phase 1C.
Responsible Staff Member: Jim Marino, Capital Improvement Program and Facilities Program Manager
Item 7 - Executive Summary.pdf
01-Staff Report - Dennis Machida Trail Phase 1C.docx
02-PSA Cardno Inc. Dennis Machida Memorial Trail Phase 1C
03-Resolution - Budget Appropriation SLFRF.docx

8. Two (2) Year Extension with Eide Bailly, LLP for Independent Audit Services for Fiscal Year 2021-2022 and 2022-2023
Requested Action / Suggested Motions: Pass a Motion authorizing and directing the Mayor to execute a two (2) year extension on the agreement with Eide Bailly (formerly Vavrinek, Trine, Day and Co. (VTD)) for Independent Audit Services for Fiscal Year 2021-2022 and 2022-2023 in amounts not to exceed $81,000 and $83,430 respectively.
Responsible Staff Member: Olga Tikhomirova, Director of Finance
Item 8 - Executive Summary.pdf
01-Staff Report-Audit Services Extension.docx
02-C-069-2018-Vavrinek, Trine, Day and Company LLP.pdf
03-Letter Extending Eide Bailly Agreement.pdf

9. Purchase of a Vehicle for the Streets Division
Requested Action / Suggested Motions: Pass a Motion authorizing and directing the City Manager to execute a purchase order for one Chevrolet Silverado from the National Auto Fleet Group via Cooperative Purchasing Contract in an amount of $51,243.44 for use in the Streets Division.
Responsible Staff Members: Anush Nejad, Director of Public Work and Phil Harwood, Fleet Supervisor
Item 9 - Executive Summary.pdf
01-Staff_Report_Street_Vehicle_Purchase_F2.docx
02 - Chevy_Quote.pdf
03 - EV_Checklist.pdf
04- Cooperative Purchase Contract

10. Grant Amendment Application for the Upper Bijou Park Creek Restoration Project
Requested Action / Suggested Motions: Pass a Resolution authorizing submittal of a grant amendment application for Lake Tahoe Restoration Act funding from the U.S. Forest Service and appropriation of $120,000 in matching funds from the General Fund Undesignated Excess Reserves and $1,000,000 in grant funds for implementation of stormwater and watershed improvements within the Upper Bijou Park Creek Watershed.
Responsible Staff Member: Jason Burke, Complete Streets Program Manager and Faye-Marie Pekar, Engineering Technician
Item 10 - Executive Summary.pdf
01-Staff Report-LTRA Grant Bijou Park Creek Restoration Project.docx
02-Project Location Map
03-Resolution - LTRA Grant Amendment.docx

11. Delegation of Authority of City Traffic Engineer to the Director of Public Works or Designee
Requested Action / Suggested Motions: Pass a Resolution delegating authority of City Traffic Engineer to the Director of Public Works or designee.
Responsible Staff Members: Anush Nejad, Director of Public Works

Item 11 - Executive Summary.pdf
01-Staff Report - Delegation of Authority City Traffic Engineer.docx
02-Resolution- Delegating Authority of City Traffic Engineer.docx
03-Reso. No. 2019-087 Wood Rogers City Engineer.pdf

12. Senate Bill 1 Road Maintenance and Rehabilitation Account Project List for FY22/23
Requested Action / Suggested Motions: Pass a Resolution adopting a List of Projects for the Fiscal Year 2022-23 Funded by SB 1: The Road Repair and Accountability Act of 2017.
Responsible Staff Member: Randy Carlson, Associate Civil Engineer
Item 12 - Executive Summary.pdf
01-Staff Report-RMRA Project List.docx
02-Resolution - SB1 Road Maintenance and Rehabilitation.docx
03-Attachment A - RMRA Estimate
04-Attachment B-Project Location Map

13. Final Subdivision Map Approval for 906 Emerald Bay Road Residential Project
Requested Action / Suggested Motions: Pass a Resolution approving Final Subdivision Map for the 906 Emerald Bay Road Residential Project.
Responsible Staff Member: Faye-Marie Pekar, Engineering Technician
Item 13 - Executive Summary.pdf
01-Staff Report - Final Subdivision Map 906 Emerald Bay Rd.docx
02-Location Map.pdf
03-Resolution-Approving Final Subdivision Map 906 Emerald Bay Rd.docx
04 -Resolution 2021-024 - 906 Emerald Bay Rd Tentative Map Approval

14. American Rescue Plan Act Appropriation for Ski Run Park ADA Parking and Access Upgrades
Requested Action / Suggested Motions: Pass a Resolution appropriating ARPA funds in the amount of $150,000 for civil design and construction of ADA parking and access upgrades along frontage of future Ski Run Park.
Responsible Staff Member: Faye-Marie Pekar, Engineering Technician
Item 14 - Executive Summary.pdf
01-Staff_Report_-_Ski_Run_Park_ADA_Compliance.docx
02-Resolution - Ski Run Park ADA Appropriation.docx

15. Permanent Local Housing Allocation (PLHA) Grant Loan Agreement and Budget Appropriation for the Sugar Pine Village Affordable Housing Project
Requested Action / Suggested Motions: 1) Pass a Resolution appropriating $5,000,000 of PLHA funds into the City budget for use in developing the Sugar Pine Village Affordable Housing Project; and
2) Pass a Motion authorizing and directing the City Manager to execute a loan agreement, promissory note, deed of trust and regulatory agreement with Sugar Pine Housing Partners, L.P. to loan $4,750,000 of PLHA funds for use in the construction of Phase 1A of the Sugar Pine Village Affordable Housing Project, all in substantially the form attached hereto including any changes required to comply with the PLHA grant agreement, and to be approved as to form by the City Attorney.
Responsible Staff Member: Zach Thomas, Housing Manager, Housing Manager
Item 15 - Executive Summary.pdf
01-Staff Report - Sugar Pine Village Loan Agreement.docx
02-Resolution-Budget Appropriation Sugar Pine Village Loan Agreement.docx
03_Sugar Pine PLHA Loan Agreement.docx

04-Sugar Pine Village Promissory Note Agreement.docx
05-Sugar Pine Village Deed of Trust.docx
06_City Regulatory Agreement_Sugar Pine Village PLHA Loan.docx
07 - Reso. No. 2021-071 PHLA Grant Application.pdf

16. Amendment to Predevelopment Loan Agreement for the Sugar Pine Village Affordable Housing Project
Requested Action / Suggested Motions: Pass a Motion authorizing and directing the Mayor to execute the Amendment to the Predevelopment Loan Agreement for the Sugar Pine Village Affordable Housing Project to make minor changes for consistency with terms and requirements of other lenders.
Responsible Staff Member: Jessica Wackenhut, Associate Housing Planner and Zachary Thomas, Housing Manager
Item 16 - Executive Summary.pdf
01-Staff_Report_RDA_Loan_Amendment__final__1_.docx
02-Agreement Amendment Sugar Pine Housing LLC.doc
03-C-120-2021 Sugar Pine Housing LLC

17. Revised Resolution for the Grant Application to the State Department of Parks and Recreation Rural Recreation and Tourism Program Towards Construction of the City of South Lake Tahoe Recreation and Aquatics Center
Requested Action / Suggested Motions: Pass a Revised Resolution approving the grant application to the State Department of Parks and Recreation Rural Recreation and Tourism Program for $3,000,000 towards construction of the City of South Lake Tahoe Recreation and Aquatics Center.
Responsible Staff Member: Lori Marino, Principal Management Analyst
Item 17 - Executive Summary.pdf
01-Staff Report - Revised Resolution Recreation Center Grant Funds.docx
02-Resolution - Revised Resolution Recreation Center Grant Funds.docx
03- Original Resolution 2021-047 RRT.pdf

18. Tahoe Resource Conservation District, Tahoe Network of Fire Adapted Communities Sub-Recipient Grant Application
Requested Action / Suggested Motions: Pass a Resolution authorizing submittal of a sub-recipient grant application to the Tahoe Recourse Conservation District in the amount of $101,693.58 for the hiring of three part-time/grant funded, Defensible Space Inspectors for a term of seven months.
Responsible Staff Member: Jay Manning, Battalion Chief and Lori Marino, Principal Management Analyst
Item 18 - Executive Summary.pdf
01-Staff Report TRCD Defensible Space Inspector Funding.docx
02-Resolution TRCD Defensible Space Inspector Funding.docx

19. Acceptance of Grant Award from CalRecycle for SB 1383 Local Assistance Grant Program
Requested Action / Suggested Motions: Pass a Resolution accepting a grant award in the amount of $34,005 from CalRecycle's SB 1383 Local Assistance Grant Program to be used towards sustainability education, outreach and related personnel costs.
Responsible Staff Member: Sara Letton, Sustainability Coordinator
Item 19 - Executive Summary.pdf
01-Staff Report CalRecycle Grant Acceptance.docx
02-Resolution CalRecycle Grant Final Acceptance.docx

Regular-Unfinished Business

20. Sugar Pine Village Building Permit Fee Reduction
Requested Action / Suggested Motions: Pass a Resolution approving a 20 percent reduction in building permit fees for the Sugar Pine Village affordable housing project.
Responsible Staff Member: Hilary Roverud, Director of Development Services
Item 20 - Executive Summary.pdf
01-Staff Report - Sugar Pine Village Fee Reduction.docx
02-Resolution - Sugar Pine Village Fee Reduction.docx

Regular-New Business

21. Discussion of Single-Use Plastics Regulations
Requested Action / Suggested Motions: Receive report and provide direction to staff on potential actions.
Responsible Staff Member: Heather Stroud, City Attorney
Item 21 - Executive Summary.pdf
01 - Staff Report on Single Use Plastics.docx
02 - Letter from League to Save Lake Tahoe.pdf
03 - Single-Use Plastics Presentation.pptx

22. Feasibility Study for Community Choice Aggregation
Requested Action / Suggested Motions: Pass a Motion authorizing staff to begin the Request for Proposals (RFP) process for a Community Choice Aggregation Study.
Responsible Staff Member: Sara Letton, Sustainability Coordinator
Item 22 - Executive Summary.pdf
01 - Staff Report Planning RFP for CCA Feasibility v2.docx

23. Request from Ski Run Park, LLC, for Banked Land Coverage from the City to be Transferred to 1195 Ski Run Boulevard at No Cost
Requested Action / Suggested Motions: Pass a Resolution approving a request from Ski Run Park, LLC, for the transfer and distribution of 1,115 square feet of banked land coverage from the City to 1195 Ski Run Boulevard at no cost, for the purpose of community park construction.
Responsible Staff Member: Madison Dederick, Assistant Planner
Item 23 - Executive Summary.pdf
01-Staff Report-Ski Run Park Land Coverage Request.docx
02-Resolution-Ski Run Park Land Coverage Request.docx
03 - Coverage Request.pdf

24. Appropriation of Funding for Mold Remediation and Asbestos Abatement at 1700 D Street
Requested Action / Suggested Motions: Pass a Resolution appropriating $49,000 from General Fund Undesignated Excess Reserve for mold remediation and asbestos abatement at 1700 D Street.
Responsible Staff Members: Rebecca Penado, Risk Manager, Hilary Roverud, Development Services Director and Travis Shindelbower, Facilities Maintenance Manager

Item 24 - Executive Summary.pdf
01-Staff_Report_-_Mold_and_Asbestos_Abatement_1700_D_Street.docx
02 - Mold Report.pdf
03 - Agreement with Emergency Restoration & Cleaning.pdf

04 - Resolution Appropriating Funds for Mold and Asbestos Remediation.docx

25. Professional Services Agreement with Sosu.TV for Broadcasting, Media, and Video Production Services
Requested Action / Suggested Motions: Pass a Motion authorizing and directing the Mayor to execute a Professional Services Agreement with Sosu.TV for a 2-year agreement not to exceed $177,000, with the option to renew for one (1), two (2) year term for broadcasting, media, and video production services.
Responsible Staff Member: Lindsey Baker, Assistant to the City Manager/Public Information Officer
Item 25 - Executive Summary.pdf
01-Staff Report - PSA Sosu TV.docx
02- Video_Production_RFP.pdf
04 - Agreement with Sosu.tv.pdf
03 - Sosu.tv_RFP_Proposal.pdf

26. Memorandum of Understanding with California Tahoe Conservancy to Exchange Development Rights and Land Coverage
Requested Action / Suggested Motions: Pass a Motion authorizing and directing the Mayor to execute a Memorandum of Understanding (MOU) with the California Tahoe Conservancy and authorizing and directing the City Manager to execute any and all documents necessary to transfer and exchange development rights and land coverage consistent with the MOU.
Responsible Staff Member: Hilary Roverud, Director of Development Services
Item 26 - Executive Summary.pdf
01-Staff Report - CTC Exchange of Development Rights.docx
02-MOU California Tahoe Conservancy - Exchange of Development Rights.docx

27. Installation of a Painted Crosswalk in the City of South Lake Tahoe to Celebrate Pride Month
Requested Action / Suggested Motions: Receive report and provide direction to the City Manager on whether to install a painted crosswalk, and if so, the location and design.
Responsible Staff Member: Joe Irvin, City Manager and Anush Nejad, Director of Public Works
Item 27 - Executive Summary.pdf
01-Staff Report - Crosswalk Art.docx
02 - Attachment A - Painted Crosswalk Options (presentation)

28. Two State Excess Sites Local Government Matching Grants (LGMG) Program Applications for Phases 1A and 2A of the Sugar Pine Village Affordable Housing Project
Requested Action / Suggested Motions: 1) Pass a Resolution authorizing the joint application with The Related Companies of California, LLC for the Local Government Matching Grants (LGMG) program for Sugar Pine Village Phase 2A in the amount of $5,943,000; 2) Pass a Resolution supporting the application of The Related Companies of California, LLC and St. Joseph Community Land Trust for $4,000,000 of LGMG program funding and approving the budget for Phase 1A; and 3) Pass a Resolution supporting the application of The Related Companies of California, LLC for $5,943,000 of LGMG program funding and approving the budget for Phase 2A.
Responsible Staff Member: Jessica Wackenhut, Associate Housing Planner and Zach Thomas, Housing Manager

Item 28 - Executive Summary.pdf
01-Staff Report - Sugar Pine Village Matching Grants Program.docx
02-Resolution-Sugar Pine Village LGMG Joint Application.docx
03-Resolution-Sugar Pine Village Matching Grants (Phase 1A).pdf

04-Resolution-Sugar Pine Village Matching Grants (Phase 2A).pdf

29. Travel Authorization – League Annual Conference, Long Beach, CA, Climate Solutions Summit, Breckenridge, CO and Mountain and Resort Town Planners Summit, Aspen, CO

Requested Action / Suggested Motions: Pass a Motion identifying Council Members and authorizing travel and associated expenses to attend the League Annual Conference (September 7-9) and selecting a Voting Delegate, Climate Solutions Summit, Breckenridge, CO (September 20-22) and Mountain and Resort Town Planners Summit, Aspen, CO (October 12-16, 2022)
Responsible Staff Member: Susan Blankenship, City Clerk
Item 29 - Executive Summary.pdf
01-Staff Report - Travel Authorization.docx
02-Climate Solutions Summit.pdf
03-Mountain and Resort Town Planner Summit.pdf
04-League - 2022 Voting Delegate Packet.pdf

Agenda Planning Calendar

30. Agenda Planning Calendar
Requested Action / Suggested Motions: A Councilmember may request that an item be placed on a future agenda. Upon the support of one (1) additional Council Member, direction shall be given to the City Manager to calendar the item for a convenient future agenda, but no sooner than the second meeting after the request was made, and/or modify the Agenda Planning Calendar as desired.
Responsible Staff Member: Joseph Irvin, City Manager
Item 30 - Executive Summary.pdf
APC - 06 02 2022.pdf

Updates and Announcements (City Attorney, City Clerk, City Manager)

Councilmember Reports and Comments - Assignments to Boards, Committees, and Commissions

Adjournment

I, Susan Blankenship, City Clerk for the City of South Lake Tahoe, declare that the foregoing agenda for the Tuesday June 7, 2022 meeting of the City of South Lake Tahoe City Council was posted and available for review on Thursday, June 2, 2022 at City Hall, 1901 Lisa Maloff Way, South Lake Tahoe, CA 96150. The agenda was also available on the City website at https://www.cityofslt.us.

Signed June 2, 2022
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Susan Blankenship, Elected City Clerk

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: June 7, 2022
Agenda Item #: 1

Agenda Item: City Employee Recognitions

Executive Summary: New City employees and long-serving City employees who reach the 5, 10, 15, 20, & 25 year service milestone will be recognized at each monthly meeting.

Requested Action / Suggested Motions: Two employees will be recognized for reaching 20 Years-Service, one employee will be recognized for reaching 10 Years-Service and one employee will be recognized for reaching 5 Years-Service.
Responsible Staff Member: Various

Responsible Staff Member: Various Departments

Reviewed and Approved By:
Susan Blankenship, City Clerk

Attachments:

01-Staff Report Employee Service 06 07 2022.pdf

City of South Lake Tahoe
Report to **City Council**

Meeting Date: June 7, 2022

Title: City Employee Recognition

Location: Citywide

Responsible Staff Member: Various Department Directors

Background: As part of the City's Employee Recognition Program, employees who have reached five, ten, fifteen, twenty and twenty-five years of service are recognized for their achievements and contributions to the City.

Service Awards:

Public Works
Dennis Churchill, Facilities Maintenance - 20 Years' Service
Stanley Hill, Engineering - 20 Years' Service
Brian Belser, Motor Pool - 5 Years' Service

Finance
Ben Hannah, Finance - 10 Years' Service

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: June 7, 2022
Agenda Item #: 2

Agenda Item: Proclamation - Recognizing June 2022 as "Pride Month"

Executive Summary: The City of South Lake Tahoe's Lesbian, Gay, Bisexual, Transgender, and Queer (LGBTQ) community are a vital part of all fields and professions and contribute to a stronger community. The City of South Lake Tahoe is strengthened by and thrives upon the rich diversity of ethnic, cultural, racial, gender and sexual identities of its residents; all of which contribute to the vibrant character of our City.

Requested Action / Suggested Motions: Issue a Proclamation recognizing June 2022, as "Pride Month".
Responsible Staff Member: Susan Blankenship, City Clerk

Responsible Staff Member: Susan Blankenship, City Clerk (530) 542-6005

Reviewed and Approved By:
Susan Blankenship, City Clerk

Attachments:

Proclamation - June 2022 Pride Month.docx

City of South Lake Tahoe
Proclamation
Recognizing June 2022 as
"Pride Month"

Whereas, the City of South Lake Tahoe is a welcoming community and an exceptional place to live, learn, work, play, and raise a family; and

Whereas, the City recognizes the importance of equality and freedom; and

Whereas, the nation was founded upon and is guided by a set of principles that includes that every person has been created equal, that each has rights to their life, liberty and pursuit of happiness and that each shall be accorded the full recognition and protection of law; and

Whereas, the City of South Lake Tahoe's Lesbian, Gay, Bisexual, Transgender, and Queer (LGBTQ) community are a vital part of all fields and professions and contribute to a stronger community; and

Whereas, the City is dedicated to fostering acceptance of all its citizens and preventing discrimination and bullying based on sexual orientation and gender identity; and

Whereas, the City of South Lake Tahoe is strengthened by and thrives upon the rich diversity of ethnic, cultural, racial, gender and sexual identities of its residents; all of which contribute to the vibrant character of our City.

Now, therefore, the City Council of the City of South Lake Tahoe does hereby proclaim and recognize June 2022 as "Pride Month" in the City of South Lake Tahoe and urge citizens to recognize the contributions made by members of the LGBTQ community and LGBTQ Organizations to actively promote the principles of equality and liberty.

_____

Devin Middlebrook, Mayor

_____

Susan Blankenship, City Clerk

Date:_____

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: June 7, 2022
Agenda Item #: 3

Agenda Item: Proclamation - Recognizing June 16-19 as "El Dorado County Fair Week"

Executive Summary: The El Dorado County Fair is a vital part of our community since the first Fair in 1859, offering an opportunity to showcase the myriad talents and industry of our citizens of all ages. “The Magic is Back” event is being held at 100 Placerville Drive, on June 16 through Father’s Day, June 19, 2022.

Requested Action / Suggested Motions: Issue a Proclamation recognizing June 16-19 as "El Dorado County Fair Week".
Responsible Staff Member: Susan Blankenship, City Clerk

Responsible Staff Member: Susan Blankenship, City Clerk (530) 542-6005

Reviewed and Approved By:
Susan Blankenship, City Clerk

Attachments:

Proclamation June 16-19 El Dorado County Fair Week

City of South Lake Tahoe
Proclamation
Recognizing June 16 – 19, 2022 as
"El Dorado County Fair Week"

Whereas, the El Dorado County Fair is a vital part of our community since the first Fair in 1859, offering an opportunity to showcase the myriad talents and industry of our citizens of all ages; and

Whereas, the El Dorado County Fair honors our Agricultural industry which creates an estimated annual crop production of $72.2 million, with apples being our leading crop with $22. million, livestock at $10. million, with the wine grapes coming in as the third leading drop at $9.6 million; and

Whereas, the 2022 theme for the Fair, "The Magic is Back"; and

Whereas, the El Dorado County Fair continues to encourage participation and recognition of the diverse accomplishments of the County's youth through an innovative partnership of the El Dorado County Office of Education, Future Farmers of America, University of California Cooperative Extension and the Fair Association; and

Whereas, the El Dorado County Fair enriches the public's knowledge of the world around them through educational exhibits such as the "Museum," Master Food Preservers," the Jr. Livestock Auction, and Ag related Featured Booths and the many demonstrations given by the Master Gardeners; and

Whereas, the El Dorado County Fair fosters increased cultural awareness and appreciation of the arts by providing a venue for the exhibition of dance, music, art, and photography.

Therefore, The City Council of the City of South Lake Tahoe, do hereby proclaim June 16-19, 2022, as "El Dorado County Fair Week" and urges all citizens to participate in the many activities offered at this year's "The Magic is Back" event at 100 Placerville Drive, on June 16 through Father's Day, June 19. The South Lake Tahoe City Council extends it's thanks to the many volunteers whose dedication is an essential part of the success of our annual County Fair. The City of South Lake Tahoe extend their best wishes to the Board of Directors and staff for another successful El Dorado County Fair.

_____
Devin Middlebrook, Mayor

_____
Susan Blankenship, City Clerk
Date:_____

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: June 7, 2022
Agenda Item #: 4

Agenda Item: City Council Meeting Minutes

Executive Summary: City Council is asked to formally approve the May 17, 2022 Regular City Council meeting minutes.

Requested Action / Suggested Motions: Pass a Motion approving the May 17, 2022, Regular City Council meeting minutes.
Responsible Staff Member: Susan Blankenship, City Clerk

Responsible Staff Member: Susan Blankenship, City Clerk (530) 542-6005

Reviewed and Approved By:

Attachments:

05 17 2022 Minutes.pdf

City of South Lake Tahoe
City Council and South Tahoe Redevelopment Successor Agency
Meeting Minutes
Tuesday, May 17, 2022 at 5:30 PM
City Hall - Council Chambers - 1901 Lisa Maloff Way, South Lake Tahoe

City Council
Devin Middlebrook, Mayor
Cristi Creegan, Mayor Pro Tem
Cody Bass, Councilmember
John Friedrich, Councilmember
Tamara Wallace, Councilmember

Mission of the City Council
The City Council exists to represent the public interest, to oversee the City's operations and to plan for the City's future.

NOTE: The Meeting Minutes represent actions taken during the meeting of the City Council. Complete Council members discussions on Regular Session meeting items can be viewed in archived video recordings on the City's website at http://www.cityofslt.us *Public submittals on items are retained in the administrative record and can be viewed in the City Clerk's repository at* http://www.cityofslt.us

Call to Order/Pledge of Allegiance
At 5:33 p.m. Mayor Middlebrook called the meeting to order. Middlebrook then led the pledge of allegiance to the flag.

Roll Call
Present were Mayor Middlebrook, Councilmembers Bass, Friedrich and Wallace. Councilmember Creegan was absent.

Also present were City Manager Irvin and City Clerk Blankenship. City Attorney Stroud participated via Zoom.

Public Communications
Public Comment was heard from the following people:

1. Susan Chandler, Democratic Club - access to California news coverage
2. Bruce Fritz – neighbor dispute So. Shore Drive
3. Darlene Fritz – neighbor dispute So. Shore Drive *photo distributed to Council
4. Nick Speal – thank you for increasing access to public meetings *written material distributed
5. Ed Mosur – deterioration of former Event Center location
6. Scott Robbins – housing shortage

Written Comment was received from the following people:

7. Gerald O. Barney – cell towers
8. Evan Bevan – City Clerk
9. Ambrose Bierce – City corruption
10. Rachel Carson – scenic corridor
11. Olivia Clemens – Devin Middlebrook
12. Saundra Edwards – Tamara Wallace* 3 comments received
13. Danny Elfman – Tamara Wallace

14. Granville Fortescue – scenic corridors
15. Stella Gibbins – Steve Teshara
16. Lionel Hutz – City Attorney
17. Will Irwin – land development
18. Udo Keppler – government corruption
19. Gaius Lucillius – strategic plan
20. Walley Pinniped – Tamara Wallace
21. John Powell – Bijou Park Creek
22. Harper Puck – Devin Middlebrook
23. Jacob Riis – City corruption, Tahoe Chamber * 3 comments received
24. Jaques Rouseau – Chase Janvrin
25. George Shaw – Lou Feldman
26. Vasily Sleptsov - environment
27. Mark Sulllivan - recall
28. Paul Thorpe - overdevelopment
29. Paul Weitz – Tamara Wallace
30. Brent Wisner – City corruption *2 comments received
31. Oscar Cesare- government policy

Proclamations

1. Proclamation Recognizing May 2022 as "Mental Health Awareness Month"
Action: Issued a Proclamation to Barton Health, recognizing May 2022 as "Mental Health Awareness Month".

2. Proclamation Recognizing June 2022 as "Lake Tahoe Bike Month"
Action: Issued a Proclamation to Lake Tahoe Bicycle Coalition and Tahoe Regional Planning Agency, recognizing June 2022 as "Lake Tahoe Bike Month".
The following people addressed Council:
1. Gavin Feiger, Tahoe Bicycle Coalition
2. Nick Speal, Tahoe Bicycle Coalition
3. Kira Smith, TPRA Representative, Tahoe Bicycle Coalition

City Commission Reports
None.

Consent Agenda
Action: Moved/Seconded: Bass/Friedrich
Yes: Bass, Friedrich, Middlebrook and Wallace
Absent: Creegan
Action: Passed Consent Agenda.

3. City Council Meeting Minutes
Action: Passed **Motion 2022-050** approving the May 3, 2022, Regular City Council meeting minutes.

4. Investment Portfolio Report - March 31, 2022
Action: Received and filed.

5. Fiscal Year 2021-22 Quarterly Financial Status Report - Quarter Ending March 2022
Action: Received and filed.

6. Authorizing Investment of Monies in the Local Agency Investment Fund
Action: Passed **Resolution 2022-056** Authorizing Investment of Monies in the Local Agency Investment Fund (LAIF).

7. **American Rescue Plan Act of 2021 (ARPA) Funding Appropriations**
Action: Passed **Resolution 2022-057** authorizing a transfer of the remaining American Rescue Plan Act (ARPA) funding to the General Fund under the statutory category C, Revenue Loss for the provision of government services.

8. **Reimbursement Agreement with South Tahoe Public Utility District (STPUD) and Appropriation of American Rescue Plan Act (ARPA) Funds**
Action: 1) Passed **Resolution 2022-058** appropriating ARPA funds in the amount of $300,000 for fire hydrant Installation; and 2) Passed **Motion 2022-051** authorizing and directing the Mayor to execute Reimbursement Agreement **C-074-2022** with STPUD for implementation of the project.

9. **Correction to TRPA Mitigation Funding Source for the Tahoe Valley Stormwater and Greenbelt Improvement Project**
Action: Passed **Resolution 2022-059** accepting and appropriating TRPA Mitigation Funds for the Tahoe Valley Stormwater and Greenbelt Improvement Project by changing the funding source from $425,000 in Air Quality Mitigation Funds to $225,000 in Stream Environment Zone (SEZ) Mitigation Funds and $200,000 in Water Quality Mitigation Funds. (Replacing Resolution 2022-002)
Public Comment was heard from the following person:
   1. Steve Teshara, Tahoe Chamber

10. **Acquisition of Property from McDonald's Corporation the Tahoe Valley Stormwater and Greenbelt Improvement Project**
Action: Passed **Resolution 2022-060** authorizing and directing the Mayor to execute Purchase Agreement **C-075-2022** with McDonald's Corporation to acquire property (APN 023-381-002 and 023-430-038) for the sum of $250,000.
Public Comment was heard from the following person:
   1. Steve Teshara, Tahoe Chamber

11. **Purchase of Vehicle and Equipment to Support Airport Operations**
Action: Passed **Motion 2022-052** authorizing the purchase of one Multi-hog Snow Blower with the necessary attachments from Alpine Smith, Inc. for $214,195.09 for the Airport Division.

South Tahoe Redevelopment Successor Agency - Regular-Unfinished Business

12. **Update on US 50 "Loop Road" Alternative Analysis and Potential Disposition of Two Parcels Owned by the South Tahoe Redevelopment Successor Agency (3900 and 3908 Lake Tahoe Blvd.; APNs: 029-170-01 and 029-170-02)**
Action: Moved/Seconded: Wallace/Friedrich
Yes: Bass, Friedrich, Wallace
No: Middlebrook
Absent: Creegan
Action: Acting as Board of Directors of the South Tahoe Redevelopment Successor Agency passed **Motion STRSA 2022 -001** authorizing the Executive Director to initiate the required noticing on the disposition of parcels at 3900 and 3908 Lake Tahoe Blvd. under the Surplus Land Act. The Board provided direction to the City Manager to examine the placement of the light on Pioneer Trail.
Public Comment was heard from the following people:
   1. Chris Grillone
   2. Scott Robbins
   3. Ed Mosur
   4. Nick Speal
   5. Amelia Richmond
   6. Gavin Feiger
   7. Molly Armanino

Written comments received from the following people:

8. Will Irwin
9. David Jinkens *written material distributed

Regular-Unfinished Business

13. Modify District Management Plan of South Lake Tahoe Tourism Improvement District

Action: Moved/Seconded: Wallace/Bass
Yes: Bass, Friedrich, Middlebrook and Wallace
Absent: Creegan
Action: Passed **Resolution 2022-061** to Modify District Management Plan of South Lake Tahoe Improvement District.
Public Comment was heard from the following people:

1. Jerry Bindel, South Lake Tahoe Tourism Improvement District
2. Scott Robbins
3. Ed Mosur

Regular-New Business

14. Direction Regarding Taking a Position on U.S. House of Representatives Bill 6903, Wildfire Suppression Policy

Action: City Council provided direction to the City Manager to send a letter with recommended changes to the U.S. House of Representatives Bill 6903, Wildfire Suppression Policy (McClintock-R)
The following person address Council:

1. Kimberly Pruett, Community Outreach Coordinator, Congressman McClintock

Public Comment was heard from the following people

2. Nancy Gibson *written material distributed
3. Ed Mosur
4. Scott Robbins
5. David Gregorich
6. Amelia Richmond
7. Kat Walton
8. Dave Gabriel *written comment also received
9. Maia Bickert
10. Molly Armanino

15. Modification to Fire Department Allocated Permanent Positions

Action: Moved/Seconded: Wallace/Bass
Yes: Bass, Friedrich, Middlebrook and Wallace
Absent: Creegan
Action: Passed **Resolution 2022-062** approving changes to the Fire Department Allocated Permanent Positions, deleting one Firefighter/Paramedic and adding one Engineer Position.

16. Appropriation of $193,148 From General Fund Undesignated Excess Reserves and Approval of Purchase Order with Pierce Manufacturing for Fire Engine 3 Repair

Action: Moved/Seconded: Friedrich/Bass
Yes: Bass, Friedrich, Middlebrook and Wallace
Absent: Creegan
Action: Passed **Resolution 2022-063** appropriating $167,955 plus 15% contingency of $25,193 in General Fund Undesignated Excess Reserves; and Passed **Motion 2022-053** approving sole source and authorizing and directing the City Manager to execute a Purchase Order with Pierce Manufacturing for the repair of Fire Engine 3, and authorizing travel for staff to inspect engine prior to it returning to California.

17. City of South Lake Tahoe Electric Vehicle Charger Siting Plan

Action: Passed **Motion 2022-054** adopting the City of South Lake Tahoe Electric Charger Vehicle Siting Plan.

Action: Moved/Seconded: Bass/Friedrich

Yes: Bass, Friedrich, Middlebrook and Wallace

Absent: Creegan

The following person addressed Council:

1. Zoe Kusnick, CivicSpark Fellow

Public Comment was heard from the following people:

2. Ed Mosur
3. David Gabriel *written comment also received
4. Mollie Armanino, Exline *written comment also received

Written comment was received from the following person:

5. Angelique Carl

18. Public Works Department Annual Report 2021

Action: Received and Filed.

Agenda Planning Calendar

19. Agenda Planning Calendar

Councilmember Bass requested an item be brought back regarding themed crosswalk painting (Friedrich second)

Action: Received.

Updates and Announcements (City Attorney, City Clerk, City Manager)

City Clerk:

1. Proclamation request for as El Dorado County Fair Week (Council consensus).

City Manager:

1. Upcoming Destination Steward Workshop
2. Upcoming Cannabis Revenue Grant Applications review
3. Upcoming Community Local Hazard Mitigation Plan meeting

Councilmember Reports and Comments - Assignments to Boards, Committees, and Commissions

Councilmember Friedrich:

1. Upcoming Cannabis Revenue Grant Applications review
2. Upcoming Tahoe Regional Planning Agency Governing Board meeting
3. Upcoming Multicultural Alliance Subcommittee meeting – Festival discussion

Councilmember Bass:

1. Upcoming LAFCO meeting
2. Lake Tahoe Visitors Authority - Strategic plan

Councilmember Wallace:

1. Upcoming Tahoe Prosperity Center meeting
2. Premier of “Top Gun” film

Mayor Middlebrook;

1. Upcoming Tahoe Prosperity Center meeting
2. Upcoming Coffee with the Mayor – wildfire discussion
3. Upcoming Ameca, July 4 Sister City visit
4. Request for a commemorative plaque to be made (Council consensus)

Adjournment

At 9:22 p.m. Mayor Middlebrook adjourned the meeting.

_____ _____

Devin Middlebrook, Mayor Date

Attest:

_____

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: June 7, 2022
Agenda Item #: 5

Agenda Item: Agreement with First Church of Christ for Shared Parking Lot Use for Fire Station 3

Executive Summary: The City and First Church of Christ have previously entered into agreements to allow Fire Station 3 to use the church parking lot for employee vehicles, fire apparatus, and occasional training space. In exchange, the City keeps the parking lot clear of snow and the shares the cost of resurfacing and striping the lot when needed.

Requested Action / Suggested Motions: Pass a Motion authorizing and directing the City Manager to execute an agreement with the First Church of Christ for shared use and maintenance of the church parking lot for Fire Station 3.
Responsible Staff Member: Jim Drennan, Interim Fire Chief

Responsible Staff Member: Jim Drennan, Interim Fire Chief 530-542-6152

Reviewed and Approved By:
Susan Blankenship, City Clerk
Olga Tikhomirova, Director of Finance
Heather Stroud, City Attorney

Attachments:

01-Staff Report - Fire Station 3 Shared Parking Lot Agreement.docx
02-First Church of Christ Shared Parking Lot Agreement

City of South Lake Tahoe
Report to **City Council**

Meeting Date: June 7, 2022

Title: Agreement with First Church of Christ for shared parking lot use at Fire Station #3

Location: Fire Department

Responsible Staff Member: Jim Drennan, Interim Fire Chief (530) 542-6164

Background: Fire Station #3 is located adjacent to the First Church of Christ. The parking lot is shared by the church and the fire station employees for parking. The parking lot is also used for occasional training by the firefighters. The City and Church have maintained an agreement for many years and now desire to renew that arrangement by entering into this agreement setting forth the rights, duties, and obligations of the parties with regard to such joint use.

Issue and Discussion: Church agrees that the City may utilize the parking lot for fire department employee parking, hose testing, employee training, and occasional truck parking; provided, however, that such use by the City shall at no time interfere or obstruct the normal and customary use of the property by Church. Church and City agree that the term of this agreement shall be five (5) years from and after the date of execution hereof; provided, however, that this agreement may be revoked by either party on 180 days' notice at the addresses set forth below.

Financial Implications: In the event of damage to the property of the Church or its members or employees by the employees or agents of the City while engaging in activities and uses authorized by this agreement, City shall promptly repair or replace the same without cost to Church. In the event of damage to the property of City or its employees or agents by Church or its agents or employees, Church shall promptly repair or replace the same without cost to City. City and Church shall share any maintenance, repair, or restoration from normal use of the parking lot for the next five (5) years, with eighty percent (80%) borne by the City and twenty percent (20%) borne by the Church, said work to be coordinated and arranged by City. City shall be responsible for all snow removal of the parking lot. If the Church contracts for repairs, the City will reimburse them, if the City contracts for repairs the Church will reimburse the City.

Environmental Considerations: This is not a "project" subject to review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15378(b)(2) (continuing administrative or maintenance activities, such as purchases for supplies).

Policy Implications: No policy implications are expected at this time.

LICENSE FOR USE OF REAL PROPERTY

This Agreement is made and entered into as of the first day of May 2022, by and between the City of South Lake Tahoe, a municipal corporation ("City") and the First Church of Christ, Scientist, a non-profit corporation of the State of California ("Church").

RECITALS

A. Church is the owner of that certain property commonly described as 2081 Lake Tahoe Blvd., which includes a parking lot for motor vehicles.

B. City is the owner of that certain property commonly described as 2101 Lake Tahoe Blvd., a municipal fire station, which adjoins 2081 Lake Tahoe Blvd.

C. City and Church can and have made mutually beneficial use of the parking lot of Church for several years and now desire to renew that arrangement by entering into this agreement setting forth the rights, duties, and obligations of the parties with regard to such joint use.

D. It is the express intent of the parties hereto that this agreement shall not constitute a lease of the real property in question, but rather a license subject to the conditions set forth herein.

AGREEMENT

1. Church agrees that City may utilize the parking lot for fire department employee parking, hose testing, employee training, and occasional truck parking; provided, however, that such use by the City shall at no time interfere or obstruct the normal and customary use of the property by Church.

2. Church and City agree that the term of this agreement shall be five (5) years from and after the date of execution hereof; provided, however, that this agreement may be revoked by either party on 180 days' notice at the addresses set forth below.

3. In the event of damage to the property of Church or its members or employees by the employees or agents of City while engaging in activities and uses authorized by this agreement, City shall promptly repair or replace the same without cost to Church. In the event of damage to the property

of City or its employees or agents by Church or its agents or employees, Church shall promptly repair or replace the same without cost to City.

4. All notices or demands provided for or which may be given by either party to the other under the terms of this agreement shall be in writing, signed by the party giving the notice or making the demand, and shall be deemed validly served or delivered upon physical delivery or upon deposit in the United States mail addressed as follows:

To City:	Joe Irvin, City Manager City of South Lake Tahoe 1901 Lisa Maloff Way South Lake Tahoe, CA 96150 jirvin@cityofslt.us
With a copy to:	Heather Stroud, City Attorney City of South Lake Tahoe 1901 Lisa Maloff Way, Suite 300 South Lake Tahoe, CA 96150 hstroud@cityofslt.us
To Church:	First Church of Christ, Scientist 2081 Lake Tahoe Blvd. South Lake Tahoe, CA 96150 FirstChurchSLT@gmail.com

Or to such other address as the addressee may designate by written notice to the other party delivered in accordance with the provisions of this paragraph.

5. City and Church shall share any maintenance, repair, or restoration from normal use of the parking lot for the next five (5) years, with eighty percent (80%) borne by the City and twenty percent (20%) borne by the Church, said work to be coordinated and arranged by City. City shall be responsible for all snow removal of the parking lot. If the Church contracts for repairs, the City will reimburse them, if the City contracts for repairs the Church will reimburse the City. Both parties must agree on a repair prior to beginning work. Nothing herein shall be construed to create general public access or authorize any use of the property of Church by members of the public except as expressly set forth herein.

6. Each party (an "indemnifying party") shall indemnify, defend, and hold harmless the other party, and its officers, directors, employees, and agents, from and against any and all causes of action, claims, suits, investigations, and administrative or other proceedings, and all related

demands, liabilities, fines, penalties, assessments, costs, judgments, damages, and expenses (including attorneys' fees) of every kind and nature, related to or arising out of (i) any breach of this Agreement by the indemnifying party or (ii) any misconduct, error, omission or act of the indemnifying party or by any of the indemnifying party's officers, directors, employees, or agents.

CITY OF SOUTH LAKE TAHOE

By:_____
Joe Irvin, City Manager

By:_____
Jim Drennan, Acting Fire Chief

APPROVED AS TO FORM:

_____
Heather Stroud
City Attorney

CHURCH OF CHRIST, SCIENTIST

By:_____
Joseph G. Beckwith
Executive Board President

ATTEST:

_____
Susan Blankenship, City Clerk

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: June 7, 2022
Agenda Item #: 6

Agenda Item: Appropriation of Grant Funds for Pioneer Trail Pedestrian Improvement Project Phase II

Executive Summary: Council will consider accepting $411,000 worth of grant funds from the Federal Highway Administration to fund the Right of Way phase of the Pioneer Trail Pedestrian Improvement Project Phase II. The grant funds require a matching amount of 11.47%, or $53,250 from the City. Matching funds are proposed to come out of the General Fund Grant Match Set Aside.

Council will also consider authorizing the Public Works Department to submit a grant application for the Active Transportation Cycle 6 call for projects. Public Works will apply for $1,500,000 to go toward construction of the project. If received, grant fund match requirements would be 11.47%, or $194,341.

Requested Action / Suggested Motions: Pass a Resolution Authorizing Acceptance and Appropriation of Congestion Mitigation and Air Quality Grant in the Amount of $300,000 and Highway Infrastructure Program Grant in the Amount of $111,000, and Authorizing Appropriation of Grant Match Funding from the General Fund Grant Match Set Aside in the Amount of $53,250 into the Pioneer Trail Pedestrian Improvement Project Phase II Account; Authorizing the Director of Public Works to submit an Active Transportation Grant, and Committing to Local Matching Funds in the amount of $194,341.
Responsible Staff Member: Randy Carlson, Associate Civil Engineer

Responsible Staff Member: Randy Carlson, Associate Civil Engineer (530) 542-6033

Reviewed and Approved By:
Anush Nejad, Director of Public Works
Susan Blankenship, City Clerk
Olga Tikhomirova, Director of Finance
Heather Stroud, City Attorney

Attachments:

01-Staff Report - Pioneer Trail Pedestrian Improvement.docx
02-Resolution - Pioneer Trail Pedestrian Improvement.docx
03-Program Supplement Pioneer Trail

City of South Lake Tahoe
Report to **City Council**

Meeting Date: June 7t, 2022

Title: Appropriation of Grant Funds for Pioneer Trail Pedestrian Improvement Project Phase II

Location: Pioneer Trail from Larch Ave to Ski Run Blvd to Larch Ave

Responsible Staff Member: Randy Carlson (530) 542-6033

Background: The Pioneer Trail Pedestrian Improvement Project - Phase II is a much-needed upgrade that will construct new sidewalks, pedestrian lighting, stormwater infrastructure, bus shelters, bus pull-outs, and landscaping on both sides of Pioneer Trail between Larch Avenue and Ski Run Boulevard. This project is a continuation of the City's award-winning project undertaken in 2013/14. Once completed, it will allow for better pedestrian mobility along Pioneer Trail from Ski Run Boulevard to US Hwy 50.

In 2018, the City was awarded $420,000 of Surface Transportation Block Grant funds to design the project. The project is now 60% designed and is on track to begin the Right-of-Way phase of the project. It is also on track to be constructed in the summer of 2024.

Issue and Discussion: In February 2022, the Tahoe Regional Planning Agency awarded the City $411,000 of grant funds toward the Right of Way phase of the project. At the same time, an additional $2,074,000 of grant funds were awarded toward the construction phase of the project. These funds are sufficient to fund the Right-of-Way phase of the project but will be insufficient for the construction of the project.

The Public Works Department is requesting City Council accept the right-of-way portion of grant funds. The remaining funds allocated for the construction phase will be accepted at a future date once construction authorization is obtained from Caltrans.

On March 16, 2022, the State of California opened the call for projects for Cycle 6 Active Transportation Program (ATP) grant funding. This cycle of funding has $650 million of federal funding available for transportation projects that encourage multi-modal transportation, such as cycling or walking. The Public Works Department would like to pursue additional grant funds to ensure that the construction phase of this project is fully funded. Public Works estimates the construction phase budget will require an additional $1,500,000. With City Council authorization, Public Works will submit a grant application for $1,500,000 to the State of California.

Financial Implications: This Federal transportation grant funding requires an 11.47% local match. Therefore, for each dollar expended on a federally funded project, the City will be reimbursed 0.8853 dollars and be required to contribute the remaining 0.1147 dollars as grant

matching funds. Acceptance of the Regional Grant Program Cycle 4 transportation funding will require a grant fund match in the amount of $53,250.00.

The Public Works Department requests the City Council to accept the grant funds that have been awarded to the City and appropriate the funding into the existing CIP project account as follows:

Table 1 – Grant Fund Acceptance

Fund Type	**Amount**
Congestion Mitigation & Air Quality (CMAQ)	$300,000.00
Highway Infrastructure Program (HIP)	$111,000.00

Table 2 –Fund Allocation

From Revenue Code	**To Account**	**Amount**
Congestion Mitigation & Air Quality (CMAQ)	301-50024-48040	$300,000.00
Highway Infrastructure Program (HIP)	301-50024-48040	$111,000.00
General Fund Undesignated Excess Reserves	301-50024-48040	$53,250.00

The Public Works Department further requests that City Council authorize the submission of a grant application for $1,500,000, which would require a grant match fund set aside in the amount of $194,341.

Environmental Considerations: This project was determined to be eligible for a NEPA Categorical Exclusion by Caltrans environmental staff. The project is eligible under 23 CFR 771.117(c): activity (c)(3), which exempts the construction of bicycle and pedestrian lanes, paths, and facilities.

This project is subject to exemption from CEQA: The proposed project is categorically exempt from environmental review under CEQA Guidelines Section 15301, Existing Facilities, which exempts “the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use” including “restoration or rehabilitation of deteriorated or damaged structures, facilities, or mechanical equipment to meet current standards of public health and safety, unless it is determined that the damage was substantial and resulted from an environmental hazard such as earthquake, landslide, or flood.”

The project is currently proceeding through the TRPA environmental permitting process. All permits will be obtained prior to the beginning of construction.

Policy Implications: This project aligns with the City’s Strategic Plan 2021-2026. In accordance with goal 1.4, this project will improve the City’s transportation network by providing pedestrian access along Pioneer Trail, as well as rehabilitating the existing vehicular travel lanes and class II bike lanes.

The project also supports goal 2.3 by enhancing connectivity for those on foot and bike, while promoting a alternative mobility options.

The project also supports goal 5.3 by utilizing grant funds that will maintain and upgrade the City’s aging infrastructure along Pioneer Trail.

Resolution 2022-XXX

Adopted by the City of South Lake Tahoe
City Council

June 7, 2022

Authorizing Acceptance and Appropriation of Congestion Mitigation and Air Quality Grant in the Amount of $300,000 and Highway Infrastructure Program Grant in the Amount of $111,000, and Authorizing Appropriation of Grant Match Funding from the General Fund Grant Match Set Aside in the Amount of $53,250 into the Pioneer Trail Pedestrian Improvement Project Phase II Account; Authorizing the Director of Public Works to submit an Active Transportation Grant, and Committing to Local Matching Funds in the amount of $194,341

BACKGROUND

A. The City of South Lake Tahoe has designated the Pioneer Trail Pedestrian Improvement Project Phase II a viable and desired project.

B. The City has designed the project to the 60% level and is ready to begin obtaining right of way access in support of the construction of the project.

C. The City has successfully applied for and has been awarded grant funding in the amount of $300,000 of Congestion Mitigation & Air Quality (CMAQ) funds from the Federal Highway Administration through the State of California Department of Transportation to perform right-of-way acquisitions for the project.

D. The City has successfully applied for and has been awarded grant funding in the amount of $111,000 of Highway Infrastructure Program (HIP) funds from the Federal Highway Administration through the State of California Department of Transportation to perform right-of-way acquisitions for the project.

E. The City desires to proceed with right-of-way acquisitions and finalize the project design.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Accepts the following grant funds in support of the right of way phase of the Pioneer Trail Pedestrian Improvement Project Phase II.

Funding Type	Amount
Congestion Mitigation & Air Quality (CMAQ)	$300,000.00
Highway Infrastructure Program (HIP)	$111,000.00

2. Appropriates the following grant funds and matching funds from the General Fund Undesignated Excess Reserves in support of the right of way phase of the Pioneer Trail Pedestrian Improvement Project Phase II.

Revenue Source/Account	Expense Account	Amount
Congestion Mitigation & Air Quality (CMAQ) 301-50024-33119	301-50024-48040	$300,000.00
Highway Infrastructure Program (HIP) 301-50024-33133	301-50024-48040	$111,000.00
General Fund Grant Match Set Aside / Transfer Out to CIP (local match funding) 301-50024-36300	301-50024-48040	$53,250.00

3. Authorizes the Director of Public Works to submit an Active Transportation Program, Cycle 6 application to acquire $1,500,000 worth of grant funding for construction of the Pioneer Trail Pedestrian Improvement Project Phase II.

4. Commit to funding 11.47% federal transportation grant local match requirement in the amount of $194,341.

Adopted by the City of South Lake Tahoe City Council on June 7, 2022 by the following vote:
Yes:
No:
Absent:
Abstain:

_____ Date:_____

Devin Middlebrook, Mayor

Attest:

_____

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

PROGRAM SUPPLEMENT NO. F011 Rev. 1
to
ADMINISTERING AGENCY-STATE AGREEMENT
FOR FEDERAL-AID PROJECTS NO 03-5398F15

Adv. Project ID
0319000017

Date: April 26, 2022
Location: 03-ED-0-SLTO
Project Number: STPL-5398(014)
E.A. Number:
Locode: 5398

This Program Supplement hereby adopts and incorporates the Administering Agency-State Agreement for Federal Aid which was entered into between the Administering Agency and the State on 08/18/2016 and is subject to all the terms and conditions thereof. This Program Supplement is executed in accordance with Article I of the aforementioned Master Agreement under authority of Resolution No. 2014-21 approved by the Administering Agency on 4/15/2014 (See copy attached).

The Administering Agency further stipulates that as a condition to the payment by the State of any funds derived from sources noted below obligated to this PROJECT, the Administering Agency accepts and will comply with the special covenants or remarks set forth on the following pages.

PROJECT LOCATION: Pioneer Trail from intersection of Larch Ave. to intersection of Ski Run Blvd.

TYPE OF WORK: Pedestrian and Bike Path **LENGTH:** 0.0(MILES)

Estimated Cost	Federal Funds		Matching Funds		
	Z230	$420,000.00	LOCAL		OTHER
	Z905	$182.00			
$938,666.00	Z910	$110,818.00	$107,666.00		$0.00
	M400	$300,000.00			

CITY OF SOUTH LAKE TAHOE

By
Title Director of Public Works
Date 5/2/22
Attest 5/2/2022
Susan Blackenship, City Clerk

STATE OF CALIFORNIA
Department of Transportation

By
FOR **Chief, Office of Project Implementation**
Division of Local Assistance

Date 5/13/2022

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

Accounting Officer **Date** 04/26/2022 $831,000.00

C-071-2022

SPECIAL COVENANTS OR REMARKS

1. A. The ADMINISTERING AGENCY will advertise, award and administer this project in accordance with the current published Local Assistance Procedures Manual.

B. ADMINISTERING AGENCY agrees that it will only proceed with work authorized for specific phase(s) with an "Authorization to Proceed" and will not proceed with future phase(s) of this project prior to receiving an "Authorization to Proceed" from the STATE for that phase(s) unless no further State or Federal funds are needed for those future phase(s).

C. STATE and ADMINISTERING AGENCY agree that any additional funds which might be made available by future Federal obligations will be encumbered on this PROJECT by use of a STATE-approved "Authorization to Proceed" and Finance Letter. ADMINISTERING AGENCY agrees that Federal funds available for reimbursement will be limited to the amounts obligated by the Federal Highway Administration.

D. Award information shall be submitted by the ADMINISTERING AGENCY to the District Local Assistance Engineer within 60 days of project contract award and prior to the submittal of the ADMINISTERING AGENCY'S first invoice for the construction contract.

Failure to do so will cause a delay in the State processing invoices for the construction phase. Attention is directed to Section 15.7 "Award Package" of the Local Assistance Procedures Manual.

E. ADMINISTERING AGENCY agrees, as a minimum, to submit invoices at least once every six months commencing after the funds are encumbered for each phase by the execution of this Project Program Supplement Agreement, or by STATE's approval of an applicable Finance Letter. STATE reserves the right to suspend future authorizations/obligations for Federal aid projects, or encumbrances for State funded projects, as well as to suspend invoice payments for any on-going or future project by ADMINISTERING AGENCY if PROJECT costs have not been invoiced by ADMINISTERING AGENCY for a six-month period.

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

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

SPECIAL COVENANTS OR REMARKS

F. Administering Agency shall not discriminate on the basis of race, religion, age, disability, color, national origin, or sex in the award and performance of any Federal-assisted contract or in the administration of its DBE Program Implementation Agreement. The Administering Agency shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of Federal-assisted contracts. The Administering Agency's DBE Implementation Agreement is incorporated by reference in this Agreement. Implementation of the DBE Implementation Agreement, including but not limited to timely reporting of DBE commitments and utilization, is a legal obligation and failure to carry out its terms shall be treated as a violation of this Agreement. Upon notification to the Administering Agency of its failure to carry out its DBE Implementation Agreement, the State may impose sanctions as provided for under 49 CFR Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

G. Any State and Federal funds that may have been encumbered for this project are available for disbursement for limited periods of time. For each fund encumbrance the limited period is from the start of the fiscal year that the specific fund was appropriated within the State Budget Act to the applicable fund Reversion Date shown on the State approved project finance letter. Per Government Code Section 16304, all project funds not liquidated within these periods will revert unless an executed Cooperative Work Agreement extending these dates is requested by the ADMINISTERING AGENCY and approved by the California Department of Finance.

ADMINISTERING AGENCY should ensure that invoices are submitted to the District Local Assistance Engineer at least 75 days prior to the applicable fund Reversion Date to avoid the lapse of applicable funds. Pursuant to a directive from the State Controller's Office and the Department of Finance; in order for payment to be made, the last date the District Local Assistance Engineer can forward an invoice for payment to the Department's Local Programs Accounting Office for reimbursable work for funds that are going to revert at the end of a particular fiscal year is May 15th of the particular fiscal year. Notwithstanding the unliquidated sums of project specific State and Federal funding remaining and available to fund project work, any invoice for reimbursement involving applicable funds that is not received by the Department's Local Programs Accounting Office at least 45 days prior to the applicable fixed fund Reversion Date will not be paid. These unexpended funds will be irrevocably reverted by the Department's Division of Accounting on the applicable fund Reversion Date.

H. As a condition for receiving federal-aid highway funds for the PROJECT, the Administering Agency certifies that NO members of the elected board, council, or other key decision makers are on the Federal Government Exclusion List. Exclusions can be found at www.sam.gov.

SPECIAL COVENANTS OR REMARKS

2. A. ADMINISTERING AGENCY shall conform to all State statutes, regulations and procedures (including those set forth in the Local Assistance Procedures Manual and the Local Assistance Program Guidelines, hereafter collectively referred to as "LOCAL ASSISTANCE PROCEDURES") relating to the federal-aid program, all Title 23 Code of Federal Regulation (CFR) and 2 CFR Part 200 federal requirements, and all applicable federal laws, regulations, and policy and procedural or instructional memoranda, unless otherwise specifically waived as designated in the executed project-specific PROGRAM SUPPLEMENT.

B. Invoices shall be formatted in accordance with LOCAL ASSISTANCE PROCEDURES.

C. ADMINISTERING AGENCY must have at least one copy of supporting backup documentation for costs incurred and claimed for reimbursement by ADMINISTERING AGENCY. ADMINISTERING AGENCY agrees to submit supporting backup documentation with invoices if requested by State. Acceptable backup documentation includes, but is not limited to, agency's progress payment to the contractors, copies of cancelled checks showing amounts made payable to vendors and contractors, and/or a computerized summary of PROJECT costs.

D. Indirect Cost Allocation Plan/Indirect Cost Rate Proposals (ICAP/ICRP), Central Service Cost Allocation Plans and related documentation are to be prepared and provided to STATE (Caltrans Audits & Investigations) for review and approval prior to ADMINISTERING AGENCY seeking reimbursement of indirect costs incurred within each fiscal year being claimed for State and federal reimbursement. ICAPs/ICRPs must be prepared in accordance with the requirements set forth in 2 CFR, Part 200, Chapter 5 of the Local Assistance Procedural Manual, and the ICAP/ICRP approval procedures established by STATE.

E. STATE will withhold the greater of either two (2) percent of the total of all federal funds encumbered for each PROGRAM SUPPLEMENT or $40,000 until ADMINISTERING AGENCY submits the Final Report of Expenditures for each completed PROGRAM SUPPLEMENT PROJECT.

F. Payments to ADMINISTERING AGENCY for PROJECT-related travel and subsistence (per diem) expenses of ADMINISTERING AGENCY forces and its contractors and subcontractors claimed for reimbursement or as local match credit shall not exceed rates authorized to be paid rank and file STATE employees under current State Department of Personnel Administration (DPA) rules. If the rates invoiced by ADMINISTERING AGENCY are in excess of DPA rates, ADMINISTERING AGENCY is responsible for the cost difference, and any overpayments inadvertently paid by STATE shall be reimbursed to STATE by ADMINISTERING AGENCY on demand within thirty (30) days of such invoice.

SPECIAL COVENANTS OR REMARKS

G. ADMINISTERING AGENCY agrees to comply with 2 CFR, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirement for Federal Awards.

H. ADMINISTERING AGENCY agrees, and will assure that its contractors and subcontractors will be obligated to agree, that Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., shall be used to determine the allowability of individual PROJECT cost items.

I. Every sub-recipient receiving PROJECT funds under this AGREEMENT shall comply with 2 CFR, Part 200, 23 CFR, 48 CFR Chapter 1, Part 31, Local Assistance Procedures, Public Contract Code (PCC) 10300-10334 (procurement of goods), PCC 10335-10381 (non-A&E services), and other applicable STATE and FEDERAL regulations.

J. Any PROJECT costs for which ADMINISTERING AGENCY has received payment or credit that are determined by subsequent audit to be unallowable under 2 CFR, Part 200, 23 CFR, 48 CFR, Chapter 1, Part 31, and other applicable STATE and FEDERAL regulations, are subject to repayment by ADMINISTERING AGENCY to STATE.

K. STATE reserves the right to conduct technical and financial audits of PROJECT WORK and records and ADMINISTERING AGENCY agrees, and shall require its contractors and subcontractors to agree, to cooperate with STATE by making all appropriate and relevant PROJECT records available for audit and copying as required by the following paragraph:

ADMINISTERING AGENCY, ADMINISTERING AGENCY'S contractors and subcontractors, and STATE shall each maintain and make available for inspection and audit by STATE, the California State Auditor, or any duly authorized representative of STATE or the United States all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including, but not limited to, the costs of administering those various contracts and ADMINISTERING AGENCY shall furnish copies thereof if requested. All of the above referenced parties shall make such AGREEMENT, PROGRAM SUPPLEMENT, and contract materials available at their respective offices at all reasonable times during the entire PROJECT period and for three (3) years from the date of submission of the final expenditure report by the STATE to the FHWA.

L. ADMINISTERING AGENCY, its contractors and subcontractors shall establish and maintain a financial management system and records that properly accumulate and segregate reasonable, allowable, and allocable incurred PROJECT costs and matching funds by line item for the PROJECT. The financial management system

SPECIAL COVENANTS OR REMARKS

of ADMINISTERING AGENCY, its contractors and all subcontractors shall conform to Generally Accepted Accounting Principles, enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices set to or paid by STATE.

M. ADMINISTERING AGENCY is required to have an audit in accordance with the Single Audit Act of 2 CFR 200 if it expends $750,000 or more in Federal Funds in a single fiscal year of the Catalogue of Federal Domestic Assistance.

N. ADMINISTERING AGENCY agrees to include all PROGRAM SUPPLEMENTS adopting the terms of this AGREEMENT in the schedule of projects to be examined in ADMINISTERING AGENCY's annual audit and in the schedule of projects to be examined under its single audit prepared in accordance with 2 CFR, Part 200.

O. ADMINISTERING AGENCY shall not award a non-A&E contract over $5,000, construction contracts over $10,000, or other contracts over $25,000 [excluding professional service contracts of the type which are required to be procured in accordance with Government Code sections 4525 (d), (e) and (f)] on the basis of a noncompetitive negotiation for work to be performed under this AGREEMENT without the prior written approval of STATE. Contracts awarded by ADMINISTERING AGENCY, if intended as local match credit, must meet the requirements set forth in this AGREEMENT regarding local match funds.

P. Any subcontract entered into by ADMINISTERING AGENCY as a result of this AGREEMENT shall contain provisions B, C, F, H, I, K, and L under Section 2 of this agreement.

3. Appendix E of the Title VI Assurances (US DOT Order 1050.2A)

During the performance of this agreement, the ADMINISTERING AGENCY, ADMINISTERING AGENCY'S contractors and subcontractor, (hereinafter referred to as the "contractor") agrees to comply with the following nondiscrimination statutes and authorities; including but not limited to:

Pertinent Nondiscrimination Authorities:

A. Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin); and 49 CFR Part 21.
B. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
C. Federal-Aid Highway Act of 1973, (23 U.S.C. 324 et seq.), (prohibits discrimination on the basis of sex);
D. Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. 794 et seq.), as

SPECIAL COVENANTS OR REMARKS

amended, (prohibits discrimination on the basis of disability); and 49 CFR Part 27;
E. The Age Discrimination Act of 1975, as amended, (42 U.S.C. 6101 et seq.), (prohibits discrimination on the basis of age);
F. Airport and Airway Improvement Act of 1982, (49 U.S.C. 4 71, Section 4 7123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
G. The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or
activities" to include all of the programs or activities of the Federal-aid recipients, subrecipients and contractors, whether such programs or activities are Federally funded or not);
H. Titles II and III of the Americans with Disabilities Act, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. 12131-12189) as implemented by Department of Transportation regulations at 49 C.F.R. parts 37 and 38;
I. The Federal Aviation Administration's Nondiscrimination statute (49 U.S.C. 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
J. Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
K. Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
L. Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

CITY OF SOUTH LAKE THAOE
RESOLUTION NO. 2014-_21_

RESOLUTION AUTHORIZING A MASTER AGREEMENT BETWEEN THE ADMINSTERING AGENCY (CITY OF SOUTH LAKE TAHOE) AND STATE OF CALIFORNIA FOR FEDERAL-AID PROJECTS

WHEREAS, THE City of South Lake Tahoe is eligible to receive Federal and/or State funding for certain Transportation Projects, through the State of California, Department of Transportation (Caltrans); and

WHEREAS, Master Agreements, Program Supplemental Agreements, Fund Exchange and/or Fund Transfer Agreement need to be executed with Caltrans before such funds can be claimed; and

WHEREAS, the City of South Lake Tahoe wishes to delegate authorization to execute these agreements and any amendments thereto.

NOW, THEREFORE, BE IT RESOLVED, the City Council of the City of South Lake Tahoe does hereby resolve, declare, determine and order as follows:

1. That the Director of Public Works or his/her designee be authorized to enter into Master Agreements and to execute all Program Supplemental Agreements, Fund Exchange Agreements, Fund Transfer Agreements and any amendments thereto, with Caltrans.

2. City Clerk shall certify the passage of this resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED by the City Council of the City of South Lake Tahoe at a regular meeting on April 15, 2014, by the following vote:

AYES: Councilmember(s): COLE, LAINE, CONNER, DAVIS & SWANSON

NOES: Councilmember(s): _____

ABSENT: Councilmember(s): _____

ABSTAIN: Councilmember(s): _____

ATTEST:

By: Susan Alessi
Susan Alessi, City Clerk

By: Hal Cole
Hal Cole, Mayor

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: June 7, 2022
Agenda Item #: 7

Agenda Item: Professional Services Agreement with Cardno Inc. for Preliminary Planning Studies for the Dennis Machida Memorial Trail Phase 1C

Executive Summary: On January 4, 2022, the City Council approved the appropriation of $200,000 of SLFRF funds for planning studies to assess the original conceptual trail alignment and environmental documents for the Dennis Machida Memorial Trail Phase 1c as originally designed by the California Tahoe Conservancy (CTC) in 2011. The originally designed alignment for Phase 1C begins at the easterly terminus of phase 1A at Herbert Avenue, crosses into CTC-owned land, then veers up to, and along the north side of Pioneer Trail to the limits of Ski Run Boulevard.

This proposed alignment comprises several design issues including limited site distance, insufficient right of way width, topography elevation changes, and property acquisition concerns that may cause the construction of this phase to be significantly more costly than necessary. As such, the department of Public Works intends to contract an analysis of the originally proposed alignment to develop alternatives to expensive property acquisition and complex trail construction.

In order to award the professional services agreement with Cardno Inc. in the amount of $243,845 and allow for a 5% contingency of $12,192, staff is requesting an amendment to the existing project budget by $56,037. Staff is recommending appropriating funds from the remaining undesignated SLFRF funds.

Requested Action / Suggested Motions: 1) Pass a Resolution authorizing appropriation of $56,037 from the remaining American Rescue Plan Act (ARPA) Funds from the General Fund for Engineering and Design Services for the Dennis Machida Memorial Trail Phase 1C Alignment Analysis; and 2) Pass a Motion authorizing and directing the Mayor to execute a Professional Services Agreement with Cardno Inc., for an amount not to exceed $243,845 for preliminary studies relating to alignment and environmental documents for the Dennis Machida Memorial Trail Phase 1C.
Responsible Staff Member: Jim Marino, Capital Improvement Program and Facilities Program Manager

Responsible Staff Member: Jim Marino, Capital Improvement Program and Facilities Program Manager (530) 542-6027

Reviewed and Approved By:
Anush Nejad, Director of Public Works
Susan Blankenship, City Clerk
Olga Tikhomirova, Director of Finance
Heather Stroud, City Attorney

Attachments:

01-Staff Report - Dennis Machida Trail Phase 1C.docx
02-PSA Cardno Inc. Dennis Machida Memorial Trail Phase 1C
03-Resolution - Budget Appropriation SLFRF.docx

City of South Lake Tahoe
Report to **City Council**

Meeting Date: June 7, 2022

Title: Professional Services Agreement for Preliminary Planning Studies for the Dennis Machida Memorial Trail Phase 1c.

Location: Pioneer Trail (Herbert Avenue to Ski Run Boulevard)

Responsible Staff Member: Jim Marino, Capital Improvement Program Manager (530) 542-6027

Background: The Dennis T. Machida Memorial Greenway Trail plans to connect the Tahoe Sierra Neighborhood to Van Sickle Bi-State Park via a series of paved bicycle and pedestrian trails, completing the core of the non-motorized transportation network in the South Shore. Previously known as the South Tahoe Greenway Shared Use Trail, the original project approval and preliminary designs occurred in 2011 and were amended in 2016.

Phase 1a, of the Greenway extends between Herbert Avenue and Glenwood Way in the heart of the Bijou neighborhood in South Lake Tahoe. This project phase was built in 2016 and is open to public use.

Phases 1b and 2 of the Greenway extend the trail south across Bijou Creek Meadow, crossing Al Tahoe Boulevard to Lake Tahoe Community College (LTCC). From LTCC, the trail crosses Trout Creek and Martin Avenue to provide a safe route to Sierra Boulevard in the Tahoe Sierra neighborhood. This project connects to the City of South Lake Tahoe's Sierra Boulevard "complete streets" project and extends the bike trail network to the U.S. Highway 50 revitalization project. Phases 1b and 2 were completed in 2021 and is open to public use.

To complete the next phase of the Greenway, and in partnership with the California Tahoe Conservancy (CTC), the City introduced Phase 1c of the trail into the FY 21-26 five-year capital improvement program for planning, design, and implementation.

On March 11, 2021 the American Rescue Plan Act (ARPA) was signed into law and established the Coronavirus State and Local Fiscal Recovery Funds (SLFRF). This program is intended to provide support to State, territorial, local, and Tribal governments in responding to the economic and public health impacts of COVID-19 in the efforts to contain impacts on communities, residents, and businesses.

On August 17, 2021 City Council discussed the results of a community survey representing a variety of projects and programs to assist the city in providing economic assistance from the negative impacts of the Covid-19 pandemic. The list of projects included among others, Improvements to the City's paved bike trail network.

On January 4, 2022, the City Council approved the appropriation of $200,000 of SLFRF funds for planning studies to assess the original conceptual trail alignment and environmental documents for phase 1c as originally designed by the CTC in 2011.

On January 6th, 2022, the U.S. Department of the Treasury issued the Final Rule for the SLFRF program. The final rule provides state and local governments with increased flexibility to pursue a wider range of uses, as well as greater simplicity so the government can focus on responding to the crisis in the communities and maximizing the impact of their funds. On February 1, 2022, the City Council through Resolution 2022-019, elected the provision of a "standard allowance" for the allocated amount to the City of $5,309,994 to spend on government services through the period of performance.

On May 17, 2022 the City Council approved a resolution to appropriate and transfer the remainder of the ARPA funding first tranche, $662,497, from the City's Local Fiscal Recovery fund to the General Fund under the provision of revenue loss consistent with the election of "standard allowance" to replace lost public sector revenue to pay for "government services". The major portion of these funds has been earmarked or allocated to the approved projects.

Issue and Discussion: The originally designed alignment for Phase 1c begins at the easterly terminus of phase 1a at Herbert Avenue, crosses into CTC owned land, then veers up to, and along the Pioneer Trail right of way to the limits of Ski Run Boulevard. This proposed alignment along the north side of Pioneer Trail comprises several design issues including limited site distance, insufficient right of way width, topography elevation changes, and property acquisition concerns that may cause the construction of this phase to be significantly more costly than may need to be.

As such, the department of Public Works, intends to perform an analysis of the originally proposed alignment to develop alternatives to expensive property acquisition and complex trail construction.

Staff released a Request for Qualifications (RFQ) for preliminary design studies to the public on March 18, 2022. Six hundred and eighty-two (682) consultants were notified electronically of the RFQ, and forty-three (43) prospective bidders downloaded the documents.

Electronic submittals were received by the Department of Public Works on April 18, 2022. The department received one (1) proposal.

The submittal received was distributed to the four (4) members of the City's evaluation team. Each one of the team members independently evaluated, then numerically scored the proposal based on criteria set forth in the RFQ.

Upon review and scoring of the proposal submitted by Cardno, Inc. staff has determined Cardno, Inc. effectively understand the scope of work required as specified.

Per the two-step process for RFQ's, staff entered into discussions with Cardno for a detailed scope of work and cost proposal. On May 20, 2022, staff received the final scope of work and cost proposal valued at $243,845. The scope of work is contained within the proposed Professional Services Agreement (Attachment 02).

Financial Implications: As presented herein, this project has been assigned $200,000 in SLFRF funds. In order to award the professional services agreement with Cardno Inc. in the amount of $243,845 and allow for a 5% contingency of $12,192, staff is requesting an amendment to the existing project budget by $56,037. Staff is recommending appropriating funds from the remaining undesignated SLFRF (ARPA) funds amounting to $112,497. The remaining balance of ARPA funds in the General Fund after the proposed appropriation will be $56,460. Alternatively, funds can be appropriated from the General Fund Undesignated Excess Reserves. Attachment 03 (Resolution) pertains to the appropriation from the remaining ARPA funds from the General Fund in the amount of $56,037 into the Capital Improvement Project account 301-50041 Bike Trail Connections. Note: Staff will be soliciting for alternative funding sources to backfill the SLFRF or Undesignated General Fund apportionment.

Pending the outcome of this preliminary study, which will include full project estimates, staff will begin the process of seeking state and federal grant funds to support the remainder of the planning and design.

Environmental Considerations: Award of this agreement is statutorily exempt from review under CEQA Guidelines section 15262 (planning and feasibility studies). *"A project involving only feasibility or planning studies for possible future actions which the agency, board, or commission has not approved, adopted, or funded does not require the preparation of an EIR or negative declaration but does require consideration of environmental factors. This section does not apply to the adoption of a plan that will have a legally binding effect on later activities".*

Policy Implications: This project is consistent with the following General Plan Policies.

Policy ROS-1.2: Recreational Opportunity Access Improvement. *The City shall improve connections and access to a wide range of recreational opportunities, which will improve the quality of life for residents and visitors*.

Policy ROS-2.3: Providing Public Access to Existing Open Space. *The City shall continue to work with public and private agencies to provide public access to open space in the form of hiking and biking trails.*

Policy TC-1.9: Alternative Modes and Fuels. *The City shall promote more effective use of alternative transportation modes (e.g., walking, bicycling, and public transportation) and use of electric/alternative fuel vehicles. The City shall also support the development of alternative fuel and electric car charging stations.*

Policy TC-3.1: City Bikeways to the Regional Bikeway System Linkages. *The City shall link city bikeways to the larger regional bikeway system. This includes a bike trail system that links the Ski Run Marina to the Stateline casino core, the Lakeside Beach area, the mountain area (Van Sickle), Ski Run Boulevard, Tahoe Valley area, and ultimately to the future Greenway bike system. This system will also provide a connection to the Douglas County bike trail system on Lake Parkway, Highway 50, and the mountainside loop.*

Policy TC-3.2: Cohesive and Continuous Bicycle and Pedestrian Network. *The City shall develop a cohesive and continuous public bicycle and pedestrian network that allows convenient and safe travel for people of all abilities, free of major impediments and obstacles, and in compliance with ADA requirements.*

Policy TC-3.10: Greenway Trail Support. *The City shall support and encourage development of the Greenway Class I Trail from Meyers to Stateline and encourage alignment of the facility to connect neighborhoods and commercial centers within the city.*

CITY OF SOUTH LAKE TAHOE

PROFESSIONAL SERVICES AGREEMENT

This Agreement is made and entered into as of the **Seventh** day of **June 2022** by and between the **City of South Lake Tahoe**, a municipal corporation ("City") and **Cardno Inc.** ("Consultant").

RECITALS

A. Consultant is specially trained, experienced, and competent to perform the special services which will be required by this Agreement.

B. Consultant possesses the skill, experience, ability, background, certification, and knowledge to provide the services described in this Agreement on the terms and conditions described herein.

C. City desires to retain Consultant to render professional services as set forth in this Agreement.

AGREEMENT

1. Scope of Services. Consultant shall perform the services set forth in this agreement and shall provide said services at the time, place, and in the manner specified in this agreement. Consultant shall have no power or authority by this Agreement to bind City in any respect.

   The Consultant agrees that it has satisfied itself by its own investigation and research regarding the conditions affecting the work to be done and labor and materials needed, and that its decision to execute this Contract is based on such independent investigation and research.

   All services provided by Consultant pursuant to this Agreement will be provided in accordance with the terms set forth in the **Exhibit A, "Scope of Services and Compensation Schedule,"** attached hereto and incorporated herein by reference, outlines the fees, schedule and compensation which shall be paid pursuant to this Agreement.

2. Term/Time of Performance. The services by Consultant are to commence upon the execution of the Agreement and continue for approximately 10 months.

3. Compensation. Compensation to be paid to Consultant shall be in accordance with the Schedule set forth in **Exhibit A** which is attached hereto and incorporated herein by reference. In no event shall Consultant's compensation, including travel and out-of-pocket expenses, exceed **$243,845** without additional written authorization from City. Payment by City under this Agreement shall not be deemed a waiver of defects, even if such defects were known to City at the time of payment. Payment is contingent upon compliance with all terms and conditions of this Agreement, as set forth herein. Consultant shall obtain prior written authorization from the City Project Manager for any costs in excess of budgeted amounts for each line item, task, or obligation under the Scope of Services.

4. Method of Payment. Consultant shall submit monthly billings to City describing the work performed during the preceding month. Consultant's bills shall include a brief description of the services performed, the date the services were performed, the number of hours spent and by whom, the applicable hourly rate, and a description of any reimbursable expenditures. City shall pay Consultant no later than 30 days after approval of the monthly invoice by City staff.

5. Extra Work. At any time during the term of this Agreement, City may request that Consultant perform extra work. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, extra work without prior written authorization from City.

6. Termination. This Agreement may be terminated by City or Consultant immediately for cause or without cause upon thirty days (30) days written notice of termination. Upon termination, Consultant shall be entitled to compensation for services performed up to the effective date of termination, and City shall be entitled to all work performed to that date.

   Termination, revocation, or expiration of this Agreement shall not release either party from liability resulting from an event which occurred prior to such termination, revocation, or expiration.

7. Ownership of Documents.
   All plans, studies, documents and other writings, including working notes and internal documents, prepared by and for Consultant, its officers, employees

and agents and subcontractors in the course of implementing this Agreement, shall become the property of City upon payment to Consultant for such work, and City shall have the sole right to use such materials in its discretion without further compensation to Consultant or to any other party. Consultant shall, at Consultant's expense, provide such reports, plans, studies, documents, and other writings to City upon written request. All documents prepared by Consultant are confidential and shall be maintained to preserve their confidential nature. Release of any such documents to third parties shall only be made upon written consent of City.

8. Consultant's Books and Records.

a. Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services, or expenditures and disbursements charged to City for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to Consultant for services provided pursuant to this Agreement.

b. Consultant shall maintain all documents and records which demonstrate performance under this Agreement for a minimum period of three (3) years, or for any longer period required by law, and such records shall be available at Consultant's address indicated from the date of termination or completion of this Agreement.

c. Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time during regular business hours, upon written request by the City Manager, City Attorney, City Auditor or a designated representative of these officers. Copies of such documents shall be provided to City for inspection at City offices when it is practical to do so.

d. Where City has reason to believe that such records or documents may be lost or discarded due to dissolution, disbandment or termination of Consultant's business, City may, by written request by any of the above-named officers, require that custody of the records be given to City and that the records and documents be maintained at City offices. Access to such records and documents

shall be granted to any party authorized by Consultant, Consultant's representatives, or Consultant's successor-in-interest.

9. Independent Contractor. It is understood that Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of City. Consultant shall obtain no rights to retirement benefits or other benefits which accrue to City's employees, and Consultant hereby expressly waives any claim it may have to any such rights. All employees, agents, contractors, or subcontractors hired or retained by Consultant are employees, agents, contractors, or subcontractors of Consultant and not of the City.

   City is not required to make any deductions or withholdings form the compensation payable to Consultant under the provisions of this Contract and is not required to issue W-2 Forms for income and employment tax purposes for any of Consultant's assigned personnel. Any third party persons employed by Consultant shall be entirely and exclusively under the direction, supervision, and control of Consultant. Consultant hereby indemnifies and holds City harmless from any and all claims that may be made against City based upon any contention by any third party that an employer-employee relationship exists by reason of this Contract.

10. Interest of Consultant. Consultant, (and principals, associates and professional employees of consultant) covenants and represents that it does not now have any investment or interest in real property and shall not acquire any interest, direct or indirect, in the area covered by this Agreement or any other source of income, interest in real property or investment which would be affected in any manner or degree by the performance of Consultant's services hereunder. Consultant further covenants and represents that in the performance of its duties hereunder no person having any such interest shall perform any services under this Agreement.

    Consultant is not a designated employee within the meaning of the Political Reform Act because Consultant:

    a. Will conduct research and arrive at conclusions with respect to his/her rendition of information, advice, recommendation, or counsel independent of the control and direction of City or of any City official, other than normal agreement monitoring; and,

b. Possesses no authority with respect to any city decision beyond rendition of information, advice, recommendation, or counsel. [FPPC Reg. 18700(a)(2)].

11. Professional Ability of Consultant. City has relied upon the professional training and ability of Consultant to perform the services hereunder as a material inducement to enter into this Agreement. Consultant shall therefore provide properly skilled professional and technical personnel to perform all services under this Agreement. All work performed by Consultant under this Agreement shall be in accordance with applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in Consultant's field of expertise.

12. Compliance with Laws. Consultant shall comply with all applicable federal, state, regional and local laws, codes, ordinances, and regulations in carrying out his/her duties under this Agreement. Consultant shall observe and comply with all applicable laws, ordinances, regulations, and codes of federal, state, and local governments, and shall commit no trespass on any public or private property in performing any of the work authorized by this Agreement. The City, its officials, officers, elected officials, appointed officials and employees shall not be liable at law or in equity as a result of any failure of Consultant to comply with this section.

    In the event it is determined that the Consultant is required to pay prevailing wages for the work performed under this Agreement, the Consultant shall pay all penalties and wages as required by law.

13. Licenses. Consultant represents and warrants to City that it has all licenses, permits, qualifications, insurance, and approvals of whatsoever nature which are legally required of Consultant to practice its profession. Consultant represents and warrants to City that Consultant shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, insurance and approvals which are legally required of Consultant to practice its profession. Consultant shall maintain a City of South Lake Tahoe business license at all times services are performed under this Agreement. Consultant acknowledges that payments made pursuant to this Agreement may be withheld until this provision has been satisfied.

14. Indemnity. Consultant hereby agrees to and shall indemnify and hold harmless City, its elected and appointed boards, officers, agents, employees and volunteers from and against any liability for any and all claims, demands, actions, losses, damages and injuries, direct or indirect (including any and all

costs and expenses in connection therein), arising out of Consultant's performance of this Agreement or caused in any way by Consultant's negligence or its breach of its obligations contained in this Agreement, except for any such claims arising out of the negligence or willful misconduct of the City. Consultant agrees to defend City from and against any and all losses, damages, claims costs and fees arising out Consultant's negligent acts, errors, omissions, regarding this Agreement, the Consultant's work under this Agreement, or the consultant's Scope of Work.

City does not, and shall not, waive any rights against Consultant which it may have by reason of the aforesaid hold harmless agreement, because of the acceptance by City, or the deposit with City by Consultant, of any of the insurance policies hereinafter set forth.

This hold harmless agreement by Consultant shall apply to all damages and claims for damages, or alleged to have been suffered, by reason of any of the aforesaid operation of Consultant or any subcontractor, regardless of whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

Consultant further waives any and all rights to any type of express or implied indemnity or right of contribution from the City for any liability, claims, demands, costs, charges and expenses and causes of action of whatsoever arising out of or in any way connected with the performance of work under this Agreement, and consultant's work under this Agreement.

15. Insurance Requirements.

a. Consultant, at Consultant's own cost and expense, shall procure and maintain, for the duration of the contract, the following insurance policies.

i. Workers' Compensation Coverage. Consultant shall maintain Workers' Compensation Insurance and Employer's Liability Insurance for his/her employees in accordance with the laws of the State of California. In addition, Consultant shall require each subcontractor to similarly maintain Workers' Compensation Insurance and Employer's Liability Insurance in accordance with the laws of the State of California for all of the subcontractor's employees. Any notice of cancellation of all Workers' Compensation policies must be received by City

at least thirty (30) days prior to such change. Consultant shall provide thirty (30) days written notice of nonrenewal of any Workers' Compensation policies. The insurer shall agree to waive all rights of subrogation against City, its officers, agents, employees, and volunteers for losses arising from work performed by Consultant for City.

ii. Commercial General Liability Coverage. Consultant shall maintain commercial general liability insurance no less broad than ISO form CG 00 01 in an amount not less than one million dollars ($1,000,000) per occurrence for bodily injury, personal injury, and property damage. Coverage must be made on the standard Occurrence form. Claims-Made forms are not acceptable without prior written consent of City. City of South Lake Tahoe must be endorsed as an additional insured for liability arising out of ongoing operation by on behalf of Consultant. If a commercial general liability insurance form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit.

iii. Automobile Liability Coverage. Consultant shall maintain automobile liability insurance covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with the work to be performed under this Agreement, including coverage for owned, hired and non-owned vehicles, in an amount of not less than one million dollars ($1,000,000) combined single limit for each occurrence.

iv. Professional Liability Coverage. Consultant shall maintain professional errors and omissions liability insurance for protection against claims alleging negligent acts, errors or omissions which may arise from Consultant or by its employees, or subcontractors. The amount of this insurance shall not be less than one million dollars ($1,000,000) on a claims-made annual aggregate basis, or a combined single-limit per occurrence basis.

b. Endorsements. Each general liability and automobile liability insurance policy shall be with insurers possessing a AM Best's rating of no less than A:VII and shall be endorsed with the following specific language:

i. City, its elected or appointed officers, officials, employees, agents and volunteers are to be covered as additional insured's under Consultant's General Liability and Automobile Liability policies with respect to liability arising out of this Agreement and/or work performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work or operations.

ii. This policy shall be considered primary insurance as respects City, its elected or appointed officers, officials, employees, agents, and volunteers. Any insurance maintained by City, including any self-insured retention City may have, shall be considered excess insurance only and shall not contribute with it.

iii. This insurance shall act for each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring Consultant.

iv. The insurer waives all rights of subrogation against City except for Consultant's Professional Liability and Employers' Liability policies, its elected or appointed officers, officials, employees, or agents.

v. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its elected or appointed officers, officials, employees, agents, or volunteers.

vi. No policies of insurance carried by Consultant shall be suspended, voided, canceled, or changed in coverage or in limits except after thirty (30) days written notice to the City Attorney by Certified Mail.

c. Deductibles and Self-Insured Retentions. The Consultant shall be responsible for all deductibles in all of Consultant's insurance policies.

The amount of deductibles for insurance coverage required herein shall be reasonable and approved by the City Attorney.

d. Certificates of Insurance. Consultant shall provide certificates of insurance with original endorsements to City as evidence of the insurance coverage required herein. Consultant shall not commence work under this contract until all insurance required under this section has been approved by City as to form, amount and carrier, nor shall Consultant allow any subcontractor to commence work on any subcontract until all similar insurance required and reasonably consistent limits of the subcontractor has been so obtained and approved. Certificates of insurance shall contain no exclusions unless negotiated with the City Attorney and approved, in writing, by the City Attorney.

16. Notices. Any notice required to be given under this Agreement shall be in writing and either served personally or sent prepaid, first class mail. Any such notice shall be addressed to the other party at the address set forth below. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this section.

If to City:	City of South Lake Tahoe 1901 Lisa Maloff Way South Lake Tahoe, CA 96150
Provide a copy to:	City Attorney's Office City of South Lake Tahoe 1901 Lisa Maloff Way, Suite 300 South Lake Tahoe, CA 96150
If to Consultant:	Cardno Inc. ATTN: Stephen Peck PO Box 1533 Zephyr Cove, NV 89448 775-339-3321
Provide a copy to:	

17. Assignment and Subcontracting. The parties recognize that a substantial inducement to City for entering into this Agreement is the professional reputation, experience, and competence of Consultant. Assignments of any or all rights, duties or obligations of the Consultant under this Agreement will be permitted only with the express consent of City. Consultant shall not

subcontract any portion of the work to be performed under this Agreement without the written authorization of City. If City consents to such subcontract, Consultant shall be fully responsible to City for all acts or omissions of the subcontractor. Nothing in the Agreement shall create any contractual relationship between City and subcontractor nor shall it create any obligation on the part of City to pay or to see to the payment of any monies due to any such subcontractor other than as otherwise required by law.

18. Waiver. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision under this Agreement.

19. Dispute Resolution. Any dispute concerning this Agreement will be first submitted to the City Manager or his designee for resolution. If no resolution is reached, such dispute shall be submitted to the City Council. The decision of the City Council shall be final and shall be appealable only to the El Dorado Superior Court pursuant to California Code of Civil Procedure §1094.5, and as provided by law.

20. Controlling Law Venue. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in the Superior Courts in the County of El Dorado, South Lake Tahoe Division.

21. Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any Consultant or person, other than the independent contractors hired in accordance with Consultant's standard business practice, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any Consultant or person, other than a bona fide employee working solely for Consultant or an independent contractor hired as discussed above, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer, or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

22. Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee, or applicant for employment because of race, religion, color, national origin, disability, ancestry, sex, or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff,

or termination. Consultant shall also comply with all relevant provisions of City's Minority Business Enterprise program, Affirmative Action Plan, or other related programs or guidelines currently in effect or hereinafter enacted.

23. Drug-Free Workplace Certification. By signing this Agreement, Consultant hereby certifies under penalty of perjury under the laws of the State of California that the Consultant will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Section 8350, et seq.) and will provide a drug-free work place by taking the following actions:

    a. Publish a statement notifying employees that unlawful manufacture, distribution dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355 (a).

    b. Establish a Drug-Free Awareness Program as required by Government Code Section 8355(b) to inform employees about all of the following:

        i. The dangers of drug abuse in the workplace;
        ii. The person's or organization's policy of maintaining a drug-free workplace;
        iii. Any available counseling, rehabilitation, and employee assistance program; and
        iv. Penalties that may be imposed upon employees for drug abuse violations.

    c. Provide, as required by Government Code Section 8355(c), that every employee who performs grant activities under this Agreement:

        i. Will receive a copy of the Consultant's drug-free policy statement; and
        ii. Will agree to abide by the terms of the Consultant's statement as a condition of employment on this Agreement.

    Failure to comply with these requirements may result in suspension of payments under this Agreement or termination of the Agreement, or both, and Consultant may be ineligible for award of any future City agreements if City determines that any of the following has occurred: the Consultant (1) has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

24. Anti-Lobbying Certification. Consultant shall submit to City the Anti-Lobbying Certification contained in **Exhibit B**. Further, Consultant shall require that the language of the certification in **Exhibit B** be included in all contracts or

subcontracts entered into in connection with this Agreement and that all Consultants and contractors shall certify and disclose accordingly.

25. Debarment, Suspension, Ineligibility and Voluntary Exclusion. By signing this Agreement, Consultant assures that neither it nor its principals, is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.

26. Americans with Disabilities Act. By signing this Agreement, Consultant assures the City that it complies with the American with Disabilities Act (ADA) of 1990, (42 U.S.C. 12101, et. seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to ADA.

27. Amendments. This Agreement may be modified or amended only by a written document executed by both Consultant and City and approved as to form by the City Attorney.

28. Severability. If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.

29. Entire Agreement. This Agreement constitutes the complete and exclusive statement of Agreement between City and Consultant. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement.

30. Execution. This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one copy hereof shall have been signed by both parties hereto. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

31. Time is of the Essence. Time is of the essence for this Agreement.

32. Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective party.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written above.

CITY OF SOUTH LAKE TAHOE:

By_____
Devin Middlebrook, Mayor

Date _____

CONSULTANT:

By _____
Stephen Peck, Principal

Date _____

Business License # _____

APPROVED AS TO FORM:

By_____
City Attorney

Date _____

ATTEST:

By_____
City Clerk

Date _____

Attachments:

Exhibit A – Scope of Services
Exhibit B - Anti-Lobbying Certification

EXHIBIT A

SCOPE OF SERVICES, SCHEDULE, COMPENSATION

CITY OF SOUTH LAKE TAHOE, DEPARTMENT OF PUBLIC WORKS

Exhibit A

ENGINEERING AND ENVIRONMENTAL DOCUMENT
ANALYSIS SERVICES
FOR THE

Dennis Machida Trail – Phase 1C

June 2022

Cardno
295 Highway 50, Suite 1
PO Box 1533
Zephyr Cove, Nevada 89448
T (775) 339 3321

City of South Lake Tahoe
Department of Public Works
1740 D Street
South Lake Tahoe, Ca 96150
T 530.542.6030

As you review our proposal, please note that effective December 8, 2021, Cardno has joined Stantec, a community of more than 25,000 employees working in over 400 locations across 6 continents. Together, we share a commitment to advance the quality of life in our communities around the world. Yes, we have a new name, but you know us. We are the same team the City of South Lake Tahoe (City) has worked with in the past. You have seen our efforts, quality products and experience on previous projects over the past 20 years and we have put together the best and most comprehensive team for the Project to meet the City's needs. Our relationship with you is our number one priority. You will continue to see the same people, doing business with you with the same goal: to deliver great design with the highest level of service. Our complementary capabilities, market presence, and cultures will create the opportunity to provide the City and our other clients with a broader range of services.

Project Understanding

Cardno is excited to continue the extension of the Dennis Machida Memorial Greenway for the Phase 1C trail segment from Herbert Avenue to Ski Run Boulevard. Planning for the Dennis Machida Memorial Bicycle Trail (formerly South Tahoe Greenway Shared-Use Trail Project) included an IS/MND in 2011 with preliminary plans for proposed trail alignment, and a supplement to the MND prepared in 2016.

The Phase 1C project alignment is comprised primarily of the Pioneer Trail corridor with the western portion of the trail alignment, between Herbert Ave and Pioneer Trail, passing through undeveloped forested California Tahoe Conservancy (CTC) public parcels. The planned project alignment is proposed to be constructed within City public right-of-way, CTC public parcels, and on United States Forest Service (USFS) public lands. It is the City's preference to avoid any portion of the planned alignment to cross through, or be on, any private property to avoid the necessity for acquisitions of private land.

Portions of the planned alignment within the Pioneer Trail corridor (where the trail meets the Pioneer Trail right-of-way from the west to roughly 100-ft east of Blackwood Road) are considered constrained by the City. Key concerns identified include limited right-of-way, elevation changes, and vertical offsets for construction of a separated Class I multi-use trail, non-conforming design requirements for sight distance for both trail and roadway users, and constraints by existing features and roadside hazards such as retaining walls, guardrails, large heritage trees, and overhead utility poles.

The Project design will need to consider/address conflict points between vehicles and bicycle/pedestrians at two intersecting roadway crossings, plus a residential and two commercial driveways. These conflict points require special attention to provide safe bicycle and pedestrian access in compliance with applicable accessibility standards (ADA). Additionally, the signalized intersection of Ski Run Boulevard and Pioneer Trail, including its associated connecting trails, walkways, and accessible pedestrian ramps will need to be included in the Project analysis for possible upgrades to current design standards and improved safe passage thru the intersection for continuation of trail users beyond the planned Phase 1C termination.

The preliminary project plans for the Phase 1C trail alignment (project CEQA document planned trail alignment) will be evaluated for constraints and opportunities to improve safety within the trail/roadway corridor for all users. Alternative trail alignments will be developed to identify the most favorable safety conditions with consideration for constraints and construction costs. Proposed adjustments to the trail alignment will be inclusive of constraints and opportunities to minimize right-of-way acquisitions/private property impacts, avoid or minimize impacts to existing facilities within the roadway corridor (e.g., public utilities), and control project cost escalation with efficient design alternatives that include cost analysis of each option/alternative for capital improvements and future operation and maintenance requirements.

Based on Cardno's review of the Project area and RFQ, along with our detailed understanding of implementing projects in the Tahoe Basin, we have developed the following approach/scope of work. The following task narratives detail Cardno's proposed approach and scope of work.

Task 1: Project Management and Coordination

Cardno will perform the necessary project management associated with the Project in a similar nature to previous projects in which the City and Cardno have engaged. We believe in establishing a concise and experienced project management team to provide the City with the necessary and relevant needs for a project of this size. Efforts associated with the Project Management and Coordination Task, include the following:

Subtask 1.1: Project Management

Mr. Jason Dukes, PE, CPESC, QSD/P will be our proposed project manager and the primary point of contact for the Cardno team in association with the Project. He will be directly involved with all communications with the City and agency staff. His knowledge of the Dennis Machida Memorial Bicycle Trail Project and long-term positive working relationships will city staff will provide an efficient project delivery process for the City.

All internal team communication will be led by Mr. Dukes, who will coordinate closely with task leaders. He will be readily available and will coordinate with the City project manager (and/or designee) and all other necessary parties involved to ensure a successful Project. Mr. Dukes will ensure each task and subtask is completed to the City's satisfaction. A key objective of our approach will be to establish effective communication among the key parties involved, including City planning, public works, engineering and other relevant department staff, and utility purveyors. Cardno's project managers and task leaders share a common goal in this regard and will ensure effective communication is maintained throughout the Project.

This subtask comprises the internal Cardno team coordination and communication efforts required to perform the work; this includes monthly budgeting, invoicing, sub-consultant coordination and invoicing, and general project administration. A project coordinator will be assigned to facilitate these tasks, from the Project inception to completion. This allows for an efficient work process that benefits both the City and working team. Each week, labor hours and costs will be entered into Cardno's project cost tracking system. This information is available to Cardno project managers at any time and provides sorted, weekly summaries of the charges incurred. Charges are presented by task, by individual, and by the direct costs category. The budgeted amounts for these categories are also listed. Mr. Dukes will review each charge recorded for accuracy and will correct any inappropriate charges. This approach to cost control allows us to proactively manage budget and scope. Cardno will provide monthly invoices to the City, in a format acceptable to funding agencies, with the necessary backup.

Subtask 1.2: Coordination with Utility Purveyors

The City, utility purveyors and the Cardno team will coordinate to obtain existing information to assist in the development of alternatives that are reasonable, cost-effective and achievable. Discussions with utility purveyors will be of importance to inform the project design and clarify constraints for the planned alignment, and opportunities for alternatives that reduce or limit potential impacts to major utility systems within the Pioneer Trail project corridor. A clear understanding of any existing major utility facilities such as high-pressure gas mains, water transmission mains, and overhead high voltage power lines and/or fiber optic communication lines will be critical to the evaluation of the constructability of the Project trail alignment and any alternatives that might include shifts of the roadway horizontal alignment.

For the purposes of this planning level effort the following will be performed:

> Coordination with Utility Purveyors (Southwest Gas, Liberty Utilities, South Tahoe PUD, AT&T and Charter) to obtain the most current utility grid maps
> Basemap update to include utility locations (completed under Task 2)

> One utility coordination meeting (most likely part of the South Lake Tahoe DIGGS meeting) to review the project area and discuss utility constraints, potential undergrounding and/or relocation

Task 1 Deliverables:

> Monthly Invoices (9)
> Agenda and meeting minutes for one (1) utility coordination meeting
> Basemap (existing utilities) Update

Task 1 Assumptions:

> The overall duration of this contract is nine (9) months
> City will provide meeting venues

Task 2: Site Surveying

Cardno will retain R.E.Y. Engineers, Inc. (REY), to provide the land surveying and base mapping for the Project. The surveying efforts will be limited to a boundary survey of the project area and obtainment of visible utility appurtenances. Existing LiDAR data will be used for planimetrics, topography and imagery and overlain on the boundary mapping to be developed.

Subtask 2.1: Survey Control

The survey control for the Project will be determined by the City project manager, Cardno project manager and the lead land surveyor. The City will provide previously completed survey data (Pioneer Trail Sidewalks, Phase 2) and Cardno will obtain the Phase 1a Greenway survey data from our archives for use and review in control establishment, and "connecting" the projects. The control necessary for these efforts will be set in manners and locations that minimize the potential for disturbance and destruction, so they can be used in future phases (including construction). The survey control will be set to California State Plane Coordinate System, Zone 2 and NAD 83 for horizontal control and NAVD for vertical control.

Subtask 2.2: Boundary Survey

REY will conduct a boundary survey of the Project area. The survey will be limited to the following areas:

> Pioneer Trail right-of-way between the Ski Run Boulevard Intersection and to approximately where the planned alignment "leaves" the right-of-way.
> Side parcels boundaries/property lines on either side of the Pioneer Trail right-of-way.
> Intersection of Pioneer Trail and Ski Run Boulevard (50' extended on each leg).
> Parcels between Pioneer Trail and Herbert Avenue along the planned alignment.

The boundary survey data will be compiled and a boundary map will be developed.

Subtask 2.3: Utility Survey

In concurrence with the boundary surveying field efforts, REY will additionally collect visible utility data. As part of this effort, Cardno will request USA of the project area to obtain utility markings. The data collection will include items such as, utility poles, manholes, valve boxes, utility markings (USA) and other surface and above ground utility appurtenances. This data, in collaboration with the utility grid maps, will enable the utility locations to be more clearly delineated on the preliminary basemap to assist in the identification of major utility constraints and alternatives development.

Subtask 2.4: Preliminary Basemap

Upon completion of the REY boundary and utility surveys, REY and Cardno will compile the data with the existing LiDAR data and develop a preliminary project basemap.

Task 2 Deliverables:

> Preliminary Project Basemap, including updated utility map information collected under Task 1

Task 2 Assumptions:

> Boundary survey and map will not be a record of survey. Boundaries, rights-of-way and property lines will be approximate (approximately within 1' of actual property line).
> Utility survey data to be collected will only be what is visible and what is marked by USA.
  - No potholing of utilities is proposed at this planning/design step.

Task 3: Planned Alignment Alternatives Analysis

The City is seeking to develop a project for extension of the Dennis Machida Memorial Bicycle Trail to construct a Class 1 trail for the Phase 1C segment that optimizes the planned trail alignment for the safest, most cost-effective trail that minimizes the need for property acquisitions and utility relocations. There is currently a proposed concept level alignment, however it requires property acquistions, requires utility relocations and requires extensive structural elements. The alignment further does not address the horizontal and vertical constraints of the Pioneer Trail roadway. As part of this Task Cardno will review and analyze this proposed alignment and develop two new alternaives. These three alternatives will be reviewed, evaluated, and presented in a project report to document the findings. This alternatives devleopment and analysis will provide the city with a supporting document to pursue project funding strategies and aid in the development of a preferred alternative in a future design phase (not part of this Scope of Work).

Subtask 3.1: Analysis of Planned Trail Alignment/Roadway Corridor

The planned trail alignment for the Phase 1C project locates the trail along the northwestern side of Pioneer Trail. Analysis and constructability review of the planned trail alignment will be a high-level (not detailed) review and inclusive of key areas such as:

> Bike trail and roadway design standards
> Topography, vertical grades, and structures
> Drainages and State or Federally regulated waters
> Traffic safety study
> Public utilities
> Right-of-way mapping and property acquisition needs; and
> Project construction and long-term maintenance costs estimates.

The details of this analysis was included in our Proposal, and we will follow this as an outline/template for our scope. This analysis will be summarized in a report associated with this task.

Subtask 3.2: Development and Analysis of Alternative Trail Alignments/Roadway Corridor (2 alternatives)

The primary purpose of the analysis is to identify potential options, or alternatives, to construct the Phase 1C trail. This sub-task will include the development of two alternatives for trail alignments, to an approximate 20% design level (concept planning level) on the preliminary basemap developed for the Project.

Developing the Trail/Roadway Corridor Alignment Options

The Cardno team will utilize information from the analysis of the planned trail alignment/roadway corridor to inform the alternatives development process. Up to two alternative alignments will be developed to reasonably improve or optimize the planned trail alignment in consideration of the same key areas and criteria that was evaluated under subtask 3.1 above, including:

- Conformance with bike trail and roadway design standards
- Accommodate topography, meet vertical grades and reduce or avoid use of structures
- Meet drainage requirements and reduce impacts to regulated waters/features
- Improved traffic safety for bike trail and roadway users, and reduction in roadside hazards
- Minimize impacts to public utilities and reduce need for facility relocations
- Maximize use of available right-of-way and public lands, and reduce private property acquisitions
- Improve constructability, optimize project costs, and control future operation and maintenance

As part of the initial development of alternatives, Cardno will host a kickoff design charrette with key team members and key City staff members. The objective of this will be an overall team brainstorming session to discuss the two new alternatives to be developed, together as a collaborative group. This will allow for a variety of different ideas, alignments, constraints, opportunities, etc. to be vetted by the group of experts in a collaborative fashion, informing alternatives that meet the project needs in an efficient manner. In coordination with the City, the two alternatives will generally consist of the following:

- Alternative 1:
  - The trail alignment will be 100% on the northern side of Pioneer Trail.
    - Crossing will occur at the Ski Run Blvd. intersection
  - Will consist of a complete relocation of Pioneer Trail to meet horizontal and vertical design standards
    - Roadway will include class 2 bike trails on both sides of the roadway
  - Will be within the existing Right-of-Way or on publicly owned lands (no acquisition)
  - Minimize structures (retaining walls)
- Alternative 2:
  - The trail alignment will cross to the south side of Pioneer Trail in the vicinity of where the trail exists the forested area from Herbert Ave.
  - Modifications/potential complete relocation of Pioneer Trail, and a mid-block crossing of the Trail.
    - Roadway will include class 2 bike trails on both sides of the roadway
  - Will be within the existing Right-of-Way or on publicly owned lands (no acquisition)
  - Minimize structures (retaining walls)

Subtask 3.3: Ski Run Boulevard Intersection Concept Planning

The concept planning associated with this effort will additionally include the Ski Run Boulevard intersection, as the terminus of the Phase 1C trail will be on the east side of the intersection. The Ski Run Blvd. and Pioneer Trail signalized intersection currently does not meet standard design parameters, is over 25-years old, and does not include a Class 1 bike trail crossing. Therefore, as part of the Phase 1C project the intersection will be reconstructed and updated to meet current design standards and provide for a Class 1 bike trail crossing through the intersection.

It is anticipated that the new intersection will be an updated/upgraded signalized intersection. The intersection planning will include the identification of current intersection layout and design deficiencies, and development of one alternative/one concept plan for a new signalized intersection to an approximate 10% design level, plan view only, and incorporate the bike trail crossing and anticipated intersection improvements.

Subtask 3.4: Evaluation of Alternatives

The evaluation of alternatives will be a high-level review of the pros and cons of each alternative, and not a detailed assessment, ranking or evaluation of alternatives. The evaluation will additionally include construction/capital cost estimation of each of the alternatives. In addition, LSC will evaluate the three trail alternatives (planned and two new alternatives), focusing on the interaction of trail users and motor vehicles. This will include a review of sight distance issues, the potential for vehicle queues to block trail crossings and a qualitative discussion of overall safety conditions.

We anticipate one review/collaboration meeting with City staff to review the evaluation. It is anticipated that the meeting will be held virtually, and not in person. No agenda or meeting summary will be developed; the results of the meeting will inform the next steps of the scope/Project.

Subtask 3.5: Report, Topographic Map, Plans and Supporting Mapping Figures

Topographic survey data and updated project base maps including property ownership will be provided and utilized throughout the Project for the basis of the planned trail alignment analysis and alternatives development. Alternatives will be presented through a combination of schematics, plan/profile views, cross sections, and 3D visualization tools selected to highlight key elements.

Project deliverables will include a project report to present the results of our analysis of the planned trail alignment, alternative designs, including pros and cons of each of the alternatives and high-level evaluation of the project environmental document (what modifications/new documentation will be required).

A draft report will be provided to the City, updates will be provided by Cardno, a second iteration will be provided to the California Tahoe Conservancy, and updates will be made for Cardno as a final document.

Task 3 Deliverables:

> Concept Alternatives (2)
> Intersection Concept Plan (1)
> City Draft, Conservancy Draft and Final Report

Task 3 Assumptions:

> One (1) kickoff design charrette meeting with City staff
> One (1) review/collaboration virtual meeting with City staff
> No revisions to the existing alignment will be developed
> All alternatives will be concept in nature with minimal vertical design (primarily horizontal design)
> Report and memorandums will be brief in nature and be for internal City use; not for use in future environmental or permitting efforts

Task 4: Environmental Documents

The review of the 2011 Initial Study/Mitigated Negative Declaration (IS/MND) and other pertinent environmental information collected will be documented in a draft technical memorandum. This will be included in the report developed in association with Subtask 3.5. The environmental review will include the following efforts.

Subtask 4.1: Heritage Tree Preliminary Site Assessment

Within the Project area, along with the planned trail alignment, there exist numerous large trees, with potential for some of these trees to be classified as Heritage trees. To assist in the alternative development and in the review of the alternatives Cardno will conduct a preliminary site assessment / site observation to locate and determine the approximate size (diameter at breast height [dbh]) within the Project area, in the approximate corridor of the alternative alignments. The assessment will include a GPS based survey to identify the location of potential Heritage or large diameter trees (i.e. greater than 24" dbh) within the Project area, in the approximate corridor of the alternative alignments. This information will be included in the Preliminary Basemap for the Project.

Subtask 4.2: Applicability of Planned Trail Alignment under Current Environmental Documents

Cardno will consult the existing environmental documents developed previously for the Project. Based on our previous efforts on the Phase 1a portion of the Project and the overall "age" of the original and supplemental CEQA/TRPA documentation, it is anticipated that some additional field efforts, and potential addendum, will be required.

Cardno will review the existing document, compared to the planned alignment, to identify the level and necessity of an addendum for CEQA and/or TRPA should the project be implemented per the original design parameter. This information will be summarized in the report associated with subtask 3.5.

Subtask 4.3: Applicability of Alternative Trail Alignments under Current Environmental Documents

Alternative trail alignments will be developed in consideration of a potential realignment of Pioneer Trail, and intersection modifications at Ski Run Boulevard and Pioneer Trail. Alternatives that may be located outside the project area described in the 2011 IS/MND will be reviewed against the previous environmental documentation and plans to determine if they fit within the scope of analysis originally conducted. Based on whether the original documents included the same potential area of disturbance as the new alignment and if potential effects are similar, the Cardno team will identify the additional environmental clearance documentation anticipated. This information will be summarized in the report associated with subtask 3.5.

Task 4 Deliverables:

> Heritage Tree Preliminary assessment data (included in preliminary basemap)

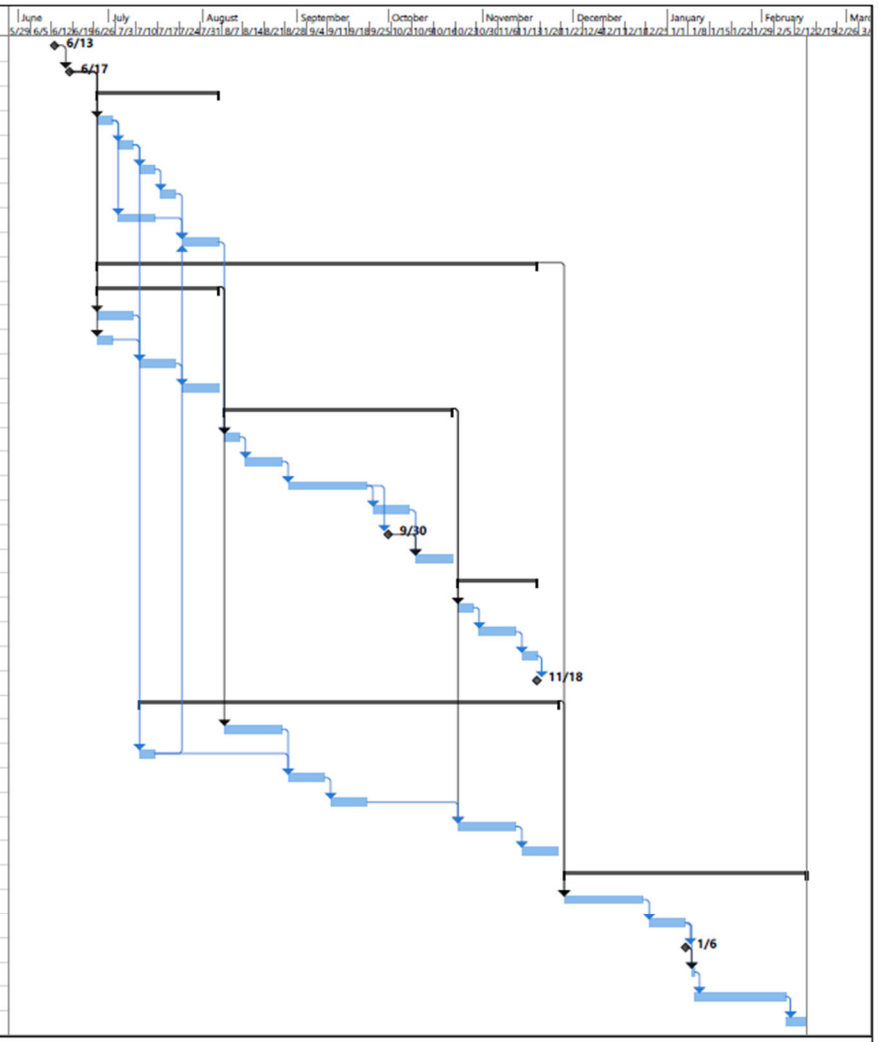
Task 4 Assumptions:

> No collaboration or coordination with any agency, only City staff.
> Analysis and review will be high-level, not detailed to provide an overview of the anticipated environmental efforts for each alternative (type/level of document, not specific studies, field efforts, etc. that may be required for environmental review).
> All information will be summarized in the report associated with subtask 3.5; no separate documentation will be developed in association with this task.
> No meetings associated with this task.

ENGINEERING AND ENVIRONMENTAL DOCUMENT ANALYSIS SERVICES FOR THE Dennis Machida Trail – Phase 1C

	Cardno Staff																					Total Cardno Labor	Subconsultants/Affiliates (at cost)			TOTAL SUBCONSULTANTS & AFFILIATES (w/markup)	TOTALS
	Peck, Stephen Senior Consultant 3	Dukes, Jason Senior Consultant 2	McRae, Brian Senior Consultant 2	Jacobsma, Andrea L. Senior Project Consultant 1	Trujillo, Ivan Project Consultant 1	Johnson, Parker D. Project Consultant 1	Lt. Vallina Senior Staff Consultant 1	Thomas, William CADD/Drafting/GIS Consultant 1	Shade, Coleen L. Senior Consultant 1	Greene, Melanie Senior Project Consultant 1	Sussman, Patricia Senior Project Consultant 1	Hoobrak, Michelle Project Consultant 1	Biela, Julie Asst. Staff Consultant 1	Senior Project Coordinator	Dave Kauth Billing Level 17	Dan Petty Billing Level 12	Tom Fider Billing Level 14	Ben Weaver Billing Level 11	Victoria Edington Billing Level 11	Brent Hyphanowski Billing Level 9	Maggie Ostwald Billing Level 8		Design Workshop, Inc.	R.E.Y. Engineers, Inc.	LSC Transportation Consultants, Inc.		
Hourly Billing Rate, Markup, or Unit Cost:	$ 276	$ 236	$ 236	$ 176	$ 160	$ 160	$ 130	$ 106	$ 206	$ 176	$ 176	$ 160	$ 100	$ 116	$ 261	$ 155	$ 206	$ 179	$ 179	$ 169	$ 164		0%	0%	0%		
Task 1: Project Management and Coordination																											
1.1: Project Management																											
Project Management/Coordination (9 months)	9	18												18	18							$ 13,293	$ 2,000			$ 2,000	$ 15,293
Schedule Review / Updates (2)	2	4													2							$ 1,992	$ 560			$ 560	$ 2,552
Subtotal - Phase 1.1:	11	22	0	0	0	0	0	0	0	0	0	0	0	18	20	0	0	0	0	0	0	$ 15,285	$ 2,560	$ -	$ -	$ 2,560	$ 17,845
1.2: Coordination with Utility Purveyors																											
Coordination with Utilities		4			8																	$ 2,140				$ -	$ 2,140
Basemap Update (Utility Grid Maps)		2			4			16														$ 2,750				$ -	$ 2,750
Utility Coordination Meeting (1)		4			4																	$ 1,540				$ -	$ 1,540
Subtotal - Phase 1.2:	0	10	0	0	16	0	0	16	0	0	0	0	0	0	0	0	0	0	0	0	0	$ 6,430	$ -	$ -	$ -	$ -	$ 6,430
TOTAL - Task 1:	**11**	**32**	**0**	**0**	**16**	**0**	**0**	**16**	**0**	**0**	**0**	**0**	**0**	**18**	**20**	**0**	**0**	**0**	**0**	**0**	**0**	**$ 21,716**	**$ 2,560**	**$ -**	**$ -**	**$ 2,560**	**$ 24,275**
Task 2: Site Surveying																											
2.1: Survey Control																											
Data Review		2				2																$ 770		$ 4,104		$ 4,104	$ 4,874
Set Survey Control		2				2																$ 770		$ 12,532		$ 12,532	$ 13,302
Subtotal - Phase 2.1:	0	4	0	0	0	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ 1,540	$ -	$ 16,636	$ -	$ 16,636	$ 18,176
2.2: Boundary Survey																											
Field Surveying		2				4																$ 1,070		$ 4,760		$ 4,760	$ 5,830
Subtotal - Phase 2.2:	0	2	0	0	0	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ 1,070	$ -	$ 4,760	$ -	$ 4,760	$ 5,830
2.3: Utility Survey																											
Utility Survey		2				4																$ 1,070		$ 4,760		$ 4,760	$ 5,830
Subtotal - Phase 2.3:	0	2	0	0	0	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ 1,070	$ -	$ 4,760	$ -	$ 4,760	$ 5,830
2.4: Preliminary Basemap																											
Develop Preliminary Basemap		2			4	4		8														$ 2,510		$ 13,204		$ 13,204	$ 15,714
Subtotal - Phase 2.5:	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL - Task 2:	**0**	**10**	**0**	**0**	**4**	**16**	**0**	**8**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**$ 6,190**	**$ -**	**$ 38,360**	**$ -**	**$ 38,360**	**$ 45,550**
Task 3: Planned Alignment Alternatives Analysis																											
3.1: Analysis of Planned Trail Alignment/Roadway Corridor																											
Analyze Bike Trail Design Standards		2			4																	$ 1,070	$ 1,000			$ 1,000	$ 2,070
Analyze Roadway Design Standards (Pioneer Trail)		4													2	4		4				$ 2,910				$ -	$ 2,910
Analyze Drainage / Hydrology / Regulated Waters		2		4			8					8										$ 3,410				$ -	$ 3,410
Analyze Public Utilities		4				8																$ 2,140				$ -	$ 2,140
Analyze ROW / Acquisition		2			4																	$ 1,070				$ -	$ 1,070
Analyze Constructibility		4	8		4											4		4				$ 4,888	$ 1,000			$ 1,000	$ 5,888
Capital and Maintenance Cost Estimate		4			4	4																$ 2,140	$ 500			$ 500	$ 2,640
Subtotal - Phase 3.1:	0	22	8	4	16	12	8	0	0	0	0	8	0	0	2	8	0	8	0	0	0	$ 17,628	$ 2,500	$ -	$ -	$ 2,500	$ 20,128
3.2: Development and Analysis of Alternative Trail Alignments/Roadway Corridor (2 alternatives)																											
Alternative Design Charrette	6	6	6		6			8	6						8	8						$ 10,952	$ 9,130		$ 2,000	$ 11,130	$ 22,082
Develop Alternative 1	4	8	4	4		20		32							8	48		12	8	8	12	$ 28,712	$ 2,500			$ 2,500	$ 31,212
Develop Alternative 2	4	8	4	4	20			32							4	12		8	8	4	4	$ 18,356	$ 2,500			$ 2,500	$ 20,856
Subtotal - Phase 3.2:	14	22	14	8	26	20	0	72	6	0	0	0	0	0	20	68	0	20	16	12	16	$ 58,020	$ 14,130	$ -	$ 2,000	$ 16,130	$ 74,150
3.3: Ski Run Boulevard Intersection Concept Planning																											
signalized intersection design alternative		2			4										8	8			8		24	$ 9,710				$ -	$ 9,710
Subtotal - Phase 3.3:	0	2	0	0	4	0	0	0	0	0	0	0	0	0	8	8	0	0	8	0	24	$ 9,710	$ -	$ -	$ -	$ -	$ 9,710
3.4: Evaluation of Alternatives																											
Cost estimates (2 alternatives)		4	4		8	8											2					$ 4,696				$ -	$ 4,696
Pros and Cons of Each Alternative	2	8	2		8	8			4	4					4	4	2	4	4	4	4	$ 11,676	$ 2,500		$ 8,400	$ 10,900	$ 22,576
Evaluation Review Meeting with City Staff (virtual)		2													2							$ 972				$ -	$ 972
Subtotal - Phase 3.4:	2	14	6	0	16	16	0	0	4	4	0	0	0	0	6	4	4	4	4	4	4	$ 17,344	$ 2,500	$ -	$ 8,400	$ 10,900	$ 28,244
3.5: Report, Topographic Map, Plans and Supporting Mapping Figures																											
Draft Report Development	2	8	2	2	8	8			4	4			8	4	4	4	2	4	8	8	4	$ 14,638	$ 2,000			$ 2,000	$ 16,638
Final Report Development		4			4				2	2				2	2	2	2	2		8	4	$ 6,070	$ 500			$ 500	$ 6,570
Subtotal - Phase 3.5:	2	12	2	2	12	8	0	0	6	6	0	0	8	6	6	6	4	6	8	16	8	$ 20,708	$ 2,500	$ -	$ -	$ 2,500	$ 23,208
TOTAL - Task 3:	**18**	**72**	**30**	**14**	**74**	**68**	**8**	**72**	**16**	**10**	**0**	**8**	**8**	**6**	**42**	**94**	**8**	**38**	**36**	**32**	**52**	**$ 123,410**	**$ 21,630**	**$ -**	**$ 10,400**	**$ 32,030**	**$ 155,440**
Task 4: Environmental Documents																											
4.1: Heritage Tree Preliminary Site Assessment																											
Site Assessment (1 field day)									2			8	12									$ 2,810				$ -	$ 2,810
Basemap Update					2			4				2										$ 1,020				$ -	$ 1,020
Subtotal - Phase 4.1:	0	0	0	0	2	0	0	4	2	0	0	10	12	0	0	0	0	0	0	0	0	$ 3,830	$ -	$ -	$ -	$ -	$ 3,830
4.2: Applicability of Planned Trail Alignment under Current Environmental Documents																											
Review of existing documents vs. planned alignment		2			2				4	4	4	8	16									$ 5,790				$ -	$ 5,790
Subtotal - Phase 4.2:	0	2	0	0	2	0	0	0	4	4	4	8	16	0	0	0	0	0	0	0	0	$ 5,790	$ -	$ -	$ -	$ -	$ 5,790
4.3: Applicability of Alternative Trail Alignments under Current Environmental Documents																											
Review of existing documents vs. alternative #1		2			2				2	4	4	2	16									$ 4,480				$ -	$ 4,480
Review of existing documents vs. alternative #2		2			2				2	4	4	2	16									$ 4,480				$ -	$ 4,480
Subtotal - Phase 4.3:	0	4	0	0	4	0	0	0	4	8	8	4	32	0	0	0	0	0	0	0	0	$ 8,960	$ -	$ -	$ -	$ -	$ 8,960
TOTAL - Task 4:	**0**	**8**	**0**	**0**	**8**	**0**	**0**	**4**	**10**	**12**	**12**	**22**	**60**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**$ 18,680**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 18,580**
Total Hours or Amounts	**29**	**120**	**30**	**14**	**102**	**72**	**8**	**100**	**26**	**22**	**12**	**30**	**68**	**24**	**62**	**94**	**8**	**38**	**36**	**32**	**52**	**979.0**	**$ 24,190**	**$ 39,360**	**$ 10,400**	**$ 73,950**	
TOTAL PROJECT COST																						**$ 169,895**				**$ 73,950**	**$ 243,845**

ID	Task Mode	Task Name	Duration	Start	Finish	Predecessors
1		*Notice to Proceed*	*0 days*	*Mon 6/13/22*	*Mon 6/13/22*	
2		Kickoff Meeting (Virtual MS Teams Call)	0 days	Fri 6/17/22	Fri 6/17/22	1FS+5 days
3		**Site Surveying & Basemap Development**	**30 days**	**Mon 6/27/22**	**Fri 8/5/22**	
4		Data Review	5 days	Mon 6/27/22	Fri 7/1/22	2FS+5 days
5		USA Marking/DIGGS Ticket	5 days	Mon 7/4/22	Fri 7/8/22	4
6		Control Establishment	5 days	Mon 7/11/22	Fri 7/15/22	5
7		Field Survey, Utilities, ROW / Property Boundary Survey	5 days	Mon 7/18/22	Fri 7/22/22	6
8		Public Utility Coordination / Mapping (Grid Maps)	10 days	Mon 7/4/22	Fri 7/15/22	4
9		Basemap Development	10 days	Mon 7/25/22	Fri 8/5/22	7,8,30
10		**Planned Alignment Alternatives Analysis**	**105 days**	**Mon 6/27/22**	**Fri 11/18/22**	
11		**Data Review & Planned Alignment Analysis**	**30 days**	**Mon 6/27/22**	**Fri 8/5/22**	
12		Analysis of Pioneer Trail Roadway Corridor	10 days	Mon 6/27/22	Fri 7/8/22	2FS+5 days
13		Right-of-Way / Property Acquisition Analysis	5 days	Mon 6/27/22	Fri 7/1/22	2FS+5 days
14		Drainage / Hydrology & Regulated Waters Analysis	10 days	Mon 7/11/22	Fri 7/22/22	12,13
15		Constructability Analysis and Cost Estimates	10 days	Mon 7/25/22	Fri 8/5/22	14
16		**Alternatives Development**	**55 days**	**Mon 8/8/22**	**Fri 10/21/22**	
17		Alternative Design Charrette	5 days	Mon 8/8/22	Fri 8/12/22	9,11
18		Develop Intersection Alternative	10 days	Mon 8/15/22	Fri 8/26/22	17
19		Develop Draft Trail / Roadway Alternatives	20 days	Mon 8/29/22	Fri 9/23/22	18
20		*City Review of Draft Alternatives*	*10 days*	*Mon 9/26/22*	*Fri 10/7/22*	*19*
21		*City / Cardno Review Meeting*	*0 days*	*Fri 9/30/22*	*Fri 9/30/22*	*19FS+5 days*
22		Final Trail / Roadway Alternatives	10 days	Mon 10/10/22	Fri 10/21/22	21,20
23		**Alternatives Evaluation**	**20 days**	**Mon 10/24/22**	**Fri 11/18/22**	
24		Cost Estimates	5 days	Mon 10/24/22	Fri 10/28/22	16
25		Evaluate Alternatives	10 days	Mon 10/31/22	Fri 11/11/22	24
26		*City Review of Alternatives Evaluation*	*5 days*	*Mon 11/14/22*	*Fri 11/18/22*	*25*
27		*City / Cardno Review Meeting*	*0 days*	*Fri 11/18/22*	*Fri 11/18/22*	*26*
28		**Environmental Review**	**100 days**	**Mon 7/11/22**	**Fri 11/25/22**	
29		Review of Existing Environmental Documentation	15 days	Mon 8/8/22	Fri 8/26/22	11
30		Heritage Tree Survey	5 days	Mon 7/11/22	Fri 7/15/22	5
31		Review Applicability of Existing Alignment/Project	10 days	Mon 8/29/22	Fri 9/9/22	29,30
32		Identification of Document Deficiencies (if applicable)	10 days	Mon 9/12/22	Fri 9/23/22	31
33		Review Alternatives for Applicability	15 days	Mon 10/24/22	Fri 11/11/22	32,16
34		Identification of Document Deficiencies	10 days	Mon 11/14/22	Fri 11/25/22	33
35		**Report Development**	**58 days?**	**Mon 11/28/22**	**Wed 2/15/23**	
36		Draft Report	20 days	Mon 11/28/22	Fri 12/23/22	10,28
37		*City Review of Report*	*10 days*	*Mon 12/26/22*	*Fri 1/6/23*	*36*
38		*City / Cardno Review Meeting*	*0 days*	*Fri 1/6/23*	*Fri 1/6/23*	*37*
39		Update Report	1 day?	Mon 1/9/23	Mon 1/9/23	38,37
40		*Conservancy Review of Report*	*30 edays*	*Mon 1/9/23*	*Wed 2/8/23*	*39*
41		Finalize Report	5 days	Thu 2/9/23	Wed 2/15/23	40



Project: project schedule green
Date: Fri 5/20/22

Task | Split | Milestone | Summary | Project Summary | Inactive Task | Inactive Milestone | Inactive Summary | Manual Task | Duration-only | Manual Summary Rollup | Manual Summary | Start-only | Finish-only | External Tasks | External Milestone | Deadline | Progress | Manual Progress

EXHIBIT B

ANTI-LOBBYING CERTIFICATION

Consultant shall submit to City this certification prior to or at the time of the execution of this Agreement.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty not less than $10,000 and no more than $100,000 for such failure.

The undersigned certifies, to the best of his or her knowledge or belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement; and

2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instruction.

Consultant:
Name, Title

By:_____

Resolution 2022-XXX

Adopted by the City of South Lake Tahoe
City Council

June 7, 2022

Authorizing Appropriation of $56,037 from the Remaining American Rescue Plan Act (ARPA) Funds from the General Fund for Engineering Design Services for the Dennis Machida Memorial Trail – Phase 1c Alignment Analysis

BACKGROUND

A. The City of South Lake Tahoe has designated the Dennis Machida Memorial Trail Phase 1c a viable and desired project.

B. The Department of Public Works has solicited for engineering design/study services for the project.

C. Upon evaluation of proposals, the Department of Public Works recommends the award of a professional services agreement in the amount of $243,845 to Cardno Inc. of Zephyr Cove, Nv.

D. The existing project budget (30150041) is insufficient in the amount of $56,037 to award the agreement and a 5% project contingency.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Authorizes a transfer of $56,037 of undesignated SLFRF (ARPA) funds from the General Fund into the project account to resolve the project shortfall.

36300	Undesignated SLFRF (ARPA) Funds /Transfer from General Fund	(-) $56,037
30150041-42020	Engineering Study/Design	(+) $56,037

Adopted by the City of South Lake Tahoe City Council on June 7, 2022 by the following vote:

Yes:
No:
Absent:
Abstain:

_____ Date:_____

Devin Middlebrook, Mayor

Attest:

_____

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: June 7, 2022
Agenda Item #: 8

Agenda Item: Two (2) Year Extension with Eide Bailly, LLP for Independent Audit Services for Fiscal Year 2021-2022 and 2022-2023

Executive Summary: On May 15, 2018, the City Council approved a professional services agreement with Vavrinek, Trine, Day and Company, LLP (VTD) for Independent Audit Services for Fiscal Year 2017-2018 through 2020-2021. Council also approved consideration to extend the agreement for two more years if services were satisfactory. In July 2019, VTD merged with Eide Bailly LLP. Finance staff has received excellent service from Eide Bailly, LLP and requests that the agreement be extended two more years to allow Eide Bailly to perform the audit for Fiscal Years 2021-2022 and 2022-2023.

Requested Action / Suggested Motions: Pass a Motion authorizing and directing the Mayor to execute a two (2) year extension on the agreement with Eide Bailly (formerly Vavrinek, Trine, Day and Co. (VTD)) for Independent Audit Services for Fiscal Year 2021-2022 and 2022-2023 in amounts not to exceed $81,000 and $83,430 respectively.
Responsible Staff Member: Olga Tikhomirova, Director of Finance

Responsible Staff Member: Olga Tikhomirova, Director of Finance (530) 542-7431

Reviewed and Approved By:
Susan Blankenship, City Clerk
Heather Stroud, City Attorney

Attachments:

01-Staff Report-Audit Services Extension.docx
02-C-069-2018-Vavrinek, Trine, Day and Company LLP.pdf
03-Letter Extending Eide Bailly Agreement.pdf

City of South Lake Tahoe
Report to **City Council**

Meeting Date: June 7, 2022

Title: Two (2) Year Extension with Eide Bailly, LLP for Independent Audit Services for Fiscal Year 2021-2022 and 2022-2023

Location: Citywide

Responsible Staff Member: Olga Tikhomirova, Director of Finance (530)542-7431

Background: The City is required to have its financial records, transactions, procedures and policies audited on an annual basis by an independent audit firm. On May 15, 2018, the City Council approved a professional services agreement with Vavrinek, Trine, Day and Company, LLP (VTD) for Independent Audit Services for Fiscal Year 2017-2018 through 2020-2021. Council also approved consideration to extend the agreement for two more years if services were satisfactory. In July 2019, VTD merged with Eide Bailly LLP. The lead audit partner assigned to the engagement under VTD continued to be the audit partner assigned to the engagement under Eide Bailly but subsequently rotated as mandated by Section 203 of the Sarbanes-Oxley Act.

Issue and Discussion: Finance staff has received excellent service from Eide Bailly, LLP and requests that the agreement be extended two more years to allow Eide Bailly to perform the audit for Fiscal Years 2021-2022 and 2022-2023. Given the recent changes within the Finance department staff and updated GASB requirements, this extension would ensure consistency in auditing services and reduce potential work disruption by introducing a new auditing team at this time.

Financial Implications: The proposed cost of audit services is an annual amount not to exceed $81,000 for fiscal year 2021-2022 and $83,430 for fiscal year 2022-2023, compared to $63,000 fixed rate for the first four years of the original agreement with VTD, and includes:

- Financial audit and assistance with preparation of the financial statements of the City;
- A report on the fair presentation of the City's financial statements in conformity with generally accepted accounting principles.
- A report on internal controls over financial reporting and compliance in accordance with Government Auditing Standards;
- Single Audit of one major program (compared to two major programs in the four-year agreement);
- An agreed-upon procedures review of the calculation of the City's Appropriation Limit (GANN);

The increase in the audit services cost is due to growing complexity of accounting regulations and due to increased cost to the accounting firm to hire and retain quality auditing staff. The firm partner stated that for fiscal year 2022-2023 cost might require renegotiation if the CPI increase is significantly higher than the 3 percent that was built in into the proposed cost for that year.

The cost is within the expected budget for this type of services and will be included in the Fiscal Year 2022-2023 and 2023-2024 budget.

Environmental Considerations: This is not a “project” subject to review under the California Environmental Quality Act (CEQA) Guidelines section 15378(b)(2) (continuing administrative or maintenance activities, such as purchases for supplies)

Policy Implications: Consistent with City’s Financial Policies.

CITY OF SOUTH LAKE TAHOE
PROFESSIONAL SERVICES AGREEMENT

This Agreement is made and entered into as of the15th day of May 15, 2018 by and between the **City of South Lake Tahoe**, a municipal corporation ("City") and Vavrinek, Trine, Day & Company, LLP ("Consultant").

RECITALS

A. Consultant is specially trained, experienced and competent to perform the special services which will be required by this Agreement.

B. Consultant possesses the skill, experience, ability, background, certification and knowledge to provide the services described in this Agreement on the terms and conditions described herein.

C. City desires to retain Consultant to render professional services as set forth in this Agreement.

AGREEMENT

1. Scope of Services. Consultant shall perform the services set forth in this agreement and shall provide said services at the time, place, and in the manner specified in this agreement. Consultant shall have no power or authority by this Agreement to bind City in any respect.

   The Consultant agrees that it has satisfied itself by its own investigation and research regarding the conditions affecting the work to be done and labor and materials needed, and that its decision to execute this Contract is based on such independent investigation and research.

   All services provided by Consultant pursuant to this Agreement will be provided in accordance with the terms set forth in the **Exhibit A, "Scope of Services,"** attached hereto and incorporated herein by reference. **Exhibit B, "Compensation Schedule,"** attached hereto and incorporated herein by reference, outlines the fees and compensation which shall be paid pursuant to this Agreement.

2. Term/Time of Performance. The services by Consultant are to commence upon the execution of the Agreement and continue for four years with the option of two subsequent years.

C-69-2018

3. Compensation. Compensation to be paid to Consultant shall be in accordance with the Schedule set forth in **Exhibit B** which is attached hereto and incorporated herein by reference. Payment by City under this Agreement shall not be deemed a waiver of defects, even if such defects were known to City at the time of payment. Payment is contingent upon compliance with all terms and conditions of this Agreement, as set forth herein. Consultant shall obtain prior written authorization from the City Project Manager for any costs in excess of budgeted amounts for each line item, task, or obligation under the Scope of Services.

4. Method of Payment. Consultant shall submit monthly billings to City describing the work performed during the preceding month. Consultant's bills shall include a brief description of the services performed, the date the services were performed, the number of hours spent and by whom, the applicable hourly rate, and a description of any reimbursable expenditures. City shall pay Consultant no later than 30 days after approval of the monthly invoice by City staff.

5. Extra Work. At any time during the term of this Agreement, City may request that Consultant perform extra work. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, extra work without prior written authorization from City.

6. Termination. This Agreement may be terminated by City or Consultant immediately for cause or without cause upon thirty days (30) days written notice of termination. Upon termination, Consultant shall be entitled to compensation for services performed up to the effective date of termination, and City shall be entitled to all work performed to that date.

   Termination, revocation, or expiration of this Agreement shall not release either party from liability resulting from an event which occurred prior to such termination, revocation or expiration.

7. Ownership Of Documents.
   All plans, studies, documents and other writings, including working notes and internal documents, prepared by and for Consultant, its officers, employees and agents and subcontractors in the course of implementing this Agreement, shall become the property of City upon payment to Consultant for such work, and City shall have the sole right to use such materials in its discretion without further compensation to Consultant or to any other party.

Consultant shall, at Consultant's expense, provide such reports, plans, studies, documents and other writings to City upon written request. All documents prepared by Consultant are confidential and shall be maintained to preserve their confidential nature. Release of any such documents to third parties shall only be made upon written consent of City.

Notwithstanding the paragraph set forth directly above, audit documentation and/or audit working papers shall not become the property of City; however, all audit documentation and/or audit working papers shall be made available to the City upon request of the City and such request for documentation by the City shall survive the expiration of this agreement.

Consultant shall adopt reasonable procedures to maintain the confidentiality of audit documentation and/or audit working papers.

8. Consultant's Books and Records.

a. Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services, or expenditures and disbursements charged to City for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to Consultant for services provided pursuant to this Agreement.

b. Consultant shall maintain all documents and records which demonstrate performance under this Agreement for a minimum period of seven (7) years, or for any longer period required by law, from the date of termination or completion of this Agreement.

c. Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time during regular business hours, upon written request by the City Manager, City Attorney, City Auditor or a designated representative of these officers. Copies of such documents shall be provided to City for inspection at City offices when it is practical to do so. Otherwise, unless an alternative is mutually agreed upon, the records shall be available at Consultant's address indicated for receipt of notices in this Agreement.

d. Where City has reason to believe that such records or documents may be lost or discarded due to dissolution, disbandment or termination of Consultant's business, City may, by written request by any of the above-named officers, require that custody of the

records be given to City and that the records and documents be maintained at City offices. Access to such records and documents shall be granted to any party authorized by Consultant, Consultant's representatives, or Consultant's successor-in-interest.

9. Independent Contractor. It is understood that Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of City. Consultant shall obtain no rights to retirement benefits or other benefits which accrue to City's employees, and Consultant hereby expressly waives any claim it may have to any such rights. All employees, agents, contractors or subcontractors hired or retained by Consultant are employees, agents, contractors or subcontractors of Consultant and not of the City.

City is not required to make any deductions or withholdings form the compensation payable to Consultant under the provisions of this Contract, and is not required to issue W-2 Forms for income and employment tax purposes for any of Consultant's assigned personnel. Any third party persons employed by Consultant shall be entirely and exclusively under the direction, supervision, and control of Consultant. Consultant hereby indemnifies and holds City harmless from any and all claims that may be made against City based upon any contention by any third party that an employer-employee relationship exists by reason of this Contract.

10. Interest of Consultant. Consultant, (and principals, associates and professional employees of consultant) covenants and represents that it does not now have any investment or interest in real property and shall not acquire any interest, direct or indirect, in the area covered by this Agreement or any other source of income, interest in real property or investment which would be affected in any manner or degree by the performance of Consultant's services hereunder. Consultant further covenants and represents that in the performance of its duties hereunder no person having any such interest shall perform any services under this Agreement.

Consultant is not a designated employee within the meaning of the Political Reform Act because Consultant:

a. Will conduct research and arrive at conclusions with respect to his/her rendition of information, advice, recommendation or counsel independent of the control and direction of City or of any City official, other than normal agreement monitoring; and,

b. Possesses no authority with respect to any city decision beyond rendition of information, advice, recommendation or counsel. [FPPC Reg. 18700(a)(2)].

11. Professional Ability of Consultant. City has relied upon the professional training and ability of Consultant to perform the services hereunder as a material inducement to enter into this Agreement. Consultant shall therefore provide properly skilled professional and technical personnel to perform all services under this Agreement. All work performed by Consultant under this Agreement shall be in accordance with applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in Consultant's field of expertise.

12. Compliance with Laws. Consultant shall comply with all applicable federal, state, regional and local laws, codes, ordinances and regulations in carrying out his/her duties under this Agreement. Consultant shall observe and comply with all applicable laws, ordinances, regulations and codes of federal, state and local governments, and shall commit no trespass on any public or private property in performing any of the work authorized by this Agreement. The City, its officials, officers, elected officials, appointed officials and employees shall not be liable at law or in equity as a result of any failure of Consultant to comply with this section.

In the event it is determined that the Consultant is required to pay prevailing wages for the work performed under this Agreement, the Consultant shall pay all penalties and wages as required by law.

13. Licenses. Consultant represents and warrants to City that it has all licenses, permits, qualifications, insurance and approvals of whatsoever nature which are legally required of Consultant to practice its profession. Consultant represents and warrants to City that Consultant shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, insurance and approvals which are legally required of Consultant to practice its profession. Consultant shall maintain a City of South Lake Tahoe business license at all times services are performed under this Agreement. Consultant acknowledges that payments made pursuant to this Agreement may be withheld until this provision has been satisfied.

14. Indemnity. Consultant hereby agrees to and shall indemnify and hold harmless City, its elected and appointed boards, officers, agents, employees and volunteers from and against any liability for any and all claims, demands, actions, losses, damages and injuries, direct or indirect (including any and all costs and expenses in connection therein), arising out of this Agreement or

caused in any way by Consultant's negligent performance of this Agreement or its breach of its obligations contained in this Agreement, except for any such claims arising out of the negligence or willful misconduct of the City. Consultant agrees to defend City from and against any and all losses, damages, claims costs and fees arising out Consultant's negligent acts, errors, omissions, regarding this Agreement, the Consultant's work under this Agreement, or the consultant's Scope of Work.

City does not, and shall not, waive any rights against Consultant which it may have by reason of the aforesaid hold harmless agreement, because of the acceptance by City, or the deposit with City by Consultant, of any of the insurance policies hereinafter set forth.

This hold harmless agreement by Consultant shall apply to all damages and claims for damages, or alleged to have been suffered, by reason of any of the aforesaid operation of Consultant or any subcontractor, regardless of whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

Consultant further waives any and all rights to any type of express or implied indemnity or right of contribution from the City for any liability, claims, demands, costs, charges and expenses and causes of action of whatsoever arising out of or in any way connected with this Agreement, and consultant's work under this Agreement.

15. Insurance Requirements.

a. Consultant, at Consultant's own cost and expense, shall procure and maintain, for the duration of the contract, the following insurance policies.

i. Workers' Compensation Coverage. Consultant shall maintain Workers' Compensation Insurance and Employer's Liability Insurance for his/her employees in accordance with the laws of the State of California. In addition, Consultant shall require each subcontractor to similarly maintain Workers' Compensation Insurance and Employer's Liability Insurance in accordance with the laws of the State of California for all of the subcontractor's employees. Any notice of cancellation of all Workers' Compensation policies must be received by City at least thirty (30) days prior to such change. Consultant shall provide thirty (30) days written notice of nonrenewal of any Workers' Compensation policies. The insurer shall agree to

waive all rights of subrogation against City, its officers, agents, employees and volunteers for losses arising from work performed by Consultant for City.

ii. Commercial General Liability Coverage. Consultant shall maintain commercial general liability insurance no less broad than ISO form CG 00 01 in an amount not less than one million dollars ($1,000,000) per occurrence for bodily injury, personal injury and property damage. Coverage must be made on the standard Occurrence form. Claims-Made forms are not acceptable without prior written consent of City. City of South Lake Tahoe must be endorsed as an additional insured for liability arising out of ongoing operation by or on behalf of Consultant. If a commercial general liability insurance form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit.

iii.

iv. Professional Liability Coverage. Consultant shall maintain professional errors and omissions liability insurance for protection against claims alleging negligent acts, errors or omissions which may arise from Consultant or by its employees, or subcontractors. The amount of this insurance shall not be less than one million dollars ($1,000,000) on a claims-made annual aggregate basis, or a combined single-limit per occurrence basis.

b. Endorsements. Each general liability and automobile liability insurance policy shall be with insurers possessing a AM Best's rating of no less than A:VII and shall be endorsed with the following specific language:

i. City, its elected or appointed officers, officials, employees, agents and volunteers are to be covered as additional insured's under Consultant's General Liability and Automobile Liability policies with respect to liability arising out of this Agreement and/or work performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work or operations.

ii. This policy shall be considered primary insurance as respects City, its elected or appointed officers, officials, employees, agents and volunteers. Any insurance maintained by City, including any self-insured retention City may have, shall be considered excess insurance only and shall not contribute with it.

iii. This insurance shall act for each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring Consultant.

iv. The insurer waives all rights of subrogation against City except for Consultant's Professional Liability and Employers' Liability policies, its elected or appointed officers, officials, employees or agents.

v. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its elected or appointed officers, officials, employees, agents or volunteers.

vi. No policies of insurance carried by Consultant shall be suspended, voided, canceled, or changed in coverage or in limits except after thirty (30) days written notice to the City Attorney by Certified Mail.

c. Deductibles and Self-Insured Retentions. The Consultant shall be responsible for all deductibles in all of Consultant's insurance policies. The amount of deductibles for insurance coverage required herein shall be reasonable and approved by the City Attorney.

d. Certificates of Insurance. Consultant shall provide certificates of insurance with original endorsements to City as evidence of the insurance coverage required herein. Consultant shall not commence work under this contract until all insurance required under this section has been approved by City as to form, amount and carrier, nor shall Consultant allow any subcontractor to commence work on any subcontract until all similar insurance required and reasonably consistent limits of the subcontractor has been so obtained and approved. Certificates of insurance shall contain no exclusions unless negotiated with the City Attorney and approved, in writing, by the City Attorney.

16. Notices. Any notice required to be given under this Agreement shall be in writing and either served personally or sent prepaid, first class mail. Any such notice shall be addressed to the other party at the address set forth below. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this section.

If to City: City of South Lake Tahoe
1901 Airport Rd.
South Lake Tahoe, CA 96150

Provide a copy to: City Attorney's Office
City of South Lake Tahoe
1901 Airport Road, Suite 300
South Lake Tahoe, CA 96150

If to Consultant: Vavrinek, Trine, Day & Company, LLP
2151 River Plaza Drive, Suite 308
Sacramento, CA 95833

17. Assignment and Subcontracting. The parties recognize that a substantial inducement to City for entering into this Agreement is the professional reputation, experience and competence of Consultant. Assignments of any or all rights, duties or obligations of the Consultant under this Agreement will be permitted only with the express consent of City. Consultant shall not subcontract any portion of the work to be performed under this Agreement without the written authorization of City. If City consents to such subcontract, Consultant shall be fully responsible to City for all acts or omissions of the subcontractor. Nothing in the Agreement shall create any contractual relationship between City and subcontractor nor shall it create any obligation on the part of City to pay or to see to the payment of any monies due to any such subcontractor other than as otherwise required by law.

18. Waiver. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision under this Agreement.

19. Dispute Resolution. Any dispute concerning this Agreement will be first submitted to the City Manager or his designee for resolution. If no resolution is reached, such dispute shall be submitted to the City Council. The decision of the City Council shall be final and shall be appealable only to the El Dorado Superior Court pursuant to California Code of Civil Procedure §1094.5, and as provided by law.

20. Controlling Law Venue. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in the Superior Courts in the County of El Dorado, South Lake Tahoe Division.

21. Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any Consultant or person, other than the independent contractors hired in accordance with Consultant's standard business practice, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any Consultant or person, other than a bona fide employee working solely for Consultant or an independent contractor hired as discussed above, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

22. Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, disability, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of City's Minority Business Enterprise program, Affirmative Action Plan, or other related programs or guidelines currently in effect or hereinafter enacted.

23. Amendments. This Agreement may be modified or amended only by a written document executed by both Consultant and City and approved as to form by the City Attorney.

24. Severability. If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.

25. Entire Agreement. This Agreement constitutes the complete and exclusive statement of Agreement between City and Consultant. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement.

26. Execution. This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one copy hereof shall have been signed by both parties hereto. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

27. Time is of the Essence. Time is of the essence for this Agreement.

28. Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective party.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written above.

CITY OF SOUTH LAKE TAHOE:

By _____
Wendy David, Mayor

CONSULTANT:

By _____
David E. Showalter, Partner

Business License # 006552

APPROVED AS TO FORM:

By _____
Nira Feeley, Interim City Attorney

ATTEST:

By _____
Susan Alessi, City Clerk

CITY OF SOUTH LAKE TAHOE 19 65 CALIFORNIA

Attachments:
Exhibit A – Scope of Services
Exhibit B – Compensation Schedule

EXHIBIT A

SCOPE OF SERVICES

The City of South Lake Tahoe desires the auditor to express an opinion on the fair presentation of its general purpose financial statements in conformity with generally accepted accounting principles.

The auditor is not required to audit the combining and individual fund and account group financial statements and supporting schedules. However, the auditor is to provide an "in-relation-to" report on the combining and individual fund financial statements and supporting schedules based on the auditing procedures applied during the audit of the basic financial statements. The auditor is not required to audit the statistical section of the Comprehensive Annual Financial Report. Certain limited procedures should be applied to the supplementary information, management's discussion and analysis, and budgetary comparison information, but an expression of an opinion is not required. The auditor is not required to express an opinion on the introductory and statistical sections.

Reports to be Issued

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

1. A report of the fair presentation of the financial statements in conformity with generally accepted accounting principles, basic financial statements, including government-wide financial statements and fund financial statements, for all funds, and accompanying notes to the basic financial statements.

2. A report on internal controls over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with *Government Auditing Standards*.

3. A report on compliance with requirements applicable to each major program and internal control over compliance in accordance with Uniform Guidance

4. GANN Limit Agreed-upon Procedure (AUP)

Internal Control and Compliance Reports

In the required reports on internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Reportable conditions that are also material weaknesses shall be identified as such in the report. Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the reports on internal controls. The reports on compliance shall include all instances of noncompliance.

Auditors shall ensure that the City is informed of each of the following;

- The auditor's responsibility under generally accepted auditing standards
- Significant accounting policies and regulations
- Management judgments and accounting estimates
- Significant audit adjustments
- Other information in documents containing audited financial statements
- Disagreements with management
- Management consultation with other accountants
- Major issues discussed with management prior to retention
- Difficulties encountered in performing the audit

Irregularities and illegal acts: Auditors shall be required to make an immediate written report of all irregularities and illegal acts of which they become aware to the following parties:

Mayor/City Treasurer
City Manager
Director of Finance
City Attorney

Special Considerations

1. The City of South Lake Tahoe will send its comprehensive annual financial report to the Government Finance Officers Association of the United States and Canada for review in its financial reporting award program. The auditor will be expected to review the CAFR in relation to the award

checklist to ensure compliance with the award program, and to meet the GFOA submittal deadline.

2. It is anticipated that the City of South Lake Tahoe will prepare one or more official statements in connection with the sale of debt securities which will contain the general purpose financial statements and the auditor's report thereon. The auditor shall be required, if requested by the Director of Finance to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters."

3. The City of South Lake Tahoe has determined that the U.S. Department of Housing and Urban Development will function as the oversight agency in accordance with the Single Audit Act Amendments of 1996 and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

4. The schedules of federal financial assistance and related auditors' report, as well as the reports on compliance and internal controls, are not to be included in the comprehensive annual financial report, but are to be issued separately.

5. The City has obtained the "Certificate of Achievement for Excellence in Financial Reporting" from the GFOA for fiscal year ended September 30, 2016 and expects to receive the award for the fiscal year ended September 30, 2017. It is the City's intention to continue to receive the award annually and the City will continue to prepare the CAFR to meet the requirements of those programs.

6. The independent audit firm is expected to keep the City abreast of new developments affecting municipal finance and reporting, impact on accounting and reporting should the State of California impose state-mandated procedures, impacts of Government Accounting Standards Board disclosure requirements, required changes in grant procedures, and the like.

Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of seven (7) years, unless the firm is notified

in writing by the City of South Lake Tahoe of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designee:

- City of South Lake Tahoe
- U.S. Department of Housing and Urban Development
- U.S. Government Accountability Office
- Parties designated by the Federal or State governments or by the City of South Lake Tahoe as part of an audit quality review process
- Auditors or entities of which the City of South Lake Tahoe is a sub recipient of grants
- State of California, Office of the State Controller

EXHIBIT B

SCHEDULE OF CHARGES AND TIMELINE

BUDGET

Estimated fees (not to exceed) Includes Single Audit (assumes 2 major programs) **Additional programs will be $4,500 per program*	**$ 63,000**
TOTAL (not to exceed) **Annual cost each year for four years.**	**$ 63,000**

TIMELINE

Following is the anticipated audit schedule for 2018:

- Auditors submit audit checklist of required information/documentation needed from the City.....July, 2018
- Start of interim field work.....August, 2018
- City submits to auditors the final trial balance.....December, 2018
- Start of final field work.....January, 2018
- Auditors submit draft financial statements to City..... January, 2018
- City submits to auditors draft comprehensive annual financial report.....February, 2018
- Auditors submit to City the draft management letter.....February, 2018
- Auditors submit to City the other audit reports and final review comments on the CAFR.....March, 2018
- Auditors submit to City the final management letter.....March, 2018
- Formal presentation to Council (if requested).....April, 2018
- The single audit report will be submitted to the Federal Audit Clearinghouse within 30 calendar days after issuance of the final Single Audit report

CITY OF
SOUTH LAKE TAHOE

June 7, 2022

Roger Alfaro, CPA
Eide Bailly LLP
2151 River Plaza Dr., Suite 308
Sacramento, CA 95833-4133

RE: Two-year extension of agreement

Dear Mr. Alfaro,

The City hereby exercises the option to extend the Professional Services Agreement with Eide Bailly LLP, formerly Vavirnek, Trine, Day & Company LLP, for an additional two years on that agreement's terms, with the scope of services and fee quote attached hereto.

Respectfully,

Devin Middlebrook
Mayor

EideBailly

CPAs & BUSINESS ADVISORS

May 26, 2022

Ms. Olga Tikhomirova. CPA
Director of Finance
1901 Lisa Maloff Way Ste 210
South Lake Tahoe, CA 96150

Dear Ms. Tikhomirova,

We appreciate the opportunity to continue to serve the City of South Lake Tahoe, California (the City) as independent auditor. We believe Eide Bailly continues to be the right firm for the City, and at your request, we have prepared this letter to set forth our proposal amendment to perform your financial statement audits for the fiscal years ended September 30, 2022 and 2023. The proposed auditing services are as follows:

- Assistance with the preparation of the City's Annual Comprehensive Financial Report.
- A report on the fair presentation of the City's financial statements in conformity with generally accepted accounting principles.
- A report on internal controls over financial reporting and compliance in accordance with Government Auditing Standards.
- A report on compliance with federal terms and conditions in accordance with the Uniform Guidance (single audit).
- Agreed-upon procedures report on the GANN Limit.

What Inspires You, Inspires Us

Your experience will be different than working with other CPA firms because we offer knowledge and skills backed by more than 100 years of service. Our professionals deliver industry and subject matter expertise resourcefully, ensuring we are providing guidance that directly reflects your needs. Our clients benefit from local, personal service and, at the same time, enjoy access to more than 2,500 professionals with diverse skill sets and experiences.

Navigating a Path to Success Together

By embracing change and focusing on innovative ideas, we've grown along with our clients to become one of the top 25 accounting firms in the nation. Accounting is about numbers, but our business is about relationships.

We'll be there for you every step of the way. Talented, down-to-earth people work at our firm, and we're inspired to deliver outstanding expertise and care. We're driven to help you take on the now and the next with inspired ideas, solutions and results. Our work with clients is more than an engagement. It's a relationship, built on values and trust—and results. As you've already experienced, when working with Eide Bailly, you will:

- Work with professionals who truly care about your business and will take the time to get to know you and your organization.

- Gain insight from our industry and service specialists to accomplish your objectives, address challenges and leverage new opportunities.
- Make better business decisions guided by advisors who care about your success.
- Appreciate our hands-on service style; we are always looking for new ways to solve your problems or help you embrace opportunities.

Proud to Serve California Entities

Vavrinek, Trine, Day & Co. LLP (VTD), a well-known, well-established California firm, joined Eide Bailly in 2019, bringing a decades-long reputation for commitment to clients and expertise in several industries and services, including nonprofit, government, education, commercial, tax and financial institutions. With nine offices throughout California, our geographic reach has extended to 14 states west of the Mississippi.

Our size and scope enables us to devote significant resources to the City – and we will continue to do so – with a dedicated team and a personalized approach. Our team has considerable experience providing you with knowledgeable personnel, customized service and the means to perform your engagement in a timely manner. In addition to the strong experience profiles of your assigned engagement team, combined with the resources of the local offices, the City will continue to benefit from the overall experiences of the firm.

We provide services as a team regardless of location. This means as a firm, the best resources will work with you, encouraging a high level of connection and quality service. Your team members will have direct access to professionals throughout the firm who serve or have served similar organizations. In other words, we talk to each other and share experiences. If the City encounters a seemingly unique situation, we've likely seen it before and can help you navigate the proper course quickly and effectively.

Government Experience

We're confident the City will benefit from working with Eide Bailly. We have devoted a substantial amount of time and resources developing our government audit practice. Our extensive government experience and knowledge positions us to be one of the leading firms in government auditing throughout California and the right firm for the City.

The government industry represents one of Eide Bailly's largest niche areas—with more than 1,200 government clients firmwide. We provide audit services for a variety of cities, counties, special districts and authorities, colleges and universities, school districts, state agencies and tribal entities. Through serving these clients, our professionals have gained focused expertise in the government industry and will provide you with insightful advice that aids in managing the finances of the City.

The firm has 275 full-time professionals who participate in our Government Industry Group. These professionals share information, learn from others and stay up to date on industry developments. To gain the greatest benefit, the knowledge is shared with professionals across the firm. Our investment of time and resources includes:

- Participating in national sessions lead by the AICPA, Government Accountability Office and the Office of the Inspector General relating to all areas of government auditing.

- Providing government continuing professional education (CPE) to our staff working on governmental audits that exceeds regulatory requirements.
- Investing a significant amount of time in developing our understanding of new audit requirements, for example new *Government Auditing Standards* and Uniform Guidance. We regularly present to industry groups on new reporting and compliance requirements.
- Offering several training sessions to industry groups and clients regarding the new Governmental Accounting Standards Board (GASB) pronouncements.
- Maintaining a high staff retention rate, meaning we're able to provide our clients with unmatched staffing consistency and well-trained personnel.

We have 9 California offices, with professional staff devoted to audits similar to the City's. The firm's Sacramento office will directly service the City during the term of the agreement. This will enable us to meet all of the audit requirements within a timely and professional manner. Eide Bailly currently provides services to more than 400 government agencies throughout California.

We realize other firms are knowledgeable as well; however, we believe what differentiates us is personal and attentive service from all members of our service team, including partners and senior-level staff. We pride ourselves on delivering honest and insightful advice beyond what is normally experienced in the public accounting industry.

Your Service Team

We understand local, personal service is important to our clients. You'll work with a local team from the Sacramento office that has extensive knowledge and experience in the government industry. **Roger Alfaro** will lead the team and serve as Engagement Partner, and **Kyle Bartle** will serve as the Manager. These professionals bring strong credentials and a desire to work with the City. We'll complement the project team with additional resources as necessary. The following is an overview of these team members' experience:

Roger Alfaro, CPA

ENGAGEMENT PARTNER

Roger will serve as the audit partner and will play an active role in the engagement process and provide technical review and assistance to the engagement team. Since 2001, he has been providing accounting, audit and advisory services to government entities throughout California. His experience includes cities, counties, special districts and state agencies. His expertise includes the complex accounting and regulatory requirements for single audit compliance, and he's recognized as a leader in Uniform Guidance audit requirements.

Kyle Bartle, CPA

AUDIT MANAGER

Kyle will serve as the audit project manager and will be responsible for directing the day-to-day activities of the team, coordinating all services, and ensuring the timely delivery of quality services. He has eight years in public accounting and has specialized in the governmental industry throughout his career. Kyle's specialties include working with cities, counties, special districts, financing authorities, transit authorities and single audits. He has extensive experience advising his clients with financial reporting and compliance requirements pursuant to the Government Finance Officers Association (GFOA) Certificate Program.

Timeliness

We will meet your deadlines. Our professionals are trained to anticipate, identify and respond to your needs in a timely manner. We'll work closely with your management team to customize our audit services to your needs. We believe in clear, up-front and open communication with no surprises.

Value for Fees

You can expect quality service at reasonable fees. Eide Bailly has established a reputation of providing quality work at a fair price. Our fees are based on the complexity of the issue and the experience level of the personnel necessary to address it. In the event you request additional services, Eide Bailly will obtain your agreement on fees before such work would begin. In other words, there will be no hidden fees.

We propose the fees in **Attachment A** based on our understanding of the scope of work and the level of involvement of the City's staff.

Out-of-Pocket Fees

The professional fees listed in **Attachment A** are inclusive of all out-of-pocket expenses, and you will not be billed for expenses such as travel time, mileage and meals.

We Want to Work with You

We've developed this proposal with the City of South Lake Tahoe in mind, and we'll continue to provide timely, personalized audit services for you. We pride ourselves on delivering honest and insightful advice beyond what is normally experienced in the public accounting industry.

We believe the qualifications of our firm merit serious consideration. You'll remain a highly valued client, and we would be proud to further work with the City, building upon the trusting relationship we have with your team. Please contact me at if you would like to discuss any aspect of this proposal.

Sincerely,

Roger Alfaro, CPA
Partner
916.570.1880 | ralfaro@eidebailly.com

Attachment A – Detailed Fee Quote

Engagement Services and Not-to-Exceed Fee

Professional Services	Estimated Hours	2022	2023*
Audit of the City of South Lake Tahoe ACFR, including assistance with preparation.	634	$73,000	$75,190
Single Audit, assuming one major program. **	60	$7,500	$7,725
GANN Limit AUP	4	$500	$515
Total for Fiscal Year – Not-to-Exceed	**698**	**$81,000**	**$83,430**

** Fiscal year 2023 includes an annual adjustment of 3%. Should inflationary increases be greater than 3%, we will discuss the fee increase with the City prior to commencing work. Our proposed fees are also contingent upon no major changes to the City, and assuming significant accounting and auditing rule changes and procedures remain consistent with current requirements. Fees do not include additional time that could be incurred due to changes to the scope of the engagement, such as leases.*

*** Assumes one major program, per year. Should the City have additional major programs, we will discuss the fee for the program with the City prior to commencing work.*

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: June 7, 2022
Agenda Item #: 9

Agenda Item: Purchase of a Vehicle for the Streets Division

Executive Summary: City Council formally adopted the FY 21-22 annual budget at the August 17, 2021, meeting. Within the budget adoption, City Council appropriated funds to purchase several vehicles and pieces of equipment for the Department of Public Works and Streets Division. The proposed purchase is for a hauling and work truck for the Streets Division for hauling equipment and materials for street repair and street maintenance. The proposed vehicle is sourced through a cooperative purchasing agreement.

Requested Action / Suggested Motions: Pass a Motion authorizing and directing the City Manager to execute a purchase order for one Chevrolet Silverado from the National Auto Fleet Group via Cooperative Purchasing Contract in an amount of $51,243.44 for use in the Streets Division.
Responsible Staff Members: Anush Nejad, Director of Public Work and Phil Harwood, Fleet Supervisor

Responsible Staff Member: Anush Nejad, Director of Public Work (530) 542-6031
Phil Harwood, Fleet Supervisor (530) 542-6086

Reviewed and Approved By:
Anush Nejad, Director of Public Works
Susan Blankenship, City Clerk
Olga Tikhomirova, Director of Finance
Heather Stroud, City Attorney

Attachments:

01-Staff_Report_Street_Vehicle_Purchase_F2.docx
02 - Chevy_Quote.pdf
03 - EV_Checklist.pdf
04- Cooperative Purchase Contract

City of South Lake Tahoe
Report to **City Council**

Meeting Date: June 7, 2022

Title: Purchase of Vehicle for the Street Division

Location: Citywide

Responsible Staff Member: Anush Nejad, Director of Public Work – (530) 542-6031
Phil Harwood, Fleet Supervisor – (530) 542-6086

Background: City Council formally adopted the FY 21-22 annual budget at the August 17, 2021, meeting. Within the budget adoption, there was the appropriation to purchase several vehicles and pieces of equipment for the Department of Public Works and Streets Division. The proposed purchase is for a hauling and work truck for the Streets Division for hauling equipment and materials for street repair and street maintenance.

Issue and Discussion: The proposed vehicle and equipment are sourced through the cooperative purchasing agreement with the respective manufacturers/dealers. The financial Implications section below outlines the purchase cost and funding source. Attachment 02 details the quote and agreement.

The work truck is essential equipment for the streets division for a multitude of road maintenance and operation. It would allow the Streets Division to carry heavy equipment and materials to the job site for maintenance work throughout the city.

Financial Implications: The purchase of the vehicles and equipment will be secured through account 210-03010-46130 (Vehicles). The current available unencumbered budget as of May 31, 2022, in this account is $87,024.26. The proposed equipment's total cost is $51,243.44, which is within the current available account budget balance.

Environmental Considerations: This purchase is not a "project" subject to review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15378(b)(2) (continuing administrative or maintenance activities, such as purchases for supplies)

Policy Implications: Strategy EV-2 in the Climate Action Plan adopted by City Council on October 20, 2020, states that the city will "convert public agency fleets to electric vehicles (EV) or alternative fuels." City staff conducted extensive research on options and availability of Electric Vehicles for the vehicle contemplated herein. Six vehicle manufacturers were contacted. Although the vehicle manufacturers have truck EV vehicles, currently none of the manufacturers have vehicles available on the marketplace for purchase (See Attachment 03).

Staff also researched the vehicles availability list in California's Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP), which plays a crucial role in the deployment of zero-emission and near-zero-emission technologies. HVIP accelerates commercialization by providing point-of-sale vouchers to make advanced vehicles more affordable. The current list of eligible vehicles for point-of-sale incentives can be found here: https://californiahvip.org/vehiclecatalog/

The HVIP website identified one vehicle that meets the required specifications: EV FORD F450 Truck. The Fleet Division contacted the manufacturer representative: Ms. Bee Shiraz at SEA Electric and found that the truck is not in production and not sure if they will start next year. Since this truck is time-sensitive and essential for the Streets Division operations, staff recommends purchasing the proposed equipment at the present time.

All internal combustion vehicles and equipment contemplated for purchase herein will meet the California Air Resources Board (CARB) requirements.

The purchase of the vehicles contemplated herein will be via Cooperative Purchasing Contract.

City Code Section 3.45.090 allows for Cooperative Purchasing: "Where another governmental agency performs a solicitation and/or bid process for the city and/or multiple agencies or jurisdictions, and where the purchase of materials, supplies, and equipment is based on an agreement or cooperative purchasing program pursuant to authority granted by statute or ordinance, pursuant to a contractual arrangement between the city and said the governmental agency, or pursuant to a determination by the city manager that the governmental agency conducted a competitive bidding process, the city may purchase materials, supplies and equipment based upon the governmental agency's solicitation and/or bid process without complying with the bidding requirements of this chapter. (Ord. 1069 § 1 (Exh. A); Ord. 1109 § 1 (Exh. A). Code 1997 § 22-8)"

National Auto Fleet Group

A Division of Chevrolet of Watsonville

490 Auto Center Drive, Watsonville, CA 95076

(855) 289-6572 • (855) BUY-NJPA • (831) 480-8497 Fax

Fleet@NationalAutoFleetGroup.com

Quote ID 20220704

April 7, 2022

Mr. Phil Harwood
City of South Lake Tahoe
1700 D Street
South Lake Tahoe, Ca 96150
Delivery Via Email

Dear Mr. Harwood,

In response to your inquiry, we are pleased to submit the following for your consideration:

National Auto Fleet Group will sell, service and deliver at South Lake Tahoe, new/unused 2023 Chevrolet Silverado 3500HD (CK30953) 4WD Double Cab 162" WB WT responding to your requirement with the attached specifications for $ 46,625.92 plus State Sales Tax, and $8.75 tire tax (non-taxable). These vehicles are available under the Sourcewell (Formerly Known as NJPA) master vehicle contract# 091521-NAF.

	One unit MSRP	Selling Price	Total Savings	Total Savings
2023 Chevy 3500HD Double Cab 4WD Pick Up	57,101.15	46,625.92	18.35%	10,475.23
Two Extra Keys		450.00		
Sub Total		46,625.92		
Sales Tax		4,079.77		
Tire Tax		8.75		
Transport		529.00		
Total		51,243.44		

Terms are net 30 days.
Delivery 150-180 Days ARO
National Auto Fleet Group welcomes the opportunity to assist you in your vehicle requirements.

Kevin Buzzard
National Law Enforcement Sales Manager
National Auto Fleet Group
Wondries Fleet Group
626-457-5590 O / 714-264-1867 C
626-457-5593 F /Buzzard5150@gmail.com

Wondries Fleet Group / National Auto Fleet Group
Kevin Buzzard | 626-457-5590 OFC | Buzzard5150@gmail.com

Vehicle: [Fleet] ~~2022~~ 2023 Chevrolet Silverado 3500HD (CK30953) 4WD Double Cab 162" Work Truck

Wondries Fleet Group / National Auto Fleet Group

Prepared By:

Kevin Buzzard
Wondries Fleet Group / National Auto Fleet Group
626-457-5590 OFC
Buzzard5150@gmail.com

Prices, specifications, and availability are subject to change without notice, and do not include certain fees, taxes and charges that may be required by law or vary by manufacturer or region. Performance figures are guidelines only, and actual performance may vary. Photos may not represent actual vehicles or exact configurations. Content based on report preparer's input is subject to the accuracy of the input provided. Data Version: 16184, Data updated Apr 6, 2022 12:41:00 AM PDT

Wondries Fleet Group / National Auto Fleet Group
Kevin Buzzard | 626-457-5590 OFC | Buzzard5150@gmail.com

Vehicle: [Fleet] ~~2022~~ 2023 Chevrolet Silverado 3500HD (CK30953) 4WD Double Cab 162" Work Truck (Complete)

Selected Model and Options

MODEL

CODE	MODEL
CK30953	~~2022~~ 2023 Chevrolet Silverado 3500HD 4WD Double Cab 162" Work Truck

COLORS

CODE	DESCRIPTION
GAZ	Summit White

BODY CODE

CODE	DESCRIPTION
E63	Durabed, pickup bed (STD)

REAR WHEEL CONFIGURATION

CODE	DESCRIPTION
SRW	Single Rear Wheels (STD)

EMISSIONS

CODE	DESCRIPTION
YF5	Emissions, California state requirements

ENGINE

CODE	DESCRIPTION
L8T	Engine, 6.6L V8 with Direct Injection and Variable Valve Timing, gasoline (401 hp [299 kW] @ 5200 rpm, 464 lb-ft of torque [629 N-m] @ 4000 rpm) (STD)

TRANSMISSION

CODE	DESCRIPTION
MYD	Transmission, 6-speed automatic, heavy-duty (STD) (Requires (L8T) 6.6L V8 gas engine.)

GVWR

CODE	DESCRIPTION
C7W	GVWR, 11,400 lbs. (5171 kg) with single rear wheels (STD) (Included and only available with CK30953 model and (L8T) 6.6L V8 gas engine. Requires single rear wheels.)

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Vehicle: [Fleet] ~~2022~~ 2023 Chevrolet Silverado 3500HD (CK30953) 4WD Double Cab 162" Work Truck (Complete)

AXLE

CODE	DESCRIPTION
GT4	Rear axle, 3.73 ratio (Requires (L8T) 6.6L V8 gas engine. Not available with (L5P) Duramax 6.6L Turbo-Diesel V8 engine.)

PREFERRED EQUIPMENT GROUP

CODE	DESCRIPTION
1WT	Work Truck Preferred Equipment Group includes standard equipment

WHEELS

CODE	DESCRIPTION
PYT	Wheels, 18" (45.7 cm) painted steel (STD) (Requires single rear wheels.)

TIRES

CODE	DESCRIPTION
QF6	Tires, LT275/70R18E all-terrain, blackwall (STD) (Requires single rear wheels.)

SPARE TIRE

CODE	DESCRIPTION
ZYG	Tire, spare LT275/70R18 all-terrain, blackwall (STD) (Included and only available with (QF6) LT275/70R18E all-terrain, blackwall tires with (E63) Durabed, pickup bed single rear wheel models. Available to order when (ZW9) pickup bed delete and (QF6) LT275/70R18E all-terrain, blackwall tires are ordered with single rear wheel models)

PAINT

CODE	DESCRIPTION
GAZ	Summit White

SEAT TYPE

CODE	DESCRIPTION
AE7	Seats, front 40/20/40 split-bench with upper covered armrest storage with fixed lumbar (STD)

SEAT TRIM

CODE	DESCRIPTION
H2G	Jet Black, Vinyl seat trim

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Vehicle: [Fleet] ~~2022~~ 2023 Chevrolet Silverado 3500HD (CK30953) 4WD Double Cab 162" Work Truck (Complete)

RADIO

CODE	DESCRIPTION
IOR	Audio system, Chevrolet Infotainment 3 system, 7" diagonal color touchscreen, AM/FM stereo. Additional features for compatible phones include: Bluetooth audio streaming for 2 active devices, voice command pass-through to phone, wired Apple CarPlay and Androld Auto capable. (STD)

ADDITIONAL EQUIPMENT - PACKAGE

CODE	DESCRIPTION
PCV	WT Convenience Package includes (AQQ) Remote Keyless Entry, (QT5) EZ Lift power lock and release tailgate, (AKO) tinted windows, (C49) rear-window defogger, (K34) cruise control, (DBG) power trailer mirrors with heated upper glass and manual extending/folding (Not available with (ZLQ) WT Fleet Convenience Package. (DBG) trailering mirrors may be upgraded to (DWI) trailering mirrors or (DLN) mirrors. Not available with CC30943 or CC30953 dual rear wheel models with (ZW9) pickup bed delete.)

ADDITIONAL EQUIPMENT - MECHANICAL

CODE	DESCRIPTION
NQH	Transfer case, two-speed active electronic Autotrac with push button control (Requires 4WD models.)
JL1	Trailer brake controller, integrated (Requires (ZLQ) WT Fleet Convenience Package, (PCV) WT Convenience Package or (L5P) Duramax 6.6L Turbo-Diesel V8 engine. Included with (CMT) Gooseneck / 5th Wheel Package.)
NZZ	Skid Plates protect the oil pan, front axle and transfer case (Included with (Z71) Z71 Off-Road Package or (VYU) Snow Plow Prep/Camper Package.)

ADDITIONAL EQUIPMENT - EXTERIOR

CODE	DESCRIPTION
V46	Bumper, front chrome (Requires (VJH) Chrome rear bumper with (E63) Durabed, pickup bed. Available with (ZW9) pickup bed delete. Included with (PQA) WT Safety Package.)
VJH	Bumper, rear chrome (Requires (V46) Chrome front bumper. Included with (PQA) WT Safety Package.)
DBG	Mirrors, outside power-adjustable vertical trailering with heated upper glass lower convex mirrors, integrated turn signals, manual folding/extending (extends 3.31" [84.25mm]) (Included and only available with (ZLQ) WT Fleet Convenience Package or (PCV) WT Convenience Package.)
AKO	Glass, deep-tinted (Included with (PCV) WT Convenience Package.)
QT5	Tailgate, gate function manual with EZ Lift includes power lock and release (Included and only available with (ZLQ) WT Fleet Convenience Package or (PCV) WT Convenience Package
CGN	Chevytec spray-on bedliner Black with Chevrolet logo (does not include spray-on liner on tailgate due to Black composite inner panel) (Included with (CMT) Gooseneck / 5th Wheel Package or (ANQ) Alaskan Snow Plow Special Edition. Not available with (ZW9) pickup bed delete or (NHT) Max Trailering Package. Not available with any Ship Thrus EXCEPT (TCE), (TCH), (VSH) or (VTV).)

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Vehicle: [Fleet] ~~2022~~ 2023 Chevrolet Silverado 3500HD (CK30953) 4WD Double Cab 162" Work Truck (Complete)

ADDITIONAL EQUIPMENT - INTERIOR

CODE	DESCRIPTION
AQQ	Remote Keyless Entry with 2 transmitters (Included and only available with (ZLQ) WT Fleet Convenience Package or (PCV) WT Convenience Package.)
K34	Cruise control, electronic with set and resume speed, steering wheel-mounted (Included with (ZLQ) WT Fleet Convenience Package, (PCV) WT Convenience Package or (RGE) Safety Essentials Package.)
KI4	Power outlet, instrument panel, 120-volt (400 watts shared with (KC9) bed mounted power outlet) (Requires (ZLQ) WT Fleet Convenience Package or (PCV) WT Convenience Package.)
KC9	Power outlet, bed mounted, 120-volt (400 watts shared with (KI4) instrument panel mounted power outlet) (Included and only available with (KI4) Power outlet. Not available with (ZW9) pickup bed delete.)
C49	Defogger, rear-window electric (Included with (PCV) WT Convenience Package.)

ADDITIONAL EQUIPMENT - SAFETY-INTERIOR

CODE	DESCRIPTION
UD7	Rear Park Assist, Ultrasonic (No longer available to order as of 12-20-2021. Requires (ZLQ) WT Fleet Convenience Package or (PCV) WT Convenience Package, (JL1) trailer brake controller, (KI4) 120-volt power outlet, (KC9) 120-volt bed-mounted power outlet, (V46) chrome front bumper and (VJH) rear chrome bumper. Not available with dual rear wheels, (PQA) WT Safety Package or (ZW9) pickup bed delete.)

Options Total

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Vehicle: [Fleet] ~~2022~~ 2023 Chevrolet Silverado 3500HD (CK30953) 4WD Double Cab 162" Work Truck (✔ Complete)

Standard Equipment

Package

Trailering Package includes trailer hitch, 7-pin connector and (CTT) Hitch Guidance (Deleted when (ZW9) pickup bed delete is ordered.)

Mechanical

Engine, 6.6L V8 with Direct Injection and Variable Valve Timing, gasoline (401 hp [299 kW] @ 5200 rpm, 464 lb-ft of torque [629 N-m] @ 4000 rpm) (STD)

Transmission, 6-speed automatic, heavy-duty (STD) (Requires (L8T) 6.6L V8 gas engine.)

Rear axle, 3.73 ratio (Requires (L8T) 6.6L V8 gas engine. Not available with (L5P) Duramax 6.6L Turbo-Diesel V8 engine.)

Durabed, pickup bed (STD)

GVWR, 11,400 lbs. (5171 kg) with single rear wheels (STD) (Included and only available with CK30953 model and (L8T) 6.6L V8 gas engine. Requires single rear wheels.)

Air filter, heavy-duty

Air filtration monitoring

Transfer case, two-speed electronic shift with push button controls (Requires 4WD models.)

Auto-locking rear differential

Four wheel drive

Cooling, external engine oil cooler

Cooling, auxiliary external transmission oil cooler

Battery, heavy-duty 720 cold-cranking amps/80 Amp-hr maintenance-free with rundown protection and retained accessory power (Included and only available with (L8T) 6.6L V8 gas engine.)

Alternator, 170 amps (Requires (L8T) 6.6L V8 gas engine.)

Recovery hooks, front, frame-mounted, Black

Frame, fully-boxed, hydroformed front section and a fully-boxed stamped rear section

Suspension Package

Steering, Recirculating ball with smart flow power steering system

Brakes, 4-wheel antilock, 4-wheel disc with DURALIFE rotors

Brake lining wear indicator

Capless Fuel Fill (Requires (L8T) 6.6L V8 gas engine. Not available with (ZW9) pickup bed delete.)

Exterior

Wheels, 18" (45.7 cm) painted steel (STD) (Requires single rear wheels.)

Tires, LT275/70R18E all-terrain, blackwall (STD) (Requires single rear wheels.)

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Vehicle: [Fleet] ~~2022~~ 2023 Chevrolet Silverado 3500HD (CK30953) 4WD Double Cab 162" Work Truck (Complete)

Exterior

Tire, spare LT275/70R18 all-terrain, blackwall (STD) (Included and only available with (QF6) LT275/70R18E all-terrain, blackwall tires with (E63) Durabed, pickup bed single rear wheel models. Available to order when (ZW9) pickup bed delete and (QF6) LT275/70R18E all-terrain, blackwall tires are ordered with single rear wheel models)

Single Rear Wheels (STD)

Tire carrier lock keyed cylinder lock that utilizes same key as ignition and door (Deleted with (ZW9) pickup bed delete.)

Bumpers, front, Black

Bumpers, rear, Black

CornerStep, rear bumper

BedStep, Black integrated on forward portion of bed on driver and passenger side (Deleted when (ZW9) pickup bed delete is ordered.)

Moldings, beltline, Black

Cargo tie downs (12), fixed, rated at 500 lbs per corner (Deleted with (ZW9) pickup bed delete.)

Front grille bar with "CHEVROLET" molded in Black includes Black mesh inserts with small Gold bowtie emblem.

Headlamps, halogen reflector with halogen Daytime Running Lamps

Taillamps, with incandescent tail, stop and reverse lights (Note: Trucks equipped with dual rear wheels will feature LED signature tail and stop lamps, with incandescent reverse lamp.)

Lamps, cargo area cab mounted integrated with center high mount stop lamp, with switch in bank on left side of steering wheel

Mirrors, outside high-visibility vertical trailering lower convex mirrors, manual-folding/extending (extends 3.31" [84.25mm]), molded in Black

Mirror caps, Black

Glass, solar absorbing, tinted

Door handles, Black grained

Tailgate, standard (Deleted with (ZW9) pickup bed delete.)

Tailgate and bed rail protection cap, top

Tailgate, locking, utilizes same key as ignition and door (Upgraded to (QT5) EZ Lift power lock and release tailgate when (ZLQ) WT Fleet Convenience Package or (PCV) WT Convenience Package is ordered. Not available with (ZW9) pickup bed delete.)

Tailgate, gate function manual, no EZ Lift (Deleted with (ZW9) pickup bed delete.)

Entertainment

Audio system, Chevrolet Infotainment 3 system, 7" diagonal color touchscreen, AM/FM stereo. Additional features for compatible phones include: Bluetooth audio streaming for 2 active devices, voice command pass-through to phone, wired Apple CarPlay and Android Auto capable. (STD)

Audio system feature, 6-speaker system (Requires Crew Cab or Double Cab model.)

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Vehicle: [Fleet] ~~2022~~ 2023 Chevrolet Silverado 3500HD (CK30953) 4WD Double Cab 162" Work Truck (Complete)

Entertainment

Bluetooth for phone connectivity to vehicle infotainment system

Interior

Seats, front 40/20/40 split-bench with upper covered armrest storage with fixed lumbar (STD)

Seat trim, Vinyl

Seat adjuster, driver 4-way manual

Seat adjuster, passenger 4-way manual

Seat, rear 60/40 folding bench (folds up), 3-passenger (includes child seat top tether anchor) (Requires Crew Cab or Double Cab model.)

Floor covering, rubberized-vinyl (Not available with LPO floor liners.)

Steering wheel, urethane

Steering column, Tilt-Wheel, manual with wheel locking security feature

Instrument cluster, 6-gauge cluster featuring speedometer, fuel level, engine temperature, tachometer, voltage and oil pressure

Driver Information Center, 3.5" diagonal monochromatic display

Exterior Temperature Display located in radio display

Window, power front, drivers express up/down (Standard on Crew Cab and Double Cab models. On Regular Cab model, included and only available with (ZLQ) WT Fleet Convenience Package or (PCV) WT Convenience Package.)

Window, power front, passenger express down (Standard on Crew Cab and Double Cab models. On Regular Cab model, included and only available with (ZLQ) WT Fleet Convenience Package or (PCV) WT Convenience Package.)

Windows, power rear, express down (Not available with Regular Cab models.)

Door locks, power (Standard on Crew Cab and Double Cab models. On Regular Cab models, included and only available with (ZLQ) WT Fleet Convenience Package or (PCV) WT Convenience Package.)

Power outlet, front auxiliary, 12-volt

USB ports, 2 (first row) located on instrument panel

Air conditioning, single-zone

Air vents, rear, heating/cooling (Not available on Regular Cab models.)

Mirror, inside rearview, manual tilt

Assist handles front A-pillar mounted for driver and passenger, rear B-pillar mounted

Safety-Mechanical

StabiliTrak, stability control system with Proactive Roll Avoidance and traction control includes electronic trailer sway control and hill start assist

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Vehicle: [Fleet] ~~2022~~ 2023 Chevrolet Silverado 3500HD (CK30953) 4WD Double Cab 162" Work Truck (✔ Complete)

Safety-Exterior

Daytime Running Lamps with automatic exterior lamp control

Safety-Interior

Airbags, Dual-stage frontal airbags for driver and front outboard passenger; Seat-mounted side-impact airbags for driver and front outboard passenger; Head-curtain airbags for front and rear outboard seating positions; Includes front outboard Passenger Sensing System for frontal outboard passenger airbag (Always use seat belts and child restraints. Children are safer when properly secured in a rear seat in the appropriate child restraint. See the Owner's Manual for more information.)

Rear Vision Camera (Deleted with (ZW9) pickup bed delete.)

Hitch Guidance dynamic single line to aid in trailer alignment for hitching (Deleted with (ZW9) pickup bed delete.)

Rear Seat Reminder (Requires Crew Cab or Double Cab model.)

Teen Driver a configurable feature that lets you activate customizable vehicle settings associated with a key fob, to help encourage safe driving behavior. It can limit certain available vehicle features, and it prevents certain safety systems from being turned off. An in-vehicle report card gives you information on driving habits and helps you to continue to coach your new driver

Tire Pressure Monitoring System with Tire Fill Alert (does not apply to spare tire)

Processing-Other

Trailering Information Label provides max trailer ratings for tongue weight, conventional, gooseneck and 5th wheel trailering (Not available with (ZW9) pickup bed delete.)

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Wondries Fleet Group / National Auto Fleet Group
Kevin Buzzard | 626-457-5590 OFC | Buzzard5150@gmail.com

Vehicle: [Fleet] ~~2022~~ 2023 Chevrolet Silverado 3500HD (CK30953) 4WD Double Cab 162" Work Truck (Complete)

Window Sticker

SUMMARY

[Fleet] ~~2022~~ 2023 Chevrolet Silverado 3500HD (CK30953) 4WD Double Cab 162" Work Truck — MSRP:$45,100.00

Interior:Jet Black, Vinyl seat trim

Exterior 1:Summit White

Exterior 2:No color has been selected.

Engine, 6.6L V8 with Direct Injection and Variable Valve Timing, gasoline

Transmission, 6-speed automatic, heavy-duty

OPTIONS

CODE	MODEL		MSRP
CK30953	[Fleet] ~~2022~~ 2023 Chevrolet Silverado 3500HD (CK30953) 4WD Double Cab 162" Work Truck		$45,100.00
	OPTIONS		
1WT	Work Truck Preferred Equipment Group		$0.00
AE7	Seats, front 40/20/40 split-bench		$0.00
AKO	Glass, deep-tinted	Inc.	
AQQ	Remote Keyless Entry	Inc.	
C49	Defogger, rear-window electric	Inc.	
C7W	GVWR, 11,400 lbs. (5171 kg) with single rear wheels	Inc.	
CGN	Chevytec spray-on bedliner		$545.00
DBG	Mirrors, outside power-adjustable vertical trailering with heated upper glass	Inc.	
E63	Durabed, pickup bed		$0.00
GAZ	Summit White		$0.00
GT4	Rear axle, 3.73 ratio		$0.00
H2G	Jet Black, Vinyl seat trim		$0.00
IOR	Audio system, Chevrolet Infotainment 3 system, 7" diagonal color touchscreen, AM/FM stereo.		$0.00
JL1	Trailer brake controller, integrated		$275.00
K34	Cruise control, electronic	Inc.	
KC9	Power outlet, bed mounted, 120-volt	Inc.	
KI4	Power outlet, instrument panel, 120-volt		$225.00

Prices, specifications, and availability are subject to change without notice, and do not include certain fees, taxes and charges that may be required by law or vary by manufacturer or region. Performance figures are guidelines only, and actual performance may vary. Photos may not represent actual vehicles or exact configurations. Content based on report preparer's input is subject to the accuracy of the input provided. Data Version: 16184, Data updated Apr 6, 2022 12:41:00 AM PDT

Vehicle: [Fleet] ~~2022~~ 2023 Chevrolet Silverado 3500HD (CK30953) 4WD Double Cab 162" Work Truck (✔ Complete)

L8T	Engine, 6.6L V8 with Direct Injection and Variable Valve Timing, gasoline		$0.00
MYD	Transmission, 6-speed automatic, heavy-duty		$0.00
NQH	Transfer case, two-speed active		$200.00
NZZ	Skid Plates		$150.00
PCV	WT Convenience Package		$1,185.00
PYT	Wheels, 18" (45.7 cm) painted steel		$0.00
QF6	Tires, LT275/70R18E all-terrain, blackwall		$0.00
QT5	Tailgate, gate function manual with EZ Lift	Inc.	
SRW	Single Rear Wheels		$0.00
UD7	Rear Park Assist, Ultrasonic		$295.00
V46	Bumper, front chrome		$200.00
VJH	Bumper, rear chrome		$0.00
YF5	Emissions, California state requirements		$0.00
ZYG	Tire, spare LT275/70R18 all-terrain, blackwall		$0.00
	SUBTOTAL		**$48,175.00**
	Adjustments Total		$0.00
	Destination Charge		$1,695.00
	TOTAL PRICE		**$49,870.00**

FUEL ECONOMY

Est City:N/A

Est Highway:N/A

Est Highway Cruising Range:N/A

2023 Chevy Price Increase 14.5% 7,251.15

2023 MSRP 57,101.15

Prices, specifications, and availability are subject to change without notice, and do not include certain fees, taxes and charges that may be required by law or vary by manufacturer or region. Performance figures are guidelines only, and actual performance may vary. Photos may not represent actual vehicles or exact configurations. Content based on report preparer's input is subject to the accuracy of the input provided. Data Version: 16184, Data updated Apr 6, 2022 12:41:00 AM PDT

2022 Chevrolet Silverado 3500HD

Pickup truck

8.3/10 · CarBuzz

2022 Chevrolet Silverado 3500HD scored 8.3 out of 10 on CarBuzz.

MSRP: From $39,700
Towing capacity: 14,500 lbs
Curb weight: 6,231 to 7,064 lbs
Payload: 4,353 to 4,572 lbs
Horsepower: 401 to 445 hp
Gross vehicle weight rating: 10,750 to 11,500 lbs

CITY OF SOUTH LAKE TAHOE

EV Alternative Checklist

Name Phil Harwood

Date 4/08/22

Date	Company / Product	Available Yes / No and Why
4/08/22	Ford F150 Lightning	No / payload 2000 pounds 4x4 300 range
4/08/22	Rivian R1T	No / payload 1760 pounds 4x4 260 range
4/08/22	GMC Hummer EV1	No / payload 1300 pounds 4x4 329 range
4/08/22	Cyber truck	No / payload 1790 pounds 4x4 300 range
4/08/22	Chevrolet Silverado EV	No / payload 1300 pounds 4x4 estimated 400 mile range
4/08/22	Lightning emotors F550 cab chassis	No / 100 mile range $170,000 $190,000 two wheel drive
		Note: All vehicles are in production, but none are available for delivery

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Solicitation Number: RFP #091521

CONTRACT

This Contract is between Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and 72 Hour LLC dba: National Auto Fleet Group, 490 Auto Center Drive, Watsonville, CA 95076 (Supplier).

Sourcewell is a State of Minnesota local government unit and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) that offers cooperative procurement solutions to government entities. Participation is open to eligible federal, state/province, and municipal governmental entities, higher education, K-12 education, nonprofit, tribal government, and other public entities located in the United States and Canada. Sourcewell issued a public solicitation for Automobiles, SUVs, Vans, and Light Trucks with Related Equipment and Accessories from which Supplier was awarded a contract.

Supplier desires to contract with Sourcewell to provide equipment, products, or services to Sourcewell and the entities that access Sourcewell's cooperative purchasing contracts (Participating Entities).

1. TERM OF CONTRACT

A. EFFECTIVE DATE. This Contract is effective upon the date of the final signature below.

B. EXPIRATION DATE AND EXTENSION. This Contract expires November 8, 2025, unless it is cancelled sooner pursuant to Article 22. This Contract may be extended one additional year upon the request of Sourcewell and written agreement by Supplier.

C. SURVIVAL OF TERMS. Notwithstanding any expiration or termination of this Contract, all payment obligations incurred prior to expiration or termination will survive, as will the following: Articles 11 through 14 survive the expiration or cancellation of this Contract. All rights will cease upon expiration or termination of this Contract.

2. EQUIPMENT, PRODUCTS, OR SERVICES

A. EQUIPMENT, PRODUCTS, OR SERVICES. Supplier will provide the Equipment, Products, or Services as stated in its Proposal submitted under the Solicitation Number listed above.

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Supplier's Equipment, Products, or Services Proposal (Proposal) is attached and incorporated into this Contract.

All Equipment and Products provided under this Contract must be new and the current model. Supplier may offer close-out or refurbished Equipment or Products if they are clearly indicated in Supplier's product and pricing list. Unless agreed to by the Participating Entities in advance, Equipment or Products must be delivered as operational to the Participating Entity's site.

This Contract offers an indefinite quantity of sales, and while substantial volume is anticipated, sales and sales volume are not guaranteed.

B. WARRANTY. Supplier warrants that all Equipment, Products, and Services furnished are free from liens and encumbrances, and are free from defects in design, materials, and workmanship. In addition, Supplier warrants the Equipment, Products, and Services are suitable for and will perform in accordance with the ordinary use for which they are intended. Supplier's dealers and distributors must agree to assist the Participating Entity in reaching a resolution in any dispute over warranty terms with the manufacturer. Any manufacturer's warranty that extends beyond the expiration of the Supplier's warranty will be passed on to the Participating Entity.

C. DEALERS, DISTRIBUTORS, AND/OR RESELLERS. Upon Contract execution and throughout the Contract term, Supplier must provide to Sourcewell a current means to validate or authenticate Supplier's authorized dealers, distributors, or resellers relative to the Equipment, Products, and Services offered under this Contract, which will be incorporated into this Contract by reference. It is the Supplier's responsibility to ensure Sourcewell receives the most current information.

3. PRICING

All Equipment, Products, or Services under this Contract will be priced at or below the price stated in Supplier's Proposal.

When providing pricing quotes to Participating Entities, all pricing quoted must reflect a Participating Entity's total cost of acquisition. This means that the quoted cost is for delivered Equipment, Products, and Services that are operational for their intended purpose, and includes all costs to the Participating Entity's requested delivery location.

Regardless of the payment method chosen by the Participating Entity, the total cost associated with any purchase option of the Equipment, Products, or Services must always be disclosed in the pricing quote to the applicable Participating Entity at the time of purchase.

A. SHIPPING AND SHIPPING COSTS. All delivered Equipment and Products must be properly packaged. Damaged Equipment and Products may be rejected. If the damage is not readily apparent at the time of delivery, Supplier must permit the Equipment and Products to be

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returned within a reasonable time at no cost to Sourcewell or its Participating Entities. Participating Entities reserve the right to inspect the Equipment and Products at a reasonable time after delivery where circumstances or conditions prevent effective inspection of the Equipment and Products at the time of delivery. In the event of the delivery of nonconforming Equipment and Products, the Participating Entity will notify the Supplier as soon as possible and the Supplier will replace nonconforming Equipment and Products with conforming Equipment and Products that are acceptable to the Participating Entity.

Supplier must arrange for and pay for the return shipment on Equipment and Products that arrive in a defective or inoperable condition.

Sourcewell may declare the Supplier in breach of this Contract if the Supplier intentionally delivers substandard or inferior Equipment or Products.

B. SALES TAX. Each Participating Entity is responsible for supplying the Supplier with valid tax-exemption certification(s). When ordering, a Participating Entity must indicate if it is a tax-exempt entity.

C. HOT LIST PRICING. At any time during this Contract, Supplier may offer a specific selection of Equipment, Products, or Services at discounts greater than those listed in the Contract. When Supplier determines it will offer Hot List Pricing, it must be submitted electronically to Sourcewell in a line-item format. Equipment, Products, or Services may be added or removed from the Hot List at any time through a Sourcewell Price and Product Change Form as defined in Article 4 below.

Hot List program and pricing may also be used to discount and liquidate close-out and discontinued Equipment and Products as long as those close-out and discontinued items are clearly identified as such. Current ordering process and administrative fees apply. Hot List Pricing must be published and made available to all Participating Entities.

4. PRODUCT AND PRICING CHANGE REQUESTS

Supplier may request Equipment, Product, or Service changes, additions, or deletions at any time. All requests must be made in writing by submitting a signed Sourcewell Price and Product Change Request Form to the assigned Sourcewell Supplier Development Administrator. This approved form is available from the assigned Sourcewell Supplier Development Administrator. At a minimum, the request must:

- Identify the applicable Sourcewell contract number;
- Clearly specify the requested change;
- Provide sufficient detail to justify the requested change;

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- Individually list all Equipment, Products, or Services affected by the requested change, along with the requested change (e.g., addition, deletion, price change); and
- Include a complete restatement of pricing documentation in Microsoft Excel with the effective date of the modified pricing, or product addition or deletion. The new pricing restatement must include all Equipment, Products, and Services offered, even for those items where pricing remains unchanged.

A fully executed Sourcewell Price and Product Change Request Form will become an amendment to this Contract and will be incorporated by reference.

5. PARTICIPATION, CONTRACT ACCESS, AND PARTICIPATING ENTITY REQUIREMENTS

A. PARTICIPATION. Sourcewell's cooperative contracts are available and open to public and nonprofit entities across the United States and Canada; such as federal, state/province, municipal, K-12 and higher education, tribal government, and other public entities.

The benefits of this Contract should be available to all Participating Entities that can legally access the Equipment, Products, or Services under this Contract. A Participating Entity's authority to access this Contract is determined through its cooperative purchasing, interlocal, or joint powers laws. Any entity accessing benefits of this Contract will be considered a Service Member of Sourcewell during such time of access. Supplier understands that a Participating Entity's use of this Contract is at the Participating Entity's sole convenience and Participating Entities reserve the right to obtain like Equipment, Products, or Services from any other source.

Supplier is responsible for familiarizing its sales and service forces with Sourcewell contract use eligibility requirements and documentation and will encourage potential participating entities to join Sourcewell. Sourcewell reserves the right to add and remove Participating Entities to its roster during the term of this Contract.

B. PUBLIC FACILITIES. Supplier's employees may be required to perform work at government-owned facilities, including schools. Supplier's employees and agents must conduct themselves in a professional manner while on the premises, and in accordance with Participating Entity policies and procedures, and all applicable laws.

6. PARTICIPATING ENTITY USE AND PURCHASING

A. ORDERS AND PAYMENT. To access the contracted Equipment, Products, or Services under this Contract, a Participating Entity must clearly indicate to Supplier that it intends to access this Contract; however, order flow and procedure will be developed jointly between Sourcewell and Supplier. Typically, a Participating Entity will issue an order directly to Supplier or its authorized subsidiary, distributor, dealer, or reseller. If a Participating Entity issues a purchase order, it may use its own forms, but the purchase order should clearly note the applicable Sourcewell

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contract number. All Participating Entity orders under this Contract must be issued prior to expiration or cancellation of this Contract; however, Supplier performance, Participating Entity payment obligations, and any applicable warranty periods or other Supplier or Participating Entity obligations may extend beyond the term of this Contract.

Supplier's acceptable forms of payment are included in its attached Proposal. Participating Entities will be solely responsible for payment and Sourcewell will have no liability for any unpaid invoice of any Participating Entity.

B. ADDITIONAL TERMS AND CONDITIONS/PARTICIPATING ADDENDUM. Additional terms and conditions to a purchase order, or other required transaction documentation, may be negotiated between a Participating Entity and Supplier, such as job or industry-specific requirements, legal requirements (e.g., affirmative action or immigration status requirements), or specific local policy requirements. Some Participating Entities may require the use of a Participating Addendum; the terms of which will be negotiated directly between the Participating Entity and the Supplier. Any negotiated additional terms and conditions must never be less favorable to the Participating Entity than what is contained in this Contract.

C. SPECIALIZED SERVICE REQUIREMENTS. In the event that the Participating Entity requires service or specialized performance requirements not addressed in this Contract (such as e-commerce specifications, specialized delivery requirements, or other specifications and requirements), the Participating Entity and the Supplier may enter into a separate, standalone agreement, apart from this Contract. Sourcewell, including its agents and employees, will not be made a party to a claim for breach of such agreement.

D. TERMINATION OF ORDERS. Participating Entities may terminate an order, in whole or in part, immediately upon notice to Supplier in the event of any of the following events:

1. The Participating Entity fails to receive funding or appropriation from its governing body at levels sufficient to pay for the equipment, products, or services to be purchased; or
2. Federal, state, or provincial laws or regulations prohibit the purchase or change the Participating Entity's requirements.

E. GOVERNING LAW AND VENUE. The governing law and venue for any action related to a Participating Entity's order will be determined by the Participating Entity making the purchase.

7. CUSTOMER SERVICE

A. PRIMARY ACCOUNT REPRESENTATIVE. Supplier will assign an Account Representative to Sourcewell for this Contract and must provide prompt notice to Sourcewell if that person is changed. The Account Representative will be responsible for:

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- Maintenance and management of this Contract;
- Timely response to all Sourcewell and Participating Entity inquiries; and
- Business reviews to Sourcewell and Participating Entities, if applicable.

B. BUSINESS REVIEWS. Supplier must perform a minimum of one business review with Sourcewell per contract year. The business review will cover sales to Participating Entities, pricing and contract terms, administrative fees, sales data reports, supply issues, customer issues, and any other necessary information.

8. REPORT ON CONTRACT SALES ACTIVITY AND ADMINISTRATIVE FEE PAYMENT

A. CONTRACT SALES ACTIVITY REPORT. Each calendar quarter, Supplier must provide a contract sales activity report (Report) to the Sourcewell Supplier Development Administrator assigned to this Contract. Reports are due no later than 45 days after the end of each calendar quarter. A Report must be provided regardless of the number or amount of sales during that quarter (i.e., if there are no sales, Supplier must submit a report indicating no sales were made).

The Report must contain the following fields:

- Participating Entity Name (e.g., City of Staples Highway Department);
- Participating Entity Physical Street Address;
- Participating Entity City;
- Participating Entity State/Province;
- Participating Entity Zip/Postal Code;
- Participating Entity Contact Name;
- Participating Entity Contact Email Address;
- Participating Entity Contact Telephone Number;
- Sourcewell Assigned Entity/Participating Entity Number;
- Item Purchased Description;
- Item Purchased Price;
- Sourcewell Administrative Fee Applied; and
- Date Purchase was invoiced/sale was recognized as revenue by Supplier.

B. ADMINISTRATIVE FEE. In consideration for the support and services provided by Sourcewell, the Supplier will pay an administrative fee to Sourcewell on all Equipment, Products, and Services provided to Participating Entities. The Administrative Fee must be included in, and not added to, the pricing. Supplier may not charge Participating Entities more than the contracted price to offset the Administrative Fee.

The Supplier will submit payment to Sourcewell for the percentage of administrative fee stated in the Proposal multiplied by the total sales of all Equipment, Products, and Services purchased

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by Participating Entities under this Contract during each calendar quarter. Payments should note the Supplier's name and Sourcewell-assigned contract number in the memo; and must be mailed to the address above "Attn: Accounts Receivable" or remitted electronically to Sourcewell's banking institution per Sourcewell's Finance department instructions. Payments must be received no later than 45 calendar days after the end of each calendar quarter.

Supplier agrees to cooperate with Sourcewell in auditing transactions under this Contract to ensure that the administrative fee is paid on all items purchased under this Contract.

In the event the Supplier is delinquent in any undisputed administrative fees, Sourcewell reserves the right to cancel this Contract and reject any proposal submitted by the Supplier in any subsequent solicitation. In the event this Contract is cancelled by either party prior to the Contract's expiration date, the administrative fee payment will be due no more than 30 days from the cancellation date.

9. AUTHORIZED REPRESENTATIVE

Sourcewell's Authorized Representative is its Chief Procurement Officer.

Supplier's Authorized Representative is the person named in the Supplier's Proposal. If Supplier's Authorized Representative changes at any time during this Contract, Supplier must promptly notify Sourcewell in writing.

10. AUDIT, ASSIGNMENT, AMENDMENTS, WAIVER, AND CONTRACT COMPLETE

A. AUDIT. Pursuant to Minnesota Statutes Section 16C.05, subdivision 5, the books, records, documents, and accounting procedures and practices relevant to this Agreement are subject to examination by Sourcewell or the Minnesota State Auditor for a minimum of six years from the end of this Contract. This clause extends to Participating Entities as it relates to business conducted by that Participating Entity under this Contract.

B. ASSIGNMENT. Neither party may assign or otherwise transfer its rights or obligations under this Contract without the prior written consent of the other party and a fully executed assignment agreement. Such consent will not be unreasonably withheld. Any prohibited assignment will be invalid.

C. AMENDMENTS. Any amendment to this Contract must be in writing and will not be effective until it has been duly executed by the parties.

D. WAIVER. Failure by either party to take action or assert any right under this Contract will not be deemed a waiver of such right in the event of the continuation or repetition of the circumstances giving rise to such right. Any such waiver must be in writing and signed by the parties.

E. CONTRACT COMPLETE. This Contract represents the complete agreement between the parties. No other understanding regarding this Contract, whether written or oral, may be used to bind either party.For any conflict between the attached Proposal and the terms set out in Articles 1-22 of this Contract, the terms of Articles 1-22 will govern.

F. RELATIONSHIP OF THE PARTIES. The relationship of the parties is one of independent contractors, each free to exercise judgment and discretion with regard to the conduct of their respective businesses. This Contract does not create a partnership, joint venture, or any other relationship such as master-servant, or principal-agent.

11. INDEMNITY AND HOLD HARMLESS

Supplier must indemnify, defend, save, and hold Sourcewell and its Participating Entities, including their agents and employees, harmless from any claims or causes of action, including attorneys' fees incurred by Sourcewell or its Participating Entities, arising out of any act or omission in the performance of this Contract by the Supplier or its agents or employees; this indemnification includes injury or death to person(s) or property alleged to have been caused by some defect in the Equipment, Products, or Services under this Contract to the extent the Equipment, Product, or Service has been used according to its specifications. Sourcewell's responsibility will be governed by the State of Minnesota's Tort Liability Act (Minnesota Statutes Chapter 466) and other applicable law.

12. GOVERNMENT DATA PRACTICES

Supplier and Sourcewell must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by or provided to Sourcewell under this Contract and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Supplier under this Contract.

13. INTELLECTUAL PROPERTY, PUBLICITY, MARKETING, AND ENDORSEMENT

A. INTELLECTUAL PROPERTY

1. *Grant of License.* During the term of this Contract:
   a. Sourcewell grants to Supplier a royalty-free, worldwide, non-exclusive right and license to use thetrademark(s) provided to Supplier by Sourcewell in advertising and promotional materials for the purpose of marketing Sourcewell's relationship with Supplier.
   b. Supplier grants to Sourcewell a royalty-free, worldwide, non-exclusive right and license to use Supplier's trademarks in advertising and promotional materials for the purpose of marketing Supplier's relationship with Sourcewell.
2. *Limited Right of Sublicense*. The right and license granted herein includes a limited right of each party to grant sublicenses to their respective subsidiaries, distributors, dealers,

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resellers, marketing representatives, and agents (collectively "Permitted Sublicensees") in advertising and promotional materials for the purpose of marketing the Parties' relationship to Participating Entities. Any sublicense granted will be subject to the terms and conditions of this Article. Each party will be responsible for any breach of this Article by any of their respective sublicensees.

3. *Use; Quality Control.*

a. Neither party may alter the other party's trademarks from the form provided and must comply with removal requests as to specific uses of its trademarks or logos.

b. Each party agrees to use, and to cause its Permitted Sublicensees to use, the other party's trademarks only in good faith and in a dignified manner consistent with such party's use of the trademarks. Upon written notice to the breaching party, the breaching party has 30 days of the date of the written notice to cure the breach or the license will be terminated.

4. As applicable, Supplier agrees to indemnify and hold harmless Sourcewell and its Participating Entities against any and all suits, claims, judgments, and costs instituted or recovered against Sourcewell or Participating Entities by any person on account of the use of any Equipment or Products by Sourcewell or its Participating Entities supplied by Supplier in violation of applicable patent or copyright laws.

5. Termination. Upon the termination of this Contract for any reason, each party, including Permitted Sublicensees, will have 30 days to remove all Trademarks from signage, websites, and the like bearing the other party's name or logo (excepting Sourcewell's pre-printed catalog of suppliers which may be used until the next printing). Supplier must return all marketing and promotional materials, including signage, provided by Sourcewell, or dispose of it according to Sourcewell's written directions.

B. PUBLICITY. Any publicity regarding the subject matter of this Contract must not be released without prior written approval from the Authorized Representatives. Publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Supplier individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Contract.

C. MARKETING. Any direct advertising, marketing, or offers with Participating Entities must be approved by Sourcewell. Send all approval requests to the Sourcewell Supplier Development Administrator assigned to this Contract.

D. ENDORSEMENT. The Supplier must not claim that Sourcewell endorses its Equipment, Products, or Services.

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14. GOVERNING LAW, JURISDICTION, AND VENUE

The substantive and procedural laws of the State of Minnesota will govern this Contract. Venue for all legal proceedings arising out of this Contract, or its breach, must be in the appropriate state court in Todd County, Minnesota or federal court in Fergus Falls, Minnesota.

15. FORCE MAJEURE

Neither party to this Contract will be held responsible for delay or default caused by acts of God or other conditions that are beyond that party's reasonable control. A party defaulting under this provision must provide the other party prompt written notice of the default.

16. SEVERABILITY

If any provision of this Contract is found by a court of competent jurisdiction to be illegal, unenforceable, or void then both parties will be relieved from all obligations arising from that provision. If the remainder of this Contract is capable of being performed, it will not be affected by such determination or finding and must be fully performed.

17. PERFORMANCE, DEFAULT, AND REMEDIES

A. PERFORMANCE. During the term of this Contract, the parties will monitor performance and address unresolved contract issues as follows:

1. *Notification.* The parties must promptly notify each other of any known dispute and work in good faith to resolve such dispute within a reasonable period of time. If necessary, Sourcewell and the Supplier will jointly develop a short briefing document that describes the issue(s), relevant impact, and positions of both parties.
2. *Escalation.* If parties are unable to resolve the issue in a timely manner, as specified above, either Sourcewell or Supplier may escalate the resolution of the issue to a higher level of management. The Supplier will have 30 calendar days to cure an outstanding issue.
3. *Performance while Dispute is Pending*. Notwithstanding the existence of a dispute, the Supplier must continue without delay to carry out all of its responsibilities under the Contract that are not affected by the dispute. If the Supplier fails to continue without delay to perform its responsibilities under the Contract, in the accomplishment of all undisputed work, the Supplier will bear any additional costs incurred by Sourcewell and/or its Participating Entities as a result of such failure to proceed.

B. DEFAULT AND REMEDIES. Either of the following constitutes cause to declare this Contract, or any Participating Entity order under this Contract, in default:

1. Nonperformance of contractual requirements, or
2. A material breach of any term or condition of this Contract.

The party claiming default must provide written notice of the default, with 30 calendar days to cure the default. Time allowed for cure will not diminish or eliminate any liability for liquidated or other damages. If the default remains after the opportunity for cure, the non-defaulting party may:

- Exercise any remedy provided by law or equity, or
- Terminate the Contract or any portion thereof, including any orders issued against the Contract.

18. INSURANCE

A. REQUIREMENTS. At its own expense, Supplier must maintain insurance policy(ies) in effect at all times during the performance of this Contract with insurance company(ies) licensed or authorized to do business in the State of Minnesota having an "AM BEST" rating of A- or better, with coverage and limits of insurance not less than the following:

1. *Workers' Compensation and Employer's Liability.*
Workers' Compensation: As required by any applicable law or regulation.
Employer's Liability Insurance: must be provided in amounts not less than listed below:
Minimum limits:
$500,000 each accident for bodily injury by accident
$500,000 policy limit for bodily injury by disease
$500,000 each employee for bodily injury by disease

2. *Commercial General Liability Insurance.* Supplier will maintain insurance covering its operations, with coverage on an occurrence basis, and must be subject to terms no less broad than the Insurance Services Office ("ISO") Commercial General Liability Form CG0001 (2001 or newer edition), or equivalent. At a minimum, coverage must include liability arising from premises, operations, bodily injury and property damage, independent contractors, products-completed operations including construction defect, contractual liability, blanket contractual liability, and personal injury and advertising injury. All required limits, terms and conditions of coverage must be maintained during the term of this Contract.
Minimum Limits:
$1,000,000 each occurrence Bodily Injury and Property Damage
$1,000,000 Personal and Advertising Injury
$2,000,000 aggregate for Products-Completed operations
$2,000,000 general aggregate

3. *Commercial Automobile Liability Insurance.* During the term of this Contract, Supplier will maintain insurance covering all owned, hired, and non-owned automobiles in limits of liability not less than indicated below. The coverage must be subject to terms

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no less broad than ISO Business Auto Coverage Form CA 0001 (2010 edition or newer), or equivalent.

Minimum Limits:
$1,000,000 each accident, combined single limit

4. *Umbrella Insurance*. During the term of this Contract, Supplier will maintain umbrella coverage over Employer's Liability, Commercial General Liability, and Commercial Automobile.

Minimum Limits:
$2,000,000

5. *Network Security and Privacy Liability Insurance*. During the term of this Contract, Supplier will maintain coverage for network security and privacy liability. The coverage may be endorsed on another form of liability coverage or written on a standalone policy. The insurance must cover claims which may arise from failure of Supplier's security resulting in, but not limited to, computer attacks, unauthorized access, disclosure of not public data – including but not limited to, confidential or private information, transmission of a computer virus, or denial of service.

Minimum limits:
$2,000,000 per occurrence
$2,000,000 annual aggregate

Failure of Supplier to maintain the required insurance will constitute a material breach entitling Sourcewell to immediately terminate this Contract for default.

B. CERTIFICATES OF INSURANCE. Prior to commencing under this Contract, Supplier must furnish to Sourcewell a certificate of insurance, as evidence of the insurance required under this Contract. Prior to expiration of the policy(ies), renewal certificates must be mailed to Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 or sent to the Sourcewell Supplier Development Administrator assigned to this Contract. The certificates must be signed by a person authorized by the insurer(s) to bind coverage on their behalf.

Failure to request certificates of insurance by Sourcewell, or failure of Supplier to provide certificates of insurance, in no way limits or relieves Supplier of its duties and responsibilities in this Contract.

C. ADDITIONAL INSURED ENDORSEMENT AND PRIMARY AND NON-CONTRIBUTORY INSURANCE CLAUSE. Supplier agrees to list Sourcewell and its Participating Entities, including their officers, agents, and employees, as an additional insured under the Supplier's commercial general liability insurance policy with respect to liability arising out of activities, "operations," or "work" performed by or on behalf of Supplier, and products and completed operations of Supplier. The policy provision(s) or endorsement(s) must further provide that coverage is

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primary and not excess over or contributory with any other valid, applicable, and collectible insurance or self-insurance in force for the additional insureds.

D. WAIVER OF SUBROGATION. Supplier waives and must require (by endorsement or otherwise) all its insurers to waive subrogation rights against Sourcewell and other additional insureds for losses paid under the insurance policies required by this Contract or other insurance applicable to the Supplier or its subcontractors. The waiver must apply to all deductibles and/or self-insured retentions applicable to the required or any other insurance maintained by the Supplier or its subcontractors. Where permitted by law, Supplier must require similar written express waivers of subrogation and insurance clauses from each of its subcontractors.

E. UMBRELLA/EXCESS LIABILITY/SELF-INSURED RETENTION. The limits required by this Contract can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies), or self-insured retention.

19. COMPLIANCE

A. LAWS AND REGULATIONS. All Equipment, Products, or Services provided under this Contract must comply fully with applicable federal laws and regulations, and with the laws in the states and provinces in which the Equipment, Products, or Services are sold.

B. LICENSES. Supplier must maintain a valid and current status on all required federal, state/provincial, and local licenses, bonds, and permits required for the operation of the business that the Supplier conducts with Sourcewell and Participating Entities.

20. BANKRUPTCY, DEBARMENT, OR SUSPENSION CERTIFICATION

Supplier certifies and warrants that it is not in bankruptcy or that it has previously disclosed in writing certain information to Sourcewell related to bankruptcy actions. If at any time during this Contract Supplier declares bankruptcy, Supplier must immediately notify Sourcewell in writing.

Supplier certifies and warrants that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Supplier certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this Contract. Supplier further warrants that it will provide immediate written notice to Sourcewell if this certification changes at any time.

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21. PROVISIONS FOR NON-UNITED STATES FEDERAL ENTITY PROCUREMENTS UNDER UNITED STATES FEDERAL AWARDS OR OTHER AWARDS

Participating Entities that use United States federal grant or FEMA funds to purchase goods or services from this Contract may be subject to additional requirements including the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 C.F.R. § 200. Participating Entities may have additional requirements based on specific funding source terms or conditions. Within this Article, all references to "federal" should be interpreted to mean the United States federal government. The following list only applies when a Participating Entity accesses Supplier's Equipment, Products, or Services with United States federal funds.

A. EQUAL EMPLOYMENT OPPORTUNITY. Except as otherwise provided under 41 C.F.R. § 60, all contracts that meet the definition of "federally assisted construction contract" in 41 C.F.R. § 60-1.3 must include the equal opportunity clause provided under 41 C.F.R. §60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 C.F.R. §, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 C.F.R. § 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor." The equal opportunity clause is incorporated herein by reference.

B. DAVIS-BACON ACT, AS AMENDED (40 U.S.C. § 3141-3148). When required by federal program legislation, all prime construction contracts in excess of $2,000 awarded by non-federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. § 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 C.F.R. § 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-federal entity must report all suspected or reported violations to the federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations (29 C.F.R. § 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-federal entity must report all suspected or reported violations to the federal awarding agency. Supplier must be in compliance with all applicable Davis-Bacon Act provisions.

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C. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 U.S.C. § 3701-3708). Where applicable, all contracts awarded by the non-federal entity in excess of $100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. § 5). Under 40 U.S.C. § 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. § 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence. This provision is hereby incorporated by reference into this Contract. Supplier certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

D. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT. If the federal award meets the definition of “funding agreement” under 37 C.F.R. § 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 C.F.R. § 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency. Supplier certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

E. CLEAN AIR ACT (42 U.S.C. § 7401-7671Q.) AND THE FEDERAL WATER POLLUTION CONTROL ACT (33 U.S.C. § 1251-1387). Contracts and subgrants of amounts in excess of $150,000 require the non-federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. § 7401- 7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251- 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA). Supplier certifies that during the term of this Contract will comply with applicable requirements as referenced above.

F. DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689). A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. §180 that implement Executive Orders 12549 (3 C.F.R. § 1986 Comp., p. 189) and 12689 (3 C.F.R. § 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names

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of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. Supplier certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

G. BYRD ANTI-LOBBYING AMENDMENT, AS AMENDED (31 U.S.C. § 1352). Suppliers must file any required certifications. Suppliers must not have 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. Suppliers must 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 non-federal award. Suppliers must file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352).

H. RECORD RETENTION REQUIREMENTS. To the extent applicable, Supplier must comply with the record retention requirements detailed in 2 C.F.R. § 200.333. The Supplier further certifies that it will retain all records as required by 2 C.F.R. § 200.333 for a period of 3 years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

I. ENERGY POLICY AND CONSERVATION ACT COMPLIANCE. To the extent applicable, Supplier must comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

J. BUY AMERICAN PROVISIONS COMPLIANCE. To the extent applicable, Supplier must comply with all applicable provisions of the Buy American Act. Purchases made in accordance with the Buy American Act must follow the applicable procurement rules calling for free and open competition.

K. ACCESS TO RECORDS (2 C.F.R. § 200.336). Supplier agrees that duly authorized representatives of a federal agency must have access to any books, documents, papers and records of Supplier that are directly pertinent to Supplier's discharge of its obligations under this Contract for the purpose of making audits, examinations, excerpts, and transcriptions. The right also includes timely and reasonable access to Supplier's personnel for the purpose of interview and discussion relating to such documents.

L. PROCUREMENT OF RECOVERED MATERIALS (2 C.F.R. § 200.322). A non-federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation

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and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. § 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

M. FEDERAL SEAL(S), LOGOS, AND FLAGS. The Supplier not use the seal(s), logos, crests, or reproductions of flags or likenesses of Federal agency officials without specific pre-approval.

N. NO OBLIGATION BY FEDERAL GOVERNMENT. The U.S. federal government is not a party to this Contract or any purchase by an Participating Entity and is not subject to any obligations or liabilities to the Participating Entity, Supplier, or any other party pertaining to any matter resulting from the Contract or any purchase by an authorized user.

O. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS. The Contractor acknowledges that 31 U.S.C. 38 (Administrative Remedies for False Claims and Statements) applies to the Supplier's actions pertaining to this Contract or any purchase by a Participating Entity.

P. FEDERAL DEBT. The Supplier certifies that it is non-delinquent in its repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowance, and benefit overpayments.

Q. CONFLICTS OF INTEREST. The Supplier must notify the U.S. Office of General Services, Sourcewell, and Participating Entity as soon as possible if this Contract or any aspect related to the anticipated work under this Contract raises an actual or potential conflict of interest (as described in 2 C.F.R. Part 200). The Supplier must explain the actual or potential conflict in writing in sufficient detail so that the U.S. Office of General Services, Sourcewell, and Participating Entity are able to assess the actual or potential conflict; and provide any additional information as necessary or requested.

R. U.S. EXECUTIVE ORDER 13224. The Supplier, and its subcontractors, must comply with U.S. Executive Order 13224 and U.S. Laws that prohibit transactions with and provision of resources and support to individuals and organizations associated with terrorism.

S. PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT. To the extent applicable, Supplier certifies that during the term of this Contract it will comply with applicable requirements of 2 C.F.R. § 200.216.

T. DOMESTIC PREFERENCES FOR PROCUREMENTS. To the extent applicable, Supplier certifies that during the term of this Contract will comply with applicable requirements of 2 C.F.R. § 200.322.

22. CANCELLATION

Sourcewell or Supplier may cancel this Contract at any time, with or without cause, upon 60 days' written notice to the other party. However, Sourcewell may cancel this Contract immediately upon discovery of a material defect in any certification made in Supplier's Proposal. Cancellation of this Contract does not relieve either party of financial, product, or service obligations incurred or accrued prior to cancellation.

Sourcewell

By: DocuSigned by: Jeremy Schwartz C0FD2A139D06489...
Jeremy Schwartz
Title: Chief Procurement Officer
Date: 11/4/2021 | 1:28 PM CDT

72 Hour LLC dba: National Auto Fleet Group

By: DocuSigned by: Jesse Cooper FACBB5730C1E467...
Jesse Cooper
Title: Fleet Manager
Date: 11/4/2021 | 10:46 AM CDT

Approved:

By: DocuSigned by: Chad Coauette 7E42B8F817A64CC...
Chad Coauette
Title: Executive Director/CEO
Date: 11/4/2021 | 1:34 PM CDT

RFP 091521 - Automobiles, SUVs, Vans, and Light Trucks with Related Equipment and Accessories

Vendor Details

Company Name:	72 HOUR LLC
Does your company conduct business under any other name? If yes, please state:	National Auto Fleet Group
Address:	490 Auto Center Drive Watsonville, CA 95076
Contact:	Jesse Cooper
Email:	Jcooper@nationalautofleetgroup.com
Phone:	951-440-0585
Fax:	831-840-8497
HST#:	263297677

Submission Details

Created On:	Tuesday August 24, 2021 16:34:10
Submitted On:	Tuesday September 14, 2021 14:10:21
Submitted By:	Jesse Cooper
Email:	Jcooper@nationalautofleetgroup.com
Transaction #:	d2e890de-e761-4f47-9b23-bef3d512bd76
Submitter's IP Address:	76.81.241.2

Specifications

Table 1: Proposer Identity & Authorized Representatives

General Instructions (applies to all Tables) Sourcewell prefers a brief but thorough response to each question. Do not merely attach additional documents to your response without also providing a substantive response. Do not leave answers blank; respond “N/A” if the question does not apply to you (preferably with an explanation).

Line Item	Question	Response *	
1	Proposer Legal Name (one legal entity only): (In the event of award, will execute the resulting contract as "Supplier")	72 Hour LLC	*
2	Identify all subsidiary entities of the Proposer whose equipment, products, or services are included in the Proposal.	WCAF, LLC WCDJR, LLC Alan Jay Automotive Inc	*
3	Identify all applicable assumed names or DBA names of the Proposer or Proposer's subsidiaries in Line 1 or Line 2 above.	NAFG has numerous subsidiaries and DBA's including but not limited to: National Auto Fleet Group, Chevrolet of Watsonville, Watsonville Ford Watsonville CDJR Watsonville Fleet Group Alan Jay Chrysler Jeep Inc Alan Jay Chevrolet, Cadillac Alan Jay Buick, GMC Alan Jay Auto Outlet Clewiston Motor Company, Inc Alan Jay Chrysler Dodge Ram Jeep Alan Jay Lincoln Alan Jay Ford Alan Jay Nissan Alan Jay Toyota	*
4	Proposer Physical Address:	490 Auto Center Drive Watsonville, CA 95076	*
5	Proposer website address (or addresses):	www.NationalAutoFleetGroup.com	*
6	Proposer's Authorized Representative (name, title, address, email address & phone) (The representative must have authority to sign the “Proposer’s Assurance of Compliance” on behalf of the Proposer and, in the event of award, will be expected to execute the resulting contract):	Jesse Cooper Fleet Manager 1-855-289-6572 490 Auto Center Drive Watsonville, CA 95076 Jcooper@nationalautofleetgroup.com	*
7	Proposer's primary contact for this proposal (name, title, address, email address & phone):	Jesse Cooper Fleet Manager 1-855-289-6572 490 Auto Center Drive Watsonville, CA 95076 Jcooper@nationalautofleetgroup.com	*
8	Proposer's other contacts for this proposal, if any (name, title, address, email address & phone):	Clarke Cooper Fleet Manger 1-855-289-6572 490 Auto Center Drive Watsonville, CA 95076 ClarkeCooper@watsonvillefleetgroup.com	

Table 2: Company Information and Financial Strength

Line Item	Question	Response *	

9	Provide a brief history of your company, including your company's core values, business philosophy, and industry longevity related to the requested equipment, products or services.	National Auto Fleet Group started as a new division of 72 Hour LLC, in the summer of 2010 in the heart of Southern California. We began our network with a single automobile dealership and have now grown our network to encompass numerous dealerships located in and outside of California. We stand by providing opportunities for advancement by hiring and promoting from within our organization. Many of the Fleet Managers who started with us in 2010 are still with us today. Through the years, we have evolved and adapted to the new technology driven trends that are revolutionizing the automotive industry today. However, our brand's fundamental core values have remained unchanged – We are committed to do right for the members. If we take care of them, they will in return take care of us. National Auto Fleet Group's operational blueprint and business philosophy has always been the "4 RIGHT's" for every member: We deliver the RIGHT vehicle, at the RIGHT time, to the RIGHT place at the RIGHT price. The integrity of our business stems on our deep family roots in the automotive industry. We are and always will be family owned and operated with our future generations already in their infant stages today. We are committed to pioneering our industry for decades to come.	*
10	What are your company's expectations in the event of an award?	If awarded, this would be our 5th Sourcewell Contract and we would execute as such. We will continue to serve your members and provide them with excellent customer service while continuing to advance customer satisfaction. Along with implementing new business growth strategies that will ultimately launch us into new heights once again. Furthermore, we will launch our Partner Program detailed in the attached "marketing Plan Compressed" Zip file. This next generation application will give members the power to select upfitters they would like NAFG to partner with in providing satisfactory quotes and service. We see tremendous value in building out these mutually beneficial partnerships, so we can provide 100% satisfactory turnkey solutions to the members.	*
11	Demonstrate your financial strength and stability with meaningful data. This could include such items as financial statements, SEC filings, credit and bond ratings, letters of credit, and detailed reference letters. Upload supporting documents (as applicable) in the document upload section of your response.	To demonstrate NAFG's financial strength and stability, we have uploaded Bank Commitment letters under the Financial Strength Section of the online application. We have a direct line of credit of $52,000,00.00 that we are currently utilizing with our current and past Sourcewell Contracts. However, this number is not capped as we have the freedom to extend the cap to accommodate the revolving needs of the members. Referenced below is a short register of some of our market success from awarded government contracts that encompass over $140,000,000.00 worth of products and goods under our current Sourcewell Contract. A. City of San Diego, CA $ 72,000,000 contract under our Sourcewell Contract 120716-NAF. B. City of San Diego, CA $ 55,400,000 contract under our Sourcewell Contract 081716-NAF. C. Government Fleet Article Highlighting our transaction with the City of San Diego, CA procuring over 100 Police vehicles through NAFG Sourcewell Contract 120716-NAF. D. City of Los Angeles World Airports, CA Contract for $ 24,003,500 under Sourcewell Contract 120716-NAF for the procurement of 400 vehicles. E. City of Los Angeles Harbor, CA Contract Extension to $ 4,500,000 contract under Sourcewell Contract 120716-NAF. F. City of Los Angeles Harbor, CA Contract for $1,500,000 under our Sourcewell Contract 120716-NAF. G. City of Los Angeles Harbor, CA Renewal for another $ 1,500,000 under Sourcewell Contract Class 6, 7 and 8 Contract 081716-NAF. H. City of Costa Mesa, CA Contract $1,023,220 under our Sourcewell Contract 120716-NAF. I. Blanket Contracts with the State of Maryland, MD off our current Class 6, 7 and 8 Chassis Contract 081716-NAF. J. Blanket Contracts with the State of Maryland, MD off our Current Sourcewell Contract 120716-NAF. We have also attached our Commitment Letter's for unparallel support from leading nationally recognized upfit suppliers such The Knapheide Manufacturing Company. Along with regional suppliers such as Brand FX and Phenix Truck Body located in Southern California serve as regional support locations, whom we often work alongside to fulfill all member needs with past, present, and future orders with NAFG. Included are also Upfitter Recommendation letters to illustrate how National Auto Fleet Group has taken a proactive interest in building mutually beneficial relationship with our upfitters. Mutuality and reciprocity relationships between body companies and our dealer's are two of the key components that help members receive what they need in a smooth and efficient fashion. In addition, the adoption of our Class 6, 7, and 8 Contract from Anne Arundel County in the state of Maryland is as an example of how National Auto Fleet Group attracts and retains new clients by demonstrating to them there's a better and more efficient way of finding turnkey solutions. Lastly, we have attached supporting documents that help emphasize and exemplify our growth since our first awarded Sourcewell Contract in 2012. We sincerely hope it helps portray our commitment to building lifelong rapport and trust with our partner upfitters and members.	*
12	What is your US market share for the solutions that you are proposing?	. Of our respective brands and OEM's we represent, the US market share is estimated to be 60 – 75%.	*
13	What is your Canadian market share for the solutions that you are proposing?	It is difficult to estimate the market share for the brands and OEM's we represent, however we estimate that it should be the same 60 -75 % of the US share.	*
14	Has your business ever petitioned for bankruptcy protection? If so, explain in detail.	No.	*

15	How is your organization best described: is it a manufacturer, a distributor/dealer/reseller, or a service provider? Answer whichever question (either a) or b) just below) best applies to your organization. a) If your company is best described as a distributor/dealer/reseller (or similar entity), provide your written authorization to act as a distributor/dealer/reseller for the manufacturer of the products proposed in this RFP. If applicable, is your dealer network independent or company owned? b) If your company is best described as a manufacturer or service provider, describe your relationship with your sales and service force and with your dealer network in delivering the products and services proposed in this RFP. Are these individuals your employees, or the employees of a third party?	National Auto Fleet Group is a dealer network best categorized as "A" - Distributer/Dealer/Reseller and Dealer Partner for (15) OEM Manufacturers including Ford Motor Company, Chevrolet, RAM, GMC, Buick, Chrysler, Dodge, Jeep, Toyota, Nissan, KIA, BMW, Honda, Cadillac and Volkswagen, All orders are placed with the franchised dealer and ultimately titled directly to the member. All appropriate certification certificates and authorized DMV/Factory licenses may be found in the "Related Certification" section uploaded to this RFP. It should be noted we do not sell used equipment to members.	*
16	If applicable, provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held, by your organization (including third parties and subcontractors that you use) in pursuit of the business contemplated by this RFP.	Required licenses include a Dealer's License, a Franchise issued by the Manufacture, a Department of Motor Vehicles License, as well as a Reseller's permit license. All which NAFG and Dealer Partner's hold. Please review our attachment documents in section "Related Certification" for licenses that we either solely own or are jointly owned by our partner dealers that pertain to this RFP. A list of all our licenses are below, some of which may not pertain to class 1-3 but to class 4-8. CA Certificate of Good Standing 200824810190 State of Florida License Certificates: VF/1000974/4 VF/1000950/1 VF/1046516/1 VF/1024619/2 VF/1024619/1 VF/1018615/1 VF/1021891/1 VF/1000974/3 VF/1105916/1 VF/1020705/1 VF/1000969/1 CA State Seller's Permit 101-135239 CA State Seller's Permit 245364864-00001 Department of Motor Vehicle, Vehicle Dealer/ License Number 97772 Department of Motor Vehicle, Vehicle Dealer License Number 97771 Department of Motor Vehicle, Vehicle Dealer License Number 43609 Bureau of Automotive repair Registration # ARD00296319 123120 CA State Seller's Permit 232781952-00001 City of Watsonville Business License Number 1792 City of Watsonville Business License Number 4358 Fictitious Business Names from Santa Cruz County for National Auto Fleet Group FBN: 2017-0000138 California General Resale Certificate Dun & Bradstreet Number: 023680653 Government of The District of Columbia Certificate Government of the District of Columbia Tax Registration # 7815888160711 City of Los Angeles Tax Registration Government of The District of Columbia CLEAN HANDS CERTIFICATION San Diego Freightliner Seller's Permit Commonwealth of Virginia State Corporation Commission Certificate State of Maryland Good Standing Certificate Kansas Department of Revenue for Kansas City Peterbilt New Jersey Department of Treasury Registration Certificate New Jersey Business Registration Notice of Compliance of the Canton City Codified Ordinance Employee Information Report for the State of New Jersey State of Maryland New Sales and Use tax License CA State Seller's Permit 98-037902 00006 South Carolina Department of Motor Vehicles License Number 36133 State of South Carolina Retail License Commonwealth of Kentucky Vehicle Dealer License 1583 20 100 State of West Virginia Dealer License Commonwealth of Kentucky Vehicle Dealer License 1581 20 036 State of Tennessee Vehicle Dealer License	*
17	Provide all "Suspension or Debarment" information that has applied to your organization during the past ten years.	Not Applicable, none.	*

Table 3: Industry Recognition & Marketplace Success

Line Item	Question	Response *	
18	Describe any relevant industry awards or recognition that your company has received in the past five years	National Auto Fleet Group's received its most prestigious award for Top Placement within Ford Motor Company as the leading dealership in Government Sales. In addition, our Chevrolet brand was highly ranked and honored 4/5 consecutive years by General Motors.	*
19	What percentage of your sales are to the governmental sector in the past three years	Within our fleet division, 90% of our contracts within the past three years have been with government accounts.	*
20	What percentage of your sales are to the education sector in the past three years	Within the past 3 years 90% of our sales have been to government accounts, 20% of which are within the education sector.	*
21	List any state, provincial, or cooperative purchasing contracts that you hold. What is the annual sales volume for each of these contracts over the past three years?	We hold the State of California contract with volumes from 200 to 500 units a year over the past three years. In addition, our Sourcewell Contract's 091219, 081716 and 120716 that we have maintained over the past three years has sold combined north of 400 million of Combined Quarterly Sales.	*
22	List any GSA contracts or Standing Offers and Supply Arrangements (SOSA) that you hold. What is the annual sales volume for each of these contracts over the past three years?	National Auto Fleet Group's focus lies on the Sourcewell Contract. NAFG holds no other GSA contract, Standing Offers, or Supply Arrangements other than the State of California contract. Our annual sales volume is estimated to be north of $200 million.	*

Table 4: References/Testimonials

Line Item 23. Supply reference information from three customers who are eligible to be Sourcewell participating entities.

Entity Name *	Contact Name *	Phone Number *	
Port of Los Angeles, CA	Mr. Dave Comer	310-72-3794	*
County of Venture, CA	Mr. Jorge Bnilla	805-672-2044	*
City of Austin, TX	Mr. Matt Sager	512-978-2637	*
County of San Joaquin, CA	Mr. David Myers	209-468-9745	
City of Palo Alto, CA	Ms. Danitra Bahlman	650-496-5920	

Table 5: Top Five Government or Education Customers

Line Item 24. Provide a list of your top five government, education, or non-profit customers (entity name is optional), including entity type, the state or province the entity is located in, scope of the project(s), size of transaction(s), and dollar volumes from the past three years.

Entity Name	Entity Type *	State / Province *	Scope of Work *	Size of Transactions *	Dollar Volume Past Three Years *	
City of Austin	Government	Texas - TX	Purchaser	10-15 Vehicles at once, Vans and SUVs	Over 1M	*
Los Angeles Department of Water and Power	Government	California - CA	Purchaser	Over 120 Vehicles, Vans and SUVs	Over 3M	*
Port of Los Angeles	Government	California - CA	Purchaser	Over 80 Trucks, Vans and SUVs	Over 2M	*
Anne Arundel County	Government	Maryland - MD	Purchaser	Over 40 Trucks, Vans and SUVs	Over 1M	*
City of San Diego	Government	California - CA	Purchaser	Over 500 Trucks, Vans, SUV'	Over 15M	*

Table 6: Ability to Sell and Deliver Service

Describe your company's capability to meet the needs of Sourcewell participating entities across the US and Canada, as applicable. Your response should address in detail at least the following areas: locations of your network of sales and service providers, the number of workers (full-time equivalents) involved in each sector, whether these workers are your direct employees (or employees of a third party), and any overlap between the sales and service functions.

Line Item	Question	Response *	
25	Sales force.	Our sales force consists of direct and an indirect sales force. Our direct sales force consists of direct employees and partner dealers, which exceeds an employee count of 300 personnel both full time and part time. Many of our sales force are spread across the US and we leverage our relationships with our larger class dealerships to service the members lower class vehicle needs as well. A cross sales force. These individuals help support our dealerships and NAFG Fleet Division directly. On the other hand, our indirect sales force made up of upfitters and partner suppliers consists of over 100 personnel with our partner network and sales force growing annually. With both direct and indirect sales force staff working together, NAFG has been able to successfully grow, maintain and service the demand of the members. As the number of your members grow, we will continuously welcome more staff to not only meet customer demand, but also to exceed customer expectations.	*

26	Dealer network or other distribution methods.	Our franchise network in Canada and the U.S. is fortunately second to none. Our 15 proposed OEMS previously mentioned, all of which have established a presence nationwide with factory stores strategically placed where all members can receive service and complete warranty repairs with their respective products. Simple put the North American and Canadian automobile supply chain network is one of the best in the world. Of the 15 brands we represent, the OEMs have put in place a dealer network across all 50 states that will allow us to best serve all members.	*
27	Service force.	The 15 manufactures we represent have thousands of service locations that would be easily accessible to all your members. Service centers and warranty repair facilities for all 15 OEMs are ample and ready to help service our members and their needs. However, Alaska and Hawaii may be exceptions as they may have farther distances between franchises where members can utilize the repair services.	*
28	Describe the ordering process. If orders will be handled by distributors, dealers or others, explain the respective roles of the Proposer and others.	The member may order their vehicles by navigating to our website, www.NationalAutoFleetGroup.com and going through the step-by-step process to generate an online quote or by calling one of our representatives at 855-289-6572 or by sending NAFG an email at Fleet@NationalAutoFleetGroup.com. Orders are then processed directly to the manufacturer who will work to supply the vehicle to the ship-to location for upfittinig or end user desired delivery location.	*
29	Describe in detail the process and procedure of your customer service program, if applicable. Include your response-time capabilities and commitments, as well as any incentives that help your providers meet your stated service goals or promises.	To best demonstrate our Customer Service program, kindly reference the ZIP file “Member Walk Through” that is attached in the Additional Documents folder. Please begin with and review in order that is explained below: How Members Can Get Quotes Online: A member can obtain most quotes by visiting our website www.NationalAutoFleetGroup.com where a simple one step form is needed for registration. This is to protect the price information from nonmembers. Once a member registers they will receive an automated welcome email with a demo video on how to use our site. Members will gain access to there very own dashboard which will house all there quotes in one safe secure login. Member’s can select which brand they are looking for and model year. Our site shows all the categories the brand offers such as: Cars, Vans, SUV’s Trucks and Chassis Cabs. Members will then be able to drill down for the right selection by picking from the filter menu of what cab there looking for (Regular, Extended or Crew) to 2 wheel or 4 wheel drive down to the bed length there looking for. All factory options are then presented for the member to select from, this will show all current factory orderable options, taking the guess work out for the member. Once a member selects a desire build, they will see there Sourcewell Price report showing the MSRP, there contract price, the saving in real dollars and as a percentage. In the PDF example you can see a saving of $ 9,175.96 of 22.345% to the member showing a significant savings. Members then can chose to add extra’s to there order like extra keys’ service manuals, sales tax and even request an upfit to be added to there quote. Lastly they will be given a complete turn key quote package to print which will include there customized Quote ID, Description and Specifications of what they built. How Members and Upfitters can Partner with NAFG: Our dedicated website www.NAFGPartner.com was built to accommodate the member who would like a certain upfitter to upfit there vehicles. It was also built for upfitters to have a place to go where they can find information on how to partner with NAFG to better serve there local members. Example of A Member with Upfit Quote: This is an example of how we use our Cab Chassis and combine them with an upfit to provide a turnkey solution for the member in a simple to follow format. ETA System for Members Walk Through: This is where members can easily come to our website, the same website they built there chassis on and track there order like they would a UPS package. We have a very simple display on our homepage “Track your order” where members can enter one of the following: Purchase Order Number, Quote ID, Upfit Quote ID or vin to easily see there in the process there particular order is in. Courtesy Confirmation Explained: After NAFG receives an order from a Member, we always like to send them a Courtesy Confirmation. This is were the member will double check some particulars on there order like, Color, Quantity, Upfit and Specification’s are all correct before order placement. We also like to ask for title information at this point so we can help process the paperwork at delivery promptly. Factory Order Cut Off Notices: Here is were we like to highlight were members can access any upcoming factory order cut off dates. We walk them through the process step by step to ensure everyone knows the upcoming order cut off date, we even print this information (if known at the time) right on the cover page of there quotes. Validation Walk Through Example: To demonstrate a price validation, we show what a member would see when they build a truck on our site. At check out the member would see the Total Configured MSRP of $ 35,730.00, A Sourcewell Price of $ 27,331.68, Total Saving of $ 8,398.32 or 23.505% for a 2020 F-250 followed by the pricing page which shows the Minimum Discount of at least 18.50%. As you see we provided an additional 5% discount on top of the 18.50% contract discount. This would be the case in most instances.	*
30	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in the United States.	Our willingness and ability to service members nationwide is unparalleled. We have dedicated staff 5 days a week, from 7am to 7pm standing by ready to assist any member help find the best solution for there needs even if helping assist them to the best Sourcewell Contract that could be a solution. We have a dedicated live chat feature on our online quote generating website in case any member has any trouble at all in building there quotes. NAFG has established a chain of suppliers who are at the ready to serve if called upon by any member. We are here to help.	*
31	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in Canada.	We are willing and eager to soon extend our business model and network into Canada. We believe partnering with local Canadian based dealer groups is key to success in the Canadian market. NAFG’s competitive pricing as well as a simple US Dollar to Canadian conversation will help NAFG expand into the Canadian market for participating Sourcewell members.	*
32	Identify any geographic areas of the United States or Canada that you will NOT be fully serving through the proposed contract.	National Auto Fleet Group will handle servicing 100% of all geographic areas located in the United States. Although it is unclear what unseen obstacles we may face in Canada, NAFG is committed to building the same model to service Canada and providing the same level of customer satisfaction, service, and care as in the United States.	*

33	Identify any Sourcewell participating entity sectors (i.e., government, education, not-for-profit) that you will NOT be fully serving through the proposed contract. Explain in detail. For example, does your company have only a regional presence, or do other cooperative purchasing contracts limit your ability to promote another contract?	NAFG will continue to service all Sourcewell Members through our 24 hour a day, 7 days a week online portal with the exclusion of Non-Profits. Unfortunately, Non-Profits are often not eligible for the same discount's government entities are qualified for. However, Non-Profits are subject to a different pricing program and will be evaluated on a case to case basis.	*
34	Define any specific contract requirements or restrictions that would apply to our participating entities in Hawaii and Alaska and in US Territories.	The only possible logistical constraints we may face is the shipping constraints for shipments arriving in Alaska, Hawaii and US Territories. For example, we often provide members in Alaska or Hawaii with vehicles that often have upfits. To circumvent this potential issue, members allow us to add these extra shipping and port costs to their quotes.	*

Table 7: Marketing Plan

Line Item	Question	Response *	
35	Describe your marketing strategy for promoting this contract opportunity. Upload representative samples of your marketing materials (if applicable) in the document upload section of your response.	National Auto Fleet Group encompasses a variety of marketing strategies to promote our products and services to streamline the vehicle purchasing process for government entities. Below are a few strategies used to serve as the gateway between our business and public agencies. Website and Inbound Marketing: The creation of a professional customer-focused website is one of our main features to market our products and services. The NAFG website encourages our members to interact and browse through products offered along with pricing and information about National Auto Fleet Group. Inbound marketing is created when potential members are directed to the company website. With this method, we are able to not only connect with members but to put the purchasing ability into the hands of each member. Our inbound marketing strategy attracts members by creating valuable content and experiences tailored to the needs of each individual. Examples include email campaign flyers on our products, informative and how-to videos, social media and engaging members with top-notched customer service to build brand awareness. Email Marketing: One of the main strategies used to engage current and potential members is Email Marketing. Our emails include different types of flyers that consist of information of the Sourcewell contract, promoting manufacturer brands, holiday themed flyers, discounts offered to first time buyers, important cutoff date reminders and upcoming products and events. The use of marketing campaigns plays a major role in enhancing the growth of our client database. Emails are a big part of our daily lives due to government agency employees utilizing emails as their main source of communication. We use campaigner.com as the emailing platform to reach our target members. Videos and descriptive images are used on all flyers and are compatible with a desktop or mobile device. Messages are short and to the point with links leading to the Sourcewell and NAFG homepage. The Campaigner email system allows the ability to track email activity based on open rate, unsubscribes and link clicks which is beneficial to understanding email effectiveness. Once potential members are directed to our website, they are welcomed with a wide range of options to explore an array of our products and services. They are able to register to become a member, view pricing, explore available in-stock vehicles, view how-to-videos, build a vehicle online to request an immediate quote or use our live chat assistant or call/email for live support. Face to Face Marketing Strategies: This strategy has proven to be successful in generating leads and creating lasting relationships by developing genuine connections with prospective members. National Auto Fleet Group attends several trades shows per year to engage members and put a face to the company. This in person meeting aids to build the brand by nurturing relationships between members and other vendors associated through the process. Trade shows attended include GFX, IAPPO, NIGP, ACT, CAPPO, and CASBO throughout the United States. NAFG has many opportunities to make in person presentations to propose products, services offered and to answer any questions potential members may have. These PowerPoint Presentations include topics on NAFG/Sourcewell process, how to facilitate the vehicle purchasing without bidding, informational videos, and the brands and services we provide. These meetings have been held at local cities, counties, school districts, water districts and ports. Relationship Marketing is a vital strategy used in building and maintaining long-term relationships practiced by National Auto Fleet Group on a daily basis. NAFG strives to create a positive and supportive connection with members by providing personalized and responsive customer service practices. The sales team has worked tirelessly to focus on providing outstanding customer support to create a powerful rapport with existing and new members. By going above and beyond, they have enhanced existing relationships and executed customer loyalty with repeat businesses. They strive to deviate from the "Car Salesperson" mentality which is 100% sales driven to a more product and customer service approach by instilling a sense of confidence in our clients. The goal is to regularly assist clients and address any needs and concerns even after the purchase has occurred. The strive to focus on solution selling vs. product selling develops into a mutually beneficial agreement for members and the business. Below are a few examples on successful relationship marketing from our Fleet Department: We had a member call in to request financing/lease options for a truck needed through our National Auto Fleet Group/Sourcewell vehicle contract. I contacted another Sourcewell vendor, Matt Geiselhart from NCL Gov Capital and he was happy to assist with a financing quote. The member also requested to trade in a current vehicle in their fleet and was directed to Govdeals for assistance in removing the outdated unit through an auction. The member was able to utilize three Sourcewell contracts to complete his transaction which simplified the entire process. The member was very satisfied with the amount of care and ease through his experience and became a repeat customer. By utilizing a cross-selling strategy, National Auto Fleet Group became his one stop shop to fulfill all fleet vehicle purchasing needs. "I had a member call in desperate to obtain a new truck because an employee had gotten into a serious accident and had the truck totaled. Due to covid restrictions, most manufacturers are currently experiencing microchip shortages which relays to production delays at the factory. We were able to direct buyer to our in-stock inventory on the NAFG website and member was ecstatic to locate truck to meet their needs. Instead of having to wait 30 weeks to receive the new vehicle, member was able to obtain the new truck within 3 weeks."	*

"I once had a member contact us two years after purchasing a vehicle from us. They had a malfunction with the liftgate on the box truck which caused a logistical nightmare. I was able to contact one of our body vendors that upfitted the lift gate installation and a service technician was able to go onsite to resolve the liftgate issue at no additional cost. The member was very impressed with the quality of our customer service even after purchase. "

"I had a member request a ¾ ton truck pricing but was unsure about their budget at the time. I took the time to go through each option with the client to provide a Sourcewell pricing quote through multiple manufacturers from Ram, Chevrolet and Ford. This empowered the member to have multiple pricing options for review to align with their budget as well as eliminating the need to shop anywhere else. "

"We work with many body companies to assist customers with the body upfitting process. One of our members called in a request to expedite a particular vehicle that was held up at one of their local body upfitters. I contacted the body company representative and put in a request to expedite the upfitting per request of the member. The body company was able to comply with the request and delivery was made sooner than expected."

Word-of-Mouth Marketing: The positive quality of service has led to more sales based on previous customers' impressions on their experience. NAFG's goal is to provide exemplary customer service throughout the entire purchasing process to encourage repeat business and advocate services to other members. NAFG has been fortunate to experience multiple instances of leads generated based solely on word-of-mouth marketing though our existing customers.

Cross-promotion: National Auto Fleet Group is currently collaborating with another Sourcewell Vendor, NCL Government Capital to promote each other's products and services. NCL Government Capital specializes in providing competitive equipment financing programs for municipalities and public education entities across the United States. As a team, NCL and NAFG produced a variety of marketing materials such as videos, flyers and info graphs to promote purchasing and leasing opportunities.

Hoglund Bus Company is another cross-promotion vendor NAFG had the opportunity to create a partnership with. Flyers were created to advertise Chassis from NAFG along with a variety of bus bodies from Hoglund Bus Company.

With cross-promotion, companies exchange knowledge and provide endorsements on websites, social media, and email campaigns. This strategy creates an influx of new leads, brand awareness, increased sales and recurrence of customers. National Auto Fleet Group will continue to create new partnerships and facilitate more cross-promotion opportunities in the near future to provide turnkey solutions for a variety of vehicle purchasing needs.

Coming in 2022, National Auto Fleet Group will be launching a NAFG Partner Website to further increase business growth. The website www.nafgpartner.com is expected to launch next year in 2022. The site encourages body upfitting companies throughout the United States to partner up with NAFG to become a preferred member. The benefits of becoming a preferred member include endorsements on website and social media avenues along with word-of-mouth referral for clients with upfitting needs. Our dedicated public relations representative will conduct phone and in person meetings to discuss the advantages of partnering up with NAFG, therefore generating more cross-promotion opportunities.

Members from government agencies are encouraged to go on the site to search for local body upfitting companies they are interested in working with. As a prerequisite in becoming a preferred vendor, they are required to advertise NAFG and the Sourcewell contract on their business website and refer their clients to purchase their cab/chassis needs through NAFG. This establishes a partnership that will generate increased sales all around. We are still currently building the website and interacting with body companies across the United States that would be interested in partnering up with NAFG.

36	Describe your use of technology and digital data (e.g., social media, metadata usage) to enhance marketing effectiveness.	Social media plays a crucial element in the way people communicate and connect with each other. LinkedIn is the go-to platform used by NAFG as it offers a variety of ways to expand our network by locating and connecting with relevant professionals in the industry. National Auto Fleet Group has utilized LinkedIn to engage current and potential members through personalized messages and posts. Personalized messages include thanking them for registering on site as well as directing them to on our link to the website, LinkedIn, YouTube, Facebook and Instagram company pages. The goal is to unite with people already on our database as well as people that would benefit from our products and services. Current flyers or messages about our company are also posted on the LinkedIn site to generate and attract more business. Time is also spent on reading posts from connections and observe any needs that National Auto Fleet Group may assist with. National Auto Fleet Group has begun utilizing video marketing strategies to further promote and market products by engaging on social media channels and email flyers. Programs such as Vimeo, Video Scribe, Cartoon Animator, Adobe Animate, Illustrate, Captive, Photoshop and Movavi Video Editor Plus are employed to edit and create videos to assist in endorsing our company. The following videos were recently created by our marketing department along with outside video production companies: Explainer Video: The first video created was a 90 second explainer video about National Auto Fleet Group that used animated characters to visualize our products and services along with information on the Sourcewell awarded contract. The video has been incorporated into all our weekly email flyers and social media platforms as an informative video on our products and how to purchase vehicles off Sourcewell Government Contract. How To Videos: National Auto Fleet Group has also created step-by-step How-To videos on the process to purchase both Light Duty and Heavy-Duty vehicles off the contract. In Stock Vehicles: This video showcases our in-stock vehicles available and the process of requesting a quote. ETA Tracking System: This video was created to not only introduce but to encourage clients to self-track their vehicle status. Holiday Themed Videos: These amusing videos were created to celebrate the holidays and add humor and lightness to our company and products sold. Cross Promotion Video: This video markets our relationship with NCL Government Capital and Sourcewell to endorse EV vehicles. Videos for social media: Mini videos were created to advertise new vehicles available, pricing and cutoff date reminders. NAFG has recently introduced a newly built live chat feature on our website for customer convenience as well as improving customer service. Visitors have access to chat with a live sales representative 24 hours a day, 7 days a week. With this feature potential customers are provided with another avenue for assistance in addition to emailing and phone calls. The benefits of a live chat option include quicker response time to assist buyers in reaching a purchasing decision and answer their questions. Improving customer service will also lead to increased sales, customer loyalty and engagement. Many studies have shown a strong correlation between live chat and increase in conversion rates. Potential clients appreciate having their questions answered in real-time when trying to build a vehicle quote online and allowing the user to multi-task different projects.	*
37	In your view, what is Sourcewell's role in promoting contracts arising out of this RFP? How will you integrate a Sourcewell-awarded contract into your sales process?	Sourcewell's mission states: "Our commitment to service and exceeding client expectations." This statement integrates with our relationship marketing strategy with our commitment to go above and beyond for all our members. Sourcewell is a trusted brand that government entities can rely on to access a wide variety of products and services for their everyday needs. With over 40 years of partnerships and relationship building, they are the glue that connects government, education, and nonprofit agencies to companies of all sizes to offer turnkey solutions to their needs. Sourcewell is also a reliable resource for vendors by not only connecting with potential prospects but by providing valuable marketing materials readily available for download on their website. Resources and tools provided include flyers, vendor training videos along with compliance information. The Sourcewell brand integrates a thorough documentation review of all vendors prior to awarding their cooperative contracts to ensure products and services are from reputable vendors. The brand provides a sense of legitimacy of our company name and members recognize that products and services are from reliable sources that will meet their needs. Sourcewell's aim is to simplify the purchasing and procurement process of government entities by eliminating the costly bidding procedure. The process of researching the right vendor is not only stressful and time-consuming but can be expensive as well. Sourcewell has completed the bidding for government entities which simplifies the overall purchasing process by providing access to competitively bid contracts procured by a government agency. Sourcewell has provided NAFG with overwhelming opportunities to work with government agencies across the United States. The Sourcewell name represents a high standard of integrity and ethics which is a dynamic National Auto Fleet Group is proud to be part of. Sourcewell members have access to a contract that is more flexible than the standard bidding process. Sourcewell is an organization that aids government entities to stay competitive without the frustrations and issues involved with the traditional bidding process. This contract can be customized to meet the unique needs of each client. The sales team has incorporated not only this standard of integrity in their sales practice ensuring clients' purchasing needs will always be met. The cost savings and stress-free nature of the cooperative contracts favors that of the traditional bidding process. It enables vendors to work with qualifying government entities in a more efficient manner. We vow to maintain these levels of standards across the board throughout all departments within the company.	*

38	Are your products or services available through an e-procurement ordering process? If so, describe your e-procurement system and how governmental and educational customers have used it.	Our website provides a hands-on empowering approach to ordering vehicles online. Clients can search through many vehicles makes and models with the ability to customize a vehicle tailored to their specific needs of their agency. A personalized quote with pricing can be available in as little as 5 minutes depending on the complexity of the vehicle. If upfitting is needed, the buyer can list the details of the up-fit while building their vehicle on our website to receive a complete quote or a sales representative can be reached through phone, email or our new live chat feature built on our website. We have recently created and uploaded a “How-To Videos” section on the homepage of our website which highlights a step-by-step process on how to build an online quote. This informative video demonstrates how to navigate the website in how to generate a vehicle quote with or without upfitting options. It begins by explaining how to register on our website as a member and then details on how to select vehicle model and type and the factory options needed. Once a customized quote is built, clients have the option to finalize the sales transaction by submitting a purchase order to our sales team via email. This gives complete autonomy to the client to purchase vehicles without the need to speak to a sales rep. If assistance is needed, they can contact sales through email, live chat or phone. If assistance is required to build a quote, our sales rep is also available to walk a client through the e-procurement process step by step. This ensures someone is available to answer any questions if needed and empowering the client to make any future purchases on their own. Clients may also call or email the needs of the company and receive a customized vehicle quote.	*

Table 8: Value-Added Attributes

Line Item	Question	Response *	
39	Describe any product, equipment, maintenance, or operator training programs that you offer to Sourcewell participating entities. Include details, such as whether training is standard or optional, who provides training, and any costs that apply.	National Auto Fleet Group extends any and all product, equipment, maintenance and operating programs provided by the Manufacturer directly to Sourcewell participating entities during the quoting process. The manufacturer will provide quotes to the member based on the vehicles class and size, and geographic location. NAFG will always pass these quotes onto members and treat them like an upfit to the vehicle.	*
40	Describe any technological advances that your proposed products or services offer.	Technological accomplishments by Manufactures like Ford Motor Company and General Motors serve members by keeping many models available for members to choose from. Additionally, NAFG allows members the ability to choose to electrify their vehicle by opting into the Motive Power Systems we can still help supply this kind of an upfit. For more information, we have attached the product and pricing information within the “Upfits Available” and “All 15 Manufactures” ZIP files under the supporting documents portion of the application.	*
41	Describe any “green” initiatives that relate to your company or to your products or services, and include a list of the certifying agency for each.	. National Auto Fleet Group helped create the Climate Mayor Purchasing Collaborative by partnering with over 400 Mayors nationwide. This initiative was created for the benefit of members who wanted to create and sustain an all-electric fleet. We offer 100% purely electric vehicles your members to choose from. Some popular models include the Chevrolet Bolt, Ford Fusion, Ford Mustang Mach-E, as well as Ford’s all electric F-150. We are confident that as more OEM’s continue to manufacture new electric vehicles, we will provide them for members to select from. More information about this initiative can be found at www.Driveevfleet.org	*
42	Identify any third-party issued eco-labels, ratings or certifications that your company has received for the equipment or products included in your Proposal related to energy efficiency or conservation, life-cycle design (cradle-to-cradle), or other green/sustainability factors.	NAFG has the California Air Resource Board (CARB) Certificate as well as the Ford Qualified Vehicle Modifier Certificate on file with some of our partner suppliers and upfitters hold these certifications and these certifications help illustrate how each vehicle conserves energy and remains energy efficient.	*
43	Describe any Women or Minority Business Entity (WMBE), Small Business Entity (SBE), or veteran owned business certifications that your company or hub partners have obtained. Upload documentation of certification (as applicable) in the document upload section of your response.	NAFG holds a current partnership with many suppliers some of which are veteran owed such as Pacific Truck Body located in CA. Our Ford, Chevrolet and Ram,Jeep,Dodge,Chrysler stores are jointly owned and operated by Minorities.	*
44	What unique attributes does your company, your products, or your services offer to Sourcewell participating entities? What makes your proposed solutions unique in your industry as it applies to Sourcewell participating entities?	. National Auto Fleet Group was not only built on dedication and hard work, but also through quantifiable metrics that directly measure the results of our efforts to ensure real goals are being measured and met. Through measuring results, NAFG takes responsibility in ensuring we deliver only the best customer care to your members. NAFG offers members 24 hour website access to customer support to personably walk members through any questions they may have. No matter what the issue may be, we always think outside the box to help members find a solution.	*

Table 9A: Warranty

Describe in detail your manufacturer warranty program, including conditions and requirements to qualify, claims procedure, and overall structure. You may upload representative samples of your warranty materials (if applicable) in the document upload section of your response in addition to responding to the questions below.

Line Item	Question	Response *	
45	Do your warranties cover all products, parts, and labor?	Each of the 15 manufactures we represent cover their own products, parts, and labor. All warranty information may be found in our attachments under the ZIP File "All 15 Manufactures".	*
46	Do your warranties impose usage restrictions or other limitations that adversely affect coverage?	Prior to purchase, members should be aware of each manufacturer's restrictions. Such as improper use of the vehicle may result in disqualification of coverage under the OEM's warranty. An example of this may be an F-350 being used for a police related pursuit, which may void certain warranties. Although, we always welcome and encourage members to contact us for their particular warranty coverage.	*
47	Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?	In some cases, manufacturers will tow a member's vehicle to the nearest warranty repair facility in case of a breakdown and cover expenses, but prior approval is required.	*
48	Are there any geographic regions of the United States or Canada (as applicable) for which you cannot provide a certified technician to perform warranty repairs? How will Sourcewell participating entities in these regions be provided service for warranty repair?	This may vary from manufacturer to manufacturer. Thus, we encourage members to call in prior to purchase and inquire about their specific region and how their warranty repairs will be covered with their manufacturer.	*
49	Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?	All warranties are typically passed on to the original equipment manufacturer and any upfit warranty will be passed on to the upfitter to perform.	*
50	What are your proposed exchange and return programs and policies?	If a member changes their mind, NAFG will quickly make every effort to change or cancel the order with the factory. However, once the manufacturer begins producing the vehicle, there are no changes, exchanges, or refunds available. The order is then deemed non-cancellable. This includes any upfit equipment an upfitter has ordered for the unit.	*
51	Describe any service contract options for the items included in your proposal.	NAFG offers any and all manufacturer service contracts for all members. There are several parameters in which a service contract may be customizable. These customized service contracts will be treated as add factory options and following the same discount schedule provided in the pricing file.	*

Table 9B: Performance Standards or Guarantees

Describe in detail your performance standards or guarantees, including conditions and requirements to qualify, claims procedure, and overall structure. You may upload representative samples of your performance materials (if applicable) in the document upload section of your response in addition to responding to the questions below.

Line Item	Question	Response *	
52	Describe any performance standards or guarantees that apply to your services	The only guarantee we can ever provide is the guarantee that we will treat and help every member that contacts with respect, integrity and professionalism.	*
53	Describe any service standards or guarantees that apply to your services (policies, metrics, KPIs, etc.)	NAFG and staff uphold high standards with how we provide service to the members, not only holding each other accountable but by embracing member feedback of how we can improve. Then we act upon it and implement improvements.	*

Table 10: Payment Terms and Financing Options

Line Item	Question	Response *	
54	Describe your payment terms and accepted payment methods?	Standard payment terms are Net 20, with a 10 – day grace period.	*
55	Describe any leasing or financing options available for use by educational or governmental entities.	. In order to provide leasing or financing options, NAFG has partnered with National Cooperative Leasing to offer leasing terms for Sourcewell members for all NAFG quotes under the Sourcewell contract. For further review, we have attached a PDF called "NCL Sample Lease" in the "Member Walk Through" Zip file.	*
56	Describe any standard transaction documents that you propose to use in connection with an awarded contract (order forms, terms and conditions, service level agreements, etc.). Upload a sample of each (as applicable) in the document upload section of your response.	National Auto Fleet Group's transaction process (Purchase Order) is closely tracked, well documented, and neatly organized to monitor each transaction performed through our Sourcewell Contract. This way, NAFG may produce swift and accurate quarterly reporting.	*
57	Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcewell participating entities for using this process?	Yes, NAFG accepts up to $2,500 per vehicle. However, any dollar amount higher than $2,500 will require a P-card/ Credit Card transactional fee that would be passed onto the member	*

Table 11: Pricing and Delivery

Provide detailed pricing information in the questions that follow below. Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract as described in the RFP, the template Contract, and the Sourcewell Price and Product Change Request Form.

Line Item	Question	Response *	
58	Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcewell discounted price) on all of the items that you want Sourcewell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. Upload your pricing materials (if applicable) in the document upload section of your response.	National Auto Fleet Group is offering Line-Item Discounts Off Manufacture Suggested Retail Price for 15 manufacturers that is detailed in the Price File. NAFG will also offer any Upfits to be added to any and all vehicles' that members wish to add. Details are located on the Price Summary Page in the Price File.	*
59	Quantify the pricing discount represented by the pricing proposal in this response. For example, if the pricing in your response represents a percentage discount from MSRP or list, state the percentage or percentage range.	NAFG has an provided offerings from 15 Brands/OEMS and there respective percentage off vary and are detailed in the "Price File" zip Each Manufacture Range is detailed in the tabs below, here is an overview Chevrolet from -.077 to 24.45 % Ford Motor Company from -5.19 to 23.31 % GMC from 6.14 to 22.45 % Ram from 4.99 to 14.23 % Dodge from 3.09 to 9.96 % Jeep from 1.38 to 4.17 % Chrysler from 1.65 to 4.55 % Toyota from .03 to 8.98 % Honda from 1.34 to 4.9 % Nissan from -.085 to 14.61 % Buick from 2.36 to6.08 Kia from .69 to 8.39 % BMW from 3.8 to 4.77 % Cadillac from 4.22 to 6.77 % Volkswagen from 2.17 to 2.46 %	*
60	Describe any quantity or volume discounts or rebate programs that you offer.	If clients are considering an order of 150 or more units, we encourage members to contact us for any additional discounted quotes.	*
61	Propose a method of facilitating "sourced" products or related services, which may be referred to as "open market" items or "nonstandard options". For example, you may supply such items "at cost" or "at cost plus a percentage," or you may supply a quote for each such request.	"Open Market" products or "Sourced Goods" will be considered and treated as regular upfits. However, they may be quoted up to a 10% mark up, if applicable.	*
62	Identify any element of the total cost of acquisition that is NOT included in the pricing submitted with your response. This includes all additional charges associated with a purchase that are not directly identified as freight or shipping charges. For example, list costs for items like pre-delivery inspection, installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.	All considerations have already been taken into account in its entirely. The Price Summary Page and Price Table contained in the price file includes all considered costs. Although if a member requested a specialized quote for a unique situation that requires special training, direction, or installation, the additional costs would be added as a part of the upfit and then included inside the member's quote.	*
63	If freight, delivery, or shipping is an additional cost to the Sourcewell participating entity, describe in detail the complete freight, shipping, and delivery program.	All manufactures charge a standard "Factory Destination Charge". However, that is separate from the freight/destination cost that members may incur to ship a vehicle to and from an installer, if applicable. These subsequent locational movements may bare additional freight costs that will be outlined within the members quote for their review prior to purchase.	*
64	Specifically describe freight, shipping, and delivery terms or programs available for Alaska, Hawaii, Canada, or any offshore delivery.	Freight, shipping, and delivery terms among these regions sometimes carry additional logistical charges for added ferry, port and driver costs from both to and from the mainland. These added costs will be disclosed on the quote for members to review and approve prior to purchase.	*
65	Describe any unique distribution and/or delivery methods or options offered in your proposal.	National Auto Fleet Group already has a well-established Automobile Franchise Distribution Network that allows for swift and relatively seamless delivery to members and their end users.	*

Table 12: Pricing Offered

Line Item	The Pricing Offered in this Proposal is: *	Comments
66	c. better than the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.	NAFG Strives to offer the best overall value to the member with each and every quote.

Table 13: Audit and Administrative Fee

Line Item	Question	Response *	
67	Specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with Sourcewell. This process includes ensuring that Sourcewell participating entities obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to Sourcewell. Provide sufficient detail to support your ability to report quarterly sales to Sourcewell as described in the Contract template.	Sourcewell participating members are able to obtain proper pricing directly from our website, where they are able to use our user-friendly design to build and price their vehicles. The NAFG is updated daily to reflect updated manufacturer MSRP information. Our system will provide members with an accurate quote 99.99% of the time. In addition, NAFG has a stream line and organized process hat calculates administrative fees and allows NAFG to give a turnaround time of 15 – 30 days for quarterly reports.	*
68	If you are awarded a contract, provide a few examples of internal metrics that will be tracked to measure whether you are having success with the contract.	One of the internal metrics NAFG uses to track and measure success with the Sourcewell Contract is maintained through our website. Our website keeps a detailed log of quotes that members are generating. We oversee and keep track of how many quotes are being generated and which quotes are met with a purchase order. Every month we evaluate our sales indicators and closely monitor the volume and frequency of sales. One example is by evaluating which members are purchasing from our platform – new members or frequent members to ensure we are growing our member base. We use these metrics to measure our projected growth rate and work to exceed our expectations.	*
69	Identify a proposed administrative fee that you will pay to Sourcewell for facilitating, managing, and promoting the Sourcewell Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member's cost of goods. (See the RFP and template Contract for additional details.)	NAFG will submit $ 300 per vehicle purchased through NAFG and $ 200 per vehicle purchased though our partner dealer Alan Jay Automotive. For the purpose of an admin fee there are no other partner dealer groups considered.	*

Table 14A: Depth and Breadth of Offered Equipment Products and Services

Line Item	Question	Response *	
70	Provide a detailed description of the equipment, products, and services that you are offering in your proposal.	NAFG has provided a "Model Roll Out" Charts in the "Price File" zip, but of the 15 manufacturers we represent, they have over 100 makes and models for members to choose from that range from Class 1-3 and supporting Class 4 Cab and Chassis trucks. NAFG's platforms can add any upfit of their choosing, ranging from toolboxes to Line Mechanic Bodies. Any and all upfits can be added to any one of our vehicles through one of our upfit partner suppliers or by an upfit supplier of the members choosing. NAFG and the supplier will work together to supply members with turnkey quotes.	*
71	Within this RFP category there may be subcategories of solutions. List subcategory titles that best describe your products and services.	National Auto Fleet Group lists the makes and models of all 15 manufacturers we represent under the ZIP File "All 15 Manufactures". These 15 OEMs make up over 100 combined makes, models, and engine combinations for members to select from along with several subtitle "Upfits" detailed for members in the price file.	*

Table 14B: Depth and Breadth of Offered Equipment Products and Services

Indicate below if the listed types or classes of equipment, products, and services are offered within your proposal. Provide additional comments in the text box provided, as necessary.

Line Item	Category or Type	Offered *	Comments
72	Automobiles	◉ Yes ○ No	15 Manufacturers totaling well above 700 makes and models
73	Sport Utility Vehicles	◉ Yes ○ No	15 Manufacturers totaling well above 700 makes and models
74	Vans	◉ Yes ○ No	15 Manufacturers totaling well above 700 makes and models
75	Trucks	◉ Yes ○ No	15 Manufacturers totaling well above 700 makes and models
76	Vehicles described in Lines 72-75 above for Public Safety applications	◉ Yes ○ No	15 Manufacturers totaling well above 700 makes and models
77	Conventional internal combustion models	◉ Yes ○ No	15 Manufacturers totaling well above 700 makes and models
78	Natural gas or propane autogas, hybrid, or alternative fuel models	◉ Yes ○ No	15 Manufacturers totaling well above 700 makes and models
79	Electric powered models	◉ Yes ○ No	15 Manufacturers totaling well above 700 makes and models

Table 15: Exceptions to Terms, Conditions, or Specifications Form

Line Item 80. NOTICE: To identify any exception, or to request any modification, to the Sourcewell template Contract terms, conditions, or specifications, a Proposer must submit the exception or requested modification on the **Exceptions to Terms, Conditions, or Specifications Form** immediately below. The contract section, the specific text addressed by the exception or requested modification, and the proposed modification must be identified in detail. Proposer's exceptions and proposed modifications are subject to review and approval of Sourcewell and will not automatically be included in the contract.

Contract Section	Term, Condition, or Specification	Exception or Proposed Modification

Documents

Ensure your submission document(s) conforms to the following:

1. Documents in PDF format are preferred. Documents in Word, Excel, or compatible formats may also be provided.

2. Documents should NOT have a security password, as Sourcewell may not be able to open the file. It is your sole responsibility to ensure that the uploaded document(s) are not either defective, corrupted or blank and that the documents can be opened and viewed by Sourcewell.

3. Sourcewell may reject any response where any document(s) cannot be opened and viewed by Sourcewell.

4. If you need to upload more than one (1) document for a single item, you should combine the documents into one zipped file. If the zipped file contains more than one (1) document, ensure each document is named, in relation to the submission format item responding to. For example, if responding to the Marketing Plan category save the document as “Marketing Plan.”

- Pricing - NAFG Price File for Bid 091521.zip - Monday September 13, 2021 19:29:27
- Financial Strength and Stability - Market Success and Financial Stability.zip - Monday September 13, 2021 19:30:12
- Marketing Plan/Samples - Marketing Plan Compressed.zip - Tuesday September 14, 2021 11:38:30
- WMBE/MBE/SBE or Related Certificates - Insurance and Related Documents.zip - Tuesday September 14, 2021 11:40:18
- Warranty Information - Warranties RFP 091521.zip - Tuesday September 14, 2021 11:40:36
- Standard Transaction Document Samples - Standard Transaction.zip - Monday September 13, 2021 19:54:48
- Upload Additional Document - ALL 15 Makes and Upfits.zip - Tuesday September 14, 2021 11:35:54

Addenda, Terms and Conditions

PROPOSER AFFIDAVIT AND ASSURANCE OF COMPLIANCE

I certify that I am the authorized representative of the Proposer submitting the foregoing Proposal with the legal authority to bind the Proposer to this Affidavit and Assurance of Compliance:

1. The Proposer is submitting this Proposal under its full and complete legal name, and the Proposer legally exists in good standing in the jurisdiction of its residence.

2. The Proposer warrants that the information provided in this Proposal is true, correct, and reliable for purposes of evaluation for contract award.

3. The Proposer, including any person assisting with the creation of this Proposal, has arrived at this Proposal independently and the Proposal has been created without colluding with any other person, company, or parties that have or will submit a proposal under this solicitation; and the Proposal has in all respects been created fairly without any fraud or dishonesty. The Proposer has not directly or indirectly entered into any agreement or arrangement with any person or business in an effort to influence any part of this solicitation or operations of a resulting contract; and the Proposer has not taken any action in restraint of free trade or competitiveness in connection with this solicitation. Additionally, if Proposer has worked with a consultant on the Proposal, the consultant (an individual or a company) has not assisted any other entity that has submitted or will submit a proposal for this solicitation.

4. To the best of its knowledge and belief, and except as otherwise disclosed in the Proposal, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest. An organizational conflict of interest exists when a vendor has an unfair competitive advantage or the vendor's objectivity in performing the contract is, or might be, impaired.

5. The contents of the Proposal have not been communicated by the Proposer or its employees or agents to any person not an employee or legally authorized agent of the Proposer and will not be communicated to any such persons prior to Due Date of this solicitation.

6. If awarded a contract, the Proposer will provide to Sourcewell Participating Entities the equipment, products, and services in accordance with the terms, conditions, and scope of a resulting contract.

7. The Proposer possesses, or will possess before delivering any equipment, products, or services, all applicable licenses or certifications necessary to deliver such equipment, products, or services under any resulting contract.

8. The Proposer agrees to deliver equipment, products, and services through valid contracts, purchase orders, or means that are acceptable to Sourcewell Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to Sourcewell Members under an awarded Contract.

9. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.

10. The Proposer understands that Sourcewell will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statutes Section 13.591, subdivision 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals become public data. Minnesota Statutes Section 13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.

11. Proposer its employees, agents, and subcontractors are not:

    1. Included on the "Specially Designated Nationals and Blocked Persons" list maintained by the Office of Foreign Assets Control of the United States Department of the Treasury found at: https://www.treasury.gov/ofac/downloads/sdnlist.pdf;

    2. Included on the government-wide exclusions lists in the United States System for Award Management found at: https://sam.gov/SAM/; or

    3. Presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this solicitation.

☑ By checking this box I acknowledge that I am bound by the terms of the Proposer's Affidavit, have the legal authority to submit this Proposal on behalf of the Proposer, and that this electronic acknowledgment has the same legal effect, validity, and enforceability as if I had hand signed the Proposal. This signature will not be denied such legal effect, validity, or enforceability solely because an electronic signature or electronic record was used in its formation. - Jesse Cooper, Fleet Manager, 72 Hour LLC

The Proposer declares that there is an actual or potential Conflict of Interest relating to the preparation of its submission, and/or the Proposer foresees an actual or potential Conflict of Interest in performing the contractual obligations contemplated in the bid.

○ **Yes** ◉ **No**

The Bidder acknowledges and agrees that the addendum/addenda below form part of the Bid Document.

Check the box in the column "**I have reviewed this addendum"** below to acknowledge each of the addenda.

File Name	I have reviewed the below addendum and attachments (if applicable)	Pages
Addendum_6_ Autos_SUVs_Vans_Trucks_RFP_091521 Wed September 8 2021 06:27 PM	☑	1
Addendum_5_ Autos_SUVs_Vans_Trucks_RFP_091521 Tue September 7 2021 07:28 PM	☑	2
Addendum_4_ Autos_SUVs_Vans_Trucks_RFP_091521 Thu August 26 2021 05:55 PM	☑	1
Addendum_3_ Autos_SUVs_Vans_Trucks_RFP_091521 Mon August 23 2021 09:47 AM	☑	1
Addendum_2_ Autos_SUVs_Vans_Trucks_RFP_091521 Sun August 8 2021 09:02 PM	☑	1
Addendum_1_ Autos_SUVs_Vans_Trucks_RFP_091521 Thu August 5 2021 03:58 PM	☑	1

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: June 7, 2022
Agenda Item #: 10

Agenda Item: Grant Amendment Application for the Upper Bijou Park Creek Restoration Project

Executive Summary: The U.S. Forest Service has identified the Upper Bijou Park Creek Restoration Project as a priority project to receive federal funding for watershed and urban water quality improvement funding from the Lake Tahoe Restoration Reauthorization Act. Since the U.S. Forest Service owns a significant amount of land within the project area where there are existing drainage channels and stream environment zone (SEZ) areas, this partnership agreement amendment would provide the City with $1,000,000 in additional federal funding to complete construction of key project elements with a match requirement of $120,000 from the General Fund Undesignated excess reserves.

Requested Action / Suggested Motions: Pass a Resolution authorizing submittal of a grant amendment application for Lake Tahoe Restoration Act funding from the U.S. Forest Service and appropriation of $120,000 in matching funds from the General Fund Undesignated Excess Reserves and $1,000,000 in grant funds for implementation of stormwater and watershed improvements within the Upper Bijou Park Creek Watershed.
Responsible Staff Member: Jason Burke, Complete Streets Program Manager and Faye-Marie Pekar, Engineering Technician

Responsible Staff Member: Jason Burke, Complete Streets Program Manager, (530) 542-6038
Faye-Marie Pekar, Engineering Technician, (530) 542-6070

Reviewed and Approved By:
Anush Nejad, Director of Public Works
Susan Blankenship, City Clerk
Olga Tikhomirova, Director of Finance
Heather Stroud, City Attorney

Attachments:

01-Staff Report-LTRA Grant Bijou Park Creek Restoration Project.docx
02-Project Location Map
03-Resolution - LTRA Grant Amendment.docx

City of South Lake Tahoe
Report to **City Council**

Meeting Date: June 7, 2022

Title: Authorization of Grant Amendment Application for the Upper Bijou Park Creek Restoration Project

Location: Bijou Park Creek Watershed

Responsible Staff Member: Jason Burke, Complete Streets Program Manager, (530) 542-6038 and Faye-Marie Pekar, Engineering Technician, (530) 542-6070

Background: On March 14, 2017, the City Council established the three-phased Bijou Park Creek Watershed Restoration Project in Resolution No. 2017-16. The project seeks to improve water quality, stream environment zone (SEZ) habitat, and alleviate localized flooding due to extensive urban development along Blackwood Road, Spruce Avenue, Werner Salas Drive, Shirley Avenue, and Bill Avenue within a historic creek floodplain that experiences periodic flooding during large rain events and snowmelt.

The City has received over $1.2 million in state and federal grant funding to assist with preparation of project plans, environmental documentation and implementation without allocating any cash match from local General Funds:

- July 11, 2017: The City received $493,089 in State Water Resources Control Board (SWRCB) Proposition 1 Storm Water Planning Grant funding using staff time for match, the City provided no cash match for this grant.
- May 11, 2021: The City received $750,000 in Lake Tahoe Restoration Act (LTRA) funding from the U.S. Forest Service, with the $100,000 match anticipated to come from TRPA Water Quality or SEZ Mitigation Funds.

On June 15, 2021, the City Council approved Resolution 2021-046 authorizing the original $750,000 Lake Tahoe Restoration Act (LTRA) grant application and delegating the City Manager or designee to execute and submit grant documents including applications, agreements and amendments to the grant. The grant agreement (21-PA-11051900-019) was fully executed on 8/20/2021 and the design process was restarted after an 8-month delay between the two state and federal funding sources for the design work by the external contracted design team.

City staff would like to incorporate complete streets projects to serve the community including streetscape improvements for the Bijou Community School, which are advocated for in the Safe Routes to School Master Plan. However, the grant funds are focused on and limited to water quality improvements, and thus cannot be utilized for streetscape or pedestrian improvements. Until such time that a grant or City General Funds are allocated to the mobility or Safe Routes to School project, there is no funding for the planning, design, environmental review or implementation of surface multi-modal streetscape improvements in this area.

Issue and Discussion: The Upper Bijou Park Creek Restoration project seeks to address many of the major flooding, drainage and water quality issues within the watershed, as noted in the Drainage Master Plan Update presented to the City Council on April 20, 2021. The U.S. Forest Service is interested in authorizing additional funds through an amendment to the existing partnership agreement grant since many of the stream channel and habitat improvements included in the project will enhance federal lands managed by the U.S. Forest Service within the project area. Project improvements funded through this amendment would also provide solutions to alleviate flooding that impacts multi-family housing and the mobile home park along Blackwood Road constructed in SEZ areas subject to seasonal flooding, along with drainage improvements along Spruce Avenue in from of the Bijou Community School and other critical areas within the watershed.

The Grant Amendment funding will be focused on completing the Rockwood to Blackwood Drainage Improvements, which are crucial to complete prior to creek restoration work. Frequent flooding occurs on Blackwood Road particularly in the vicinity of where storm drainage is carried through the mobile home park and across Blackwood Road to the Bijou Park Creek SEZ. In order to alleviate flooding storm drainage improvements are proposed along Blackwood Drive and would include a relocated outlet, 1,250 linear feet of pipe, new storm drain manholes, roadway regrading and repaving, a vegetated drainage channel.

Flooding of homes along Vanda Lee Way constructed within a historic stream zone area subject to seasonal flooding. (Photo date 2/8/2017)

Flooding of Heavenly Valley Mobile Home Park due to inadequate drainage infrastructure installed without easements for maintenance or repair in the 1950s. (Photo date 3/22/2018)

Pedestrians walk in middle of Blackwood Road with a stroller due to road shoulder flooding from inadequate and non-existing drainage along this road. (Photo date 4/02/2019)

Flooding along edge of Blackwood Road due to inadequate drainage. Without correcting the drainage problems, pedestrian improvements in this area would be flooded. (Photo date 3/21/2017)

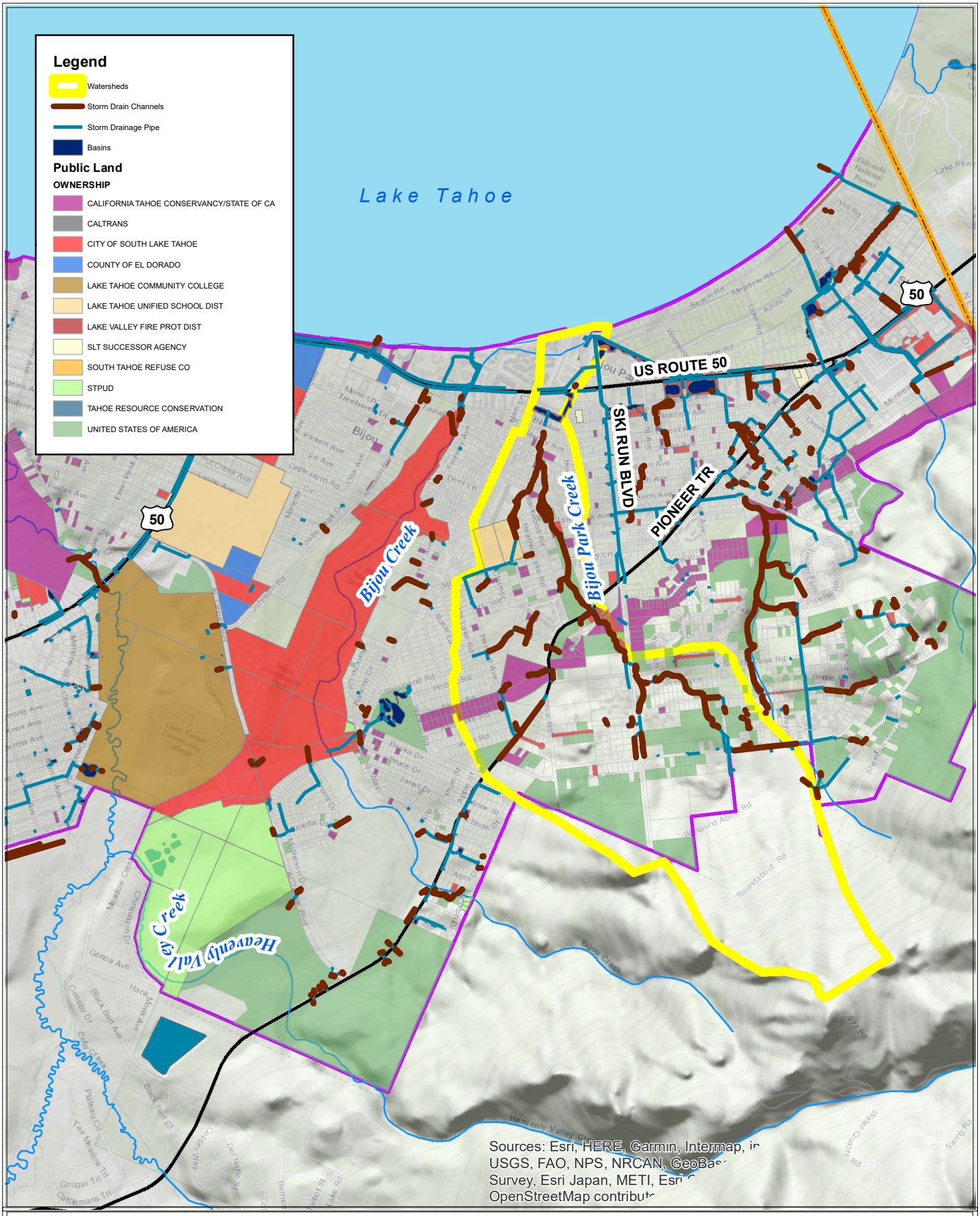
Financial Implications: The current grant amendment request would be in the amount of $1,000,000 and would normally require a 20% match requirement, but since the project will serve an economically disadvantaged community, the U.S. Forest Service is receptive to a request for funding match of 12% ($120,000). Long-term, the full project cost is estimated to be in the $4M range, with the full match requirement ranging in realm of 10%-20% ($400,000 to $800,000), depending on the potential grant funding source(s). Upon award and execution of this grant amendment, the funds should be appropriated into the Capital Improvement Program budget as follows:
Account # 301-40051

Revenue: 33117 – U.S. Forest Service: $1,000,000
36300 – Undesignated General Fund Reserves match: $120,000

Expense: 48030 – Construction $1,120,000

Environmental Considerations: The project will require both California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) review. Funding provided by State Water Resources Control Board Proposition 1 was used to complete comprehensive environmental review document used to support adoption of a CEQA Initial Study/Mitigated Negative Declaration (SCH #2020090564) approved by the Planning Commission on November 19, 2020. Previously provided U.S. Forest Service LTRA funding will fund the concurrent completion of additional federal resources studies (botanical, aquatic species, special status species, and cultural resources) and determine the appropriate NEPA decision required for the project and subsequent Special Use Permits required for improvements on federal lands.

Policy Implications: In accordance with Strategic Priority 5.5 (Fiscal Sustainability) staff recommends the City Council authorize submittal of an amendment to this existing grant agreement to take advantage of this funding opportunity. As a project serving a designated disadvantaged community, this grant requires a match of up to $120,000 (12%). Allocation of the match at this time will help to initiate critical easements and acquisitions required to advance the project to a shovel ready status in order to be prepared to take advantage of implementation funding. Per the Grant Funding and Compliance Policy approved by City Council on Sept. 8, 2020, section 2.3 notes City Council approval is required for all grant applications.



Department Of Public Works - Engineering Division

Bijou Park Creek
Watershed Location

0 500 1,000 2,000
Feet

Eric Friedlander
City of South Lake Tahoe
3/15/2019

Document Path: J:\PWCS 2016\16-30140051_Upper Bijou Park Creek Restoration\26_RFP\2019_Planning_Design\(01)RFP Files\BasemapPortrait 03062017.mxd

Resolution 2022-XXX

Adopted by the City of South Lake Tahoe
City Council

June 7, 2022

Authorization for Submittal of a Grant Amendment Application for Lake Tahoe Restoration Act funds from the U.S. Forest Service and Appropriation of $120,000 in Matching Funds from the General Funds Undesignated Excess Reserves and $1,000,000 in Grant Funds for Implementation of Stormwater and Watershed Improvements within the Upper Bijou Park Creek Watershed.

BACKGROUND

A. The Upper Bijou Park Creek Restoration Project (EIP #01.01.01.0184) is included on the priority list for watershed and water quality improvements within the Lake Tahoe Basin and is a part of the larger Tahoe Regional Planning Agency (TRPA) Ski Run Marina "Mountain to Marina" green infrastructure planning initiative.

B. On June 15, 2021, the City Council authorized application and appropriation of $750,000 in Lake Tahoe Restoration Reauthorization Act funding for the Upper Bijou Park Creek Restoration project for engineering design and a small portion of implementation funding in Resolution 2021-046.

C. The U.S. Forest Service has made available an additional $1,000,000 in Lake Tahoe Restoration Reauthorization Act funding to the City through an amendment to the existing Partnership Agreement (21-PA-11051900-019, C-096-2021) to enhance stream channel, stream environment zone (SEZ), and urban runoff treatment on local, state and federal lands within the project area.

D. The City of South Lake Tahoe desires to apply for, and upon award, enter into an amendment of agreement 21-PA-11051900-019, C-096-2021 with the U.S. Forest Service to fund a portion of construction of the first phase of project elements and provide the required 12% match ($120,000) for this amendment.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Approves filing of an amendment application for the Lake Tahoe Restoration Reauthorization Act Funding for watershed improvements and authorizes acceptance of up to $1,000,000.
2. Certifies that the City of South Lake Tahoe has or will have sufficient funds to operate and maintain the project.
3. Certifies that funds under the jurisdiction of the City of South Lake Tahoe are available or will be available to begin the project.

4. Certifies that said applicant will expend grant funds in accordance with the Partnership Agreement, as amended, between the U. S. Forest Service and the City of South Lake Tahoe.
5. Appoints the City manager, or a designee to conduct all negotiations, agreements, amendments, payments requests and so on, which may be necessary for the completion of the aforementioned project.
6. Accepts the grant funds and authorizes the Finance Director to appropriate funds into the budget as follows:

   Account #301-40051

   Revenue: 33117 – USFS: $1,000,000

   Undesignated General Fund: $120,000

   Expense: 48030 – Construction $1,120,000

Adopted by the City of South Lake Tahoe City Council on June 7th, 2022 by the following vote:
Yes:
No:
Absent:
Abstain:

_____ Date:_____

Devin Middlebrook, Mayor

Attest:

_____

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: June 7, 2022
Agenda Item #: 11

Agenda Item: Delegation of Authority of City Traffic Engineer to the Director of Public Works or Designee

Executive Summary: In 2019, the City Council delegated the authority of the City Traffic Engineer to Wood Rodgers, a private consulting firm in Sacramento. At that time, the City did not have a registered Traffic Engineer on staff. The Director of Public Works is a registered Civil and Traffic Engineer in the State of California. At this time, there is no need for an outside party to act as the City Traffic Engineer. In the future, this responsibility can also be delegated to other staff members who may be registered as a Traffic Engineer in the State of California as directed by the Director of Public Works.

Requested Action / Suggested Motions: Pass a Resolution delegating authority of City Traffic Engineer to the Director of Public Works or designee.
Responsible Staff Members: Anush Nejad, Director of Public Works

Responsible Staff Member: Anush Nejad, Director of Public Work (530) 542-6031

Reviewed and Approved By:
Anush Nejad, Director of Public Works
Susan Blankenship, City Clerk
Olga Tikhomirova, Director of Finance
Heather Stroud, City Attorney

Attachments:

01-Staff Report - Delegation of Authority City Traffic Engineer.docx
02-Resolution- Delegating Authority of City Traffic Engineer.docx
03-Reso. No. 2019-087 Wood Rogers City Engineer.pdf

City of South Lake Tahoe
Report to **City Council**

Meeting Date: June 7, 2022

Title: Delegation of Authority of City Traffic Engineer to the Director of Public Works or their Designee

Location: Citywide

Responsible Staff Member: Anush Nejad, Director of Public Works – (530) 542-6031

Background: On December 3, 2019, the City Council adopted Resolution No. 2019-087, delegating the authority to act as the City of South Lake Tahoe Traffic Engineer to Wood Rodgers, a private consulting firm in Sacramento. At the time, this delegation was required because the city did not have a qualified and registered Traffic Engineer on staff for this function. At the same time, the City Council authorized $35,000 per year for Traffic Engineering service on an as-needed basis.

Issue and Discussion: Since adopting Resolution No. 2019-087, the City has hired a new Director of Public Works, Anush Nejad. The Director of Public Works is a registered Civil (42681) and Traffic Engineer (1544) in the State of California. Per the City Code and various ordinances, the City Traffic Engineer has specific professional responsibilities that must be performed by a professional engineer with experience and license in traffic engineering, as required by State law. City staff typically perform these functions unless a qualified and registered professional engineer is unavailable.

Since the city now has a registered Traffic Engineer licensed in California on staff, the need for an outside consultant is no longer required. The authority of the City Traffic Engineer can also be delegated to other staff members that are qualified and registered as Traffic Engineers in the State of California, at the discretion of the Director of Public Works. The city will continue to use Wood Rodgers as needed for certain studies or data collection required as a part of typical traffic engineering analysis.

The Director of Public Works also acts as the City Engineer. This responsibility can also be delegated to a qualified and registered professional Civil Engineer in the State of California.

Financial Implications: This action will result in cost savings for the City. Since this work can be accomplished by internal staff, the need for an outside consultant will be eliminated.

Environmental Considerations: Delegation of the Authority of City Traffic Engineer to the Director of Public Works is not a “project” subject to review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15378(b)(2) (continuing administrative or maintenance activities, such as purchases for supplies)

Policy Implications: This action supports and augments the requirements of various City Code and Ordinance requirements to have a registered professional engineer responsible for Traffic Engineering functions of the City.

Resolution 2022-XXX

Adopted by the City of South Lake Tahoe

City Council

June 7, 2022

Delegating Authority of City Traffic Engineer to the Director of Public Works or their Designee (Replacing Reso. No. 2019-087)

BACKGROUND

A. The City of South Lake Tahoe (City) Code, Chapter 4.25, Motor Vehicles and Traffic delegates to the City Traffic Engineer, authority to install regulatory traffic signs within the public right-of-way.

B. On December 3, 2019, the City Council delegated Wood Rodgers, an engineering consulting firm, the authority to act as the City of South Lake Tahoe Traffic Engineer by adopting Resolution No. 2019-087.

C. At that time, the City did not have a registered traffic engineer licensed in California, to perform the required functions of a City Traffic Engineer.

D. Currently, the City has a registered Professional Traffic Engineer on staff and the need to delegate the authority to a private consulting firm is no longer required.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Delegates the authority to act as the City of South Lake Tahoe City Traffic Engineer to the Director of Public Works.

2. Authorizes the Director of Public Works to delegate this authority to a designee who is registered as a Traffic Engineer in the State of California.

Adopted by the City of South Lake Tahoe City Council on June 7, 2022 by the following vote:
Yes:
No:
Absent:
Abstain:

_____ Date:_____

Devin Middlebrook, Mayor

Attest:

_____

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

DocuSign Envelope ID: 22F9F690-8C92-4ABB-9B4A-0BCD66A290D9

Resolution 2019-087

Adopted by the City of South Lake Tahoe
City Council

December 3, 2019

Delegating Wood Rodgers the Authority to Act as the
City of South Lake Tahoe Traffic Engineer

BACKGROUND

A. The City of South Lake Tahoe (City) Code, Chapter 4.25, *Motor Vehicles and Traffic* delegates to the City Traffic Engineer, authority to install regulatory traffic signs within the public right-of-way.

B. The City does not have a registered traffic engineer among the existing Engineering Division staff.

C. Wood Rodgers, a engineering consulting firm, has professional engineering staff consisting of State of California licensed traffic engineers.

D. Based on the backlog of citizen inquiries, the estimated expenses for City contract Traffic Engineer is $35,000 for Fiscal Year 2019-2020.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, by the City Council of the City of South Lake Tahoe that:

1. The City Council delegates the authority to act as the City of South Lake Tahoe Traffic Engineer to Jeremy Fitch, PE, TE, an employee of Wood Rodgers, for the purpose of fulfilling City Code requirements of a City Traffic Engineer.

2. Traffic Engineering Services shall be performed for the City by Jeremy Fitch, PE, TE, on an on-call basis at the direction of the Department of Public Works;

3. Compensation to Wood Rodgers is administered by a professional services agreement between Wood Rodgers and the City.

4. The City Council appropriates $35,000 from the City's undesignated General Fund reserve to the Department of Public Works, Engineering Division Professional Services budget (100-03210-42020) to fund the services of City contract Traffic Engineering Services.

DocuSign Envelope ID: 22F9F690-8C92-4ABB-9B4A-0BCD66A290D9

Adopted by the City of South Lake Tahoe City Council on December 3, 2019 by the following vote:

Yes: Bass, Collin, Laine and Wallace
Absent: Middlebrook

DocuSigned by:

Date: 12/3/2019

7C239DC96D3A4B1...
Jason Collin, Mayor

Attest:

DocuSigned by:

2D6FDBDD39A94AF...
Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: June 7, 2022
Agenda Item #: 12

Agenda Item: Senate Bill 1 Road Maintenance and Rehabilitation Account Project List for FY22/23

Executive Summary: City Council will consider approving a proposed project list and resolution for expenditure of Senate Bill 1 Road Maintenance and Rehabilitation Account funds for FY 2022 - 2023. These funds require the establishment of a project list each year for the City to be eligible to receive SB 1 funding. The State currently estimates that $533,349 will be distributed to the City via SB 1, and staff recommends including the Tahoe Valley Stormwater and Greenbelt Improvement Project, Phase I and the Barton Ave and Second Street Drainage Project. Both of these projects will install needed stormwater infrastructure, which would typically result in patch paving at the conclusion of the project. With the infusion of these funds, each street that is worked on will be overlaid at the conclusion of the project, which will result in extended roadway lives as well as a nicer final look to the projects.

Requested Action / Suggested Motions: Pass a Resolution adopting a List of Projects for the Fiscal Year 2022-23 Funded by SB 1: The Road Repair and Accountability Act of 2017.
Responsible Staff Member: Randy Carlson, Associate Civil Engineer

Responsible Staff Member: Randy Carlson, Associate Civil Engineer (530) 542-6033

Reviewed and Approved By:
Anush Nejad, Director of public Works
Susan Blankenship, City Clerk
Olga Tikhomirova, Director of Finance
Heather Stroud, City Attorney

Attachments:

01-Staff Report-RMRA Project List.docx
02-Resolution - SB1 Road Maintenance and Rehabilitation.docx
03-Attachment A - RMRA Estimate
04-Attachment B-Project Location Map

City of South Lake Tahoe
Report to **City Council**

Meeting Date: June 7, 2022

Title: Senate Bill 1 Road Maintenance and Rehabilitation Account Project List for FY22/23

Location: Citywide

Responsible Staff Member: Randy Carlson, Associate Civil Engineer (530) 542-6033

Background: In April 2017, the State passed Senate Bill 1 (SB 1), increasing the State's Gas Tax. "This act presents a balance of new revenues and reasonable reforms to ensure efficiency, accountability, and performance from each dollar invested to improve California's transportation system."

SB 1 creates the Road Maintenance and Rehabilitation Account (RMRA) and the Road Maintenance and Rehabilitation Program (RMRP). Programs funded by this account include the Local Partnership Program (LPP), the Active Transportation Program (ATP), the State Highway Operation and Protection Program (SHOPP), and Local Streets and Roads apportionments.

SB 1 states that "it is the intent of the Legislature that the Department of Transportation and local governments are held accountable for the efficient investment of public funds to maintain the public highways, streets, and roads, and are accountable to the people through performance goals that are tracked and reported."

Under SB 1 the City is eligible to receive funds for local streets and road rehabilitation and maintenance from the RMRA. The funds are a census-based apportionment and subject to certain eligibility requirements. According to the latest estimate of the State FY 22/23 RMRA apportionment for Cities (Attachment A), the City is eligible to receive approximately $533,349 in FY 22/23.

Issue and Discussion: For the City to be eligible for the RMRA funds, the City must submit a list of proposed projects to the California Transportation Commission (CTC) no later than July 1, 2022. The project(s) must be approved in the City's annual budget adoption or amended into the budget prior to submission to the CTC. As such, staff is requesting the attached resolution be adopted for the following roadway rehabilitation projects in the FY 22/23 Capital Improvement Plan.

1. Tahoe Valley Stormwater and Greenbelt Improvement Project, Phase I
2. Barton Ave and Second Street Drainage Project

(see Attachment B for the project map)

The proposed construction will include grinding 3-4” of asphalt and replacing it with new asphalt. This rehabilitation technique should provide a 20-year life extension to the roadways. The project will commence summer of 2023 and will be completed by fall of 2023.

The streets selected for this program are consistent with the City’s 5-year paving plan for 2023. Each of these streets has low Pavement Condition Index (PCI) ratings. These streets have also recently had new gas lines installed, which has resulted in long stretches of patch paving. Consistent with the City’s dig once policy, the City will concurrently install new stormwater infrastructure with these projects. Additional coordination with the remaining utility providers has also occurred and no further utility work is expected in these areas.

The amount of funds received through SB 1 is limited and will be insufficient to cover paving of entire length of these streets. These funds will be added to the overall project budget and will supplement the paving portion of the project. The Department expects that these funds will pave approximately 2,500 lane feet of roadway. The exact street to be paved with these funds will be determined in the future and will be dependent on additional funding allocation for the projects.

Financial Implications: RMRA funds have no match requirement but must be used for road rehabilitation or they will be rescinded back to the State. The City will utilize the $533,349 worth of RMRA funding to pave streets within the two proposed project areas.

Environmental Considerations: This project is considered roadway rehabilitation and will not extend the boundaries of the existing roadways. As such, the project is exempt from Tahoe Regional Planning Agency (TRPA) permits and the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15301(c) (Existing Facilities). All applicable best management practices will be utilized to protect air and water quality during construction.

Policy Implications: The use of these funds to supplement paving on these projects is consistent with the City’s Strategic Plan 2021-2026. It aligns with goal 1.4 Transportation, by rehabilitating City owned streets. The use of these funds is also consistent with goal 5.3 Infrastructure and Maintenance. These funds help maintain City roadway infrastructure and are available on an annual basis with no requirements other than submitting an annual expenditure report. These funds are very sustainable and should continue to be available for years to come.

Resolution 2022-XXX

Adopted by the City of South Lake Tahoe
City Council

June 7, 2022

Adopting a List of Projects for the Fiscal Year 2022-23 Funded by SB 1: The Road Repair and Accountability Act of 2017

BACKGROUND

A. Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017 (Chapter 5, Statutes of 2017) was passed by the Legislature and Signed into law by the Governor in April 2017 to address the significant multi-modal transportation funding shortfalls statewide.

B. SB 1 includes accountability and transparency provisions that will ensure the residents of our City are aware of the projects proposed for funding in our community and which projects have been completed each fiscal year.

C. The City must adopt by resolution a list of projects proposed to receive fiscal year funding from the Road Maintenance and Rehabilitation Account (RMRA), created by SB 1, which must include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement.

D. The City will receive an estimated $533,349 in RMRA funding in the Fiscal Year 2022-23 from SB 1.

E. This is the sixth year in which the City is receiving SB 1 funding and will enable the City to continue essential road maintenance and rehabilitation projects, safety improvements, repairing and replacing aging bridges, and increasing access and mobility options for the traveling public that would not have otherwise been possible without SB 1.

F. The City has undergone a robust public process to ensure public input into our community's transportation priorities/the project list.

G. The City used a Pavement Management System to develop the SB 1 project list to ensure revenues are being used on the most high-priority and cost-effective projects that also meet the communities priorities for transportation investment.

H. The funding from SB 1 will help the City maintain and rehabilitate two roads throughout the City this year and one to two similar projects into the future.

I. The 2018 California Statewide Local Streets and Roads Needs Assessment found that the City's streets and roads are in an "at-risk" condition and this revenue will help us increase the overall quality of our road system and over the next decade will bring our streets and roads into a "at-risk" condition.

J. The SB 1 project list and overall investment in our local streets and roads infrastructure with a focus on basic maintenance and safety, investing in complete streets infrastructure, and using cutting-edge technology, materials, and practices, will have significant positive co-benefits statewide.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Declares the foregoing recitals are true and correct.
2. Adopts the following list of newly proposed projects will be funded in-part with Fiscal Year 2022-23 Road Maintenance and Rehabilitation Account revenues:

Title	Description	Location	Component	Priority Status	Est. Schedule		Useful Life		Assembly	Senate
					Start	Finish	Min	Max		
Tahoe Valley Stormwater & Greenbelt Improvement Project Phase I	Project will include rehabilitation of existing pavement	F Street D Street Bonanza Ave	Con	New 22/23	7/23	10/23	20	20	5	1
Barton Ave & Second St Drainage Project	Project will include rehabilitation of existing pavement	Helen Ave Winnemucca Ave Silver Tip Ave	Con	New 22/23	7/23	10/23	20	20	5	1

Adopted by the City of South Lake Tahoe City Council on June 7, 2022 by the following vote:
Yes:
No:
Absent:
Abstain:

_____ Date:_____

Devin Middlebrook, Mayor

Attest:

_____

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

Local Streets and Roads - Projected Revenues

Estimated January 2022	2021-22 Hwy Users Tax Account	2021-22 Road Mntnc Rehab Acct	2021-22 TOTAL	2022-23 Hwy Users Tax Account	2022-23 Road Mntnc Rehab Acct	2022-23 TOTAL
DEL NORTE COUNTY						
CRESCENT CITY	198,337	158,306	356,643	220,513	174,220	394,733
County of Del Norte	1,258,504	1,217,700	2,476,204	1,405,804	1,340,112	2,745,916
Total City & County: Del Norte	1,456,841	1,376,006	2,832,847	1,456,841	1,376,006	2,832,847
EL DORADO COUNTY						
PLACERVILLE	308,158	225,518	533,676	342,298	248,188	590,486
SOUTH LAKE TAHOE	1,700,449	484,631	2,185,080	1,773,814	533,349	2,307,163
County of El Dorado	8,964,860	6,347,042	15,311,902	9,827,951	6,985,090	16,813,041
Total Cities & County: El Dorado	10,973,467	7,057,191	18,030,658	10,973,467	7,057,191	18,030,658
FRESNO COUNTY						
CLOVIS	3,102,266	2,523,487	5,625,753	3,458,939	2,777,165	6,236,103
COALINGA	467,153	374,627	841,780	520,103	412,287	932,390
FIREBAUGH	212,726	168,310	381,035	236,515	185,229	421,744
FOWLER	174,080	136,723	310,803	193,404	150,468	343,872
FRESNO	13,880,815	11,324,973	25,205,788	15,481,501	12,463,437	27,944,938
HURON	194,429	153,355	347,784	216,104	168,772	384,876
KERMAN	417,256	333,844	751,100	464,441	367,404	831,846
KINGSBURG	339,369	271,002	610,372	377,673	298,245	675,918
MENDOTA	323,252	257,829	581,081	359,694	283,748	643,442
ORANGE COVE	249,598	198,446	448,044	277,646	218,396	496,042
PARLIER	409,907	327,837	737,744	456,243	360,794	817,037
REEDLEY	671,886	540,327	1,212,213	748,256	594,644	1,342,901
SANGER	703,968	566,549	1,270,517	784,045	623,502	1,407,547
SAN JOAQUIN	110,841	85,853	196,694	122,975	94,484	217,459
SELMA	630,339	507,187	1,137,526	702,026	558,173	1,260,199
County of Fresno	25,729,504	22,292,105	48,021,609	28,718,805	24,533,062	53,251,867
Total Cities & County: Fresno	47,617,388	40,062,455	87,679,843	47,617,388	40,062,455	87,679,843
GLENN COUNTY						
ORLAND	220,050	176,615	396,666	244,750	194,370	439,120
WILLOWS	162,680	129,101	291,781	180,735	142,079	322,814
County of Glenn	2,813,594	2,860,906	5,674,500	3,092,356	3,148,504	6,240,860
Total Cities & County: Glenn	3,196,324	3,166,622	6,362,947	3,196,324	3,166,622	6,362,947

CITY OF
SOUTH LAKE TAHOE

2022/23 RMRA Project List Map

N

0 500 1,000 1,500
Feet

Path: \\1052tata2\GIS\Projects\PublicWorks\Engineering\GeneralEngineeringProjects\GeneralEngineeringProjects.aprx | RMRA Project List | 5/20/2022

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: June 7, 2022
Agenda Item #: 13

Agenda Item: Final Subdivision Map Approval for 906 Emerald Bay Road Residential Project

Executive Summary: On April 20, 2021, City Council approved the Tentative Map for 906 Emerald Bay Residential Project. The City adheres to the California Subdivision Map Act. as provided in Government Code Sections 66410-66499.58. Under the Subdivision Map Act, a property owner is required to submit a final map application whenever a subdivision of 5 or more parcels are proposed.

Requested Action / Suggested Motions: Pass a Resolution approving Final Subdivision Map for the 906 Emerald Bay Road Residential Project.
Responsible Staff Member: Faye-Marie Pekar, Engineering Technician

Responsible Staff Member: Faye-Marie Pekar, Engineering Technician-(530) 542-6070

Reviewed and Approved By:
Aunsh Nejad, Public Works Director
Susan Blankenship, City Clerk
Olga Tikhomirova, Director of Finance
Heather Stroud, City Attorney

Attachments:

01-Staff Report - Final Subdivision Map 906 Emerald Bay Rd.docx
02-Location Map.pdf
03-Resolution-Approving Final Subdivision Map 906 Emerald Bay Rd.docx
04 -Resolution 2021-024 - 906 Emerald Bay Rd Tentative Map Approval

City of South Lake Tahoe
Report to **City Council**

Meeting Date: June 7, 2022

Title: Final Subdivision Map for 906 Emerald Bay Road Residential Project

Location: 906 Emerald Bay Road (APN 023-182-028)

Responsible Staff Member: Faye-Marie Pekar, Engineering Technician - (530) 542-6070

Background: On March 18, 2021, the Planning Commission approved Major Design Review and Special Use Permit # 20-202 for the Emerald Bay Multi-Family Residential Project and recommended City Council approval of the tentative subdivision map.

On April 20, 2021, City Council held a public hearing and approved the Tentative Subdivision Map for Emerald Bay Road Residential Project for 906 Emerald Bay Road in Resolution 2021-024 (see Attachment 4). On April 5, 2022, Feldman Thiel LLP (representative of Eric Barstad) submitted a Final Map application to Public Works Department to create six detached individual condominiums on a common lot (air space condominiums).

Issue and Discussion: The Subdivision Map Act (SMA) Section §66456 states that after approval or conditional approval of a Tentative Map, the sub-divider may prepare a Final Map in accordance with the approved Tentative Map. The SMA Section §66458 states the legislative body shall approve the Final Map if it conforms to all the requirements of the Subdivision Map Act and Conditions of Approval. The resolution to formally approve 906 Emerald Bay Road Residential Project Final Subdivision Map is included with this staff report (Attachment 3).

Concurrences:
City Planning and Engineering staff concur that the Final Subdivision Map is consistent with the Tentative Map and all conditions of approval on the Tentative Map have been met.

Public Notice:
The Planning Commission conducted a public hearing on March 18, 2021, for the purpose of considering the Tentative Subdivision Map; City Council adopted resolution 2021-024 approving the Tentative Map with conditions on April 20, 2021. The applicant submitted a Final Parcel Map and all information required by the conditions of approval in the Tentative Map.

Financial Implications: Development of the parcel is expected to result in beneficial financial impacts to the City through an increase in property taxes and sales tax revenue.

Environmental Considerations: The approved project that is the subject of this final subdivision map is categorically exempt from CEQA pursuant to Section 15332 for infill development projects.

The final subdivision map is further exempt from CEQA pursuant to Section 15301 for the division of multi-family dwelling into common-interest ownership where no physical changes occur which are not otherwise exempt.

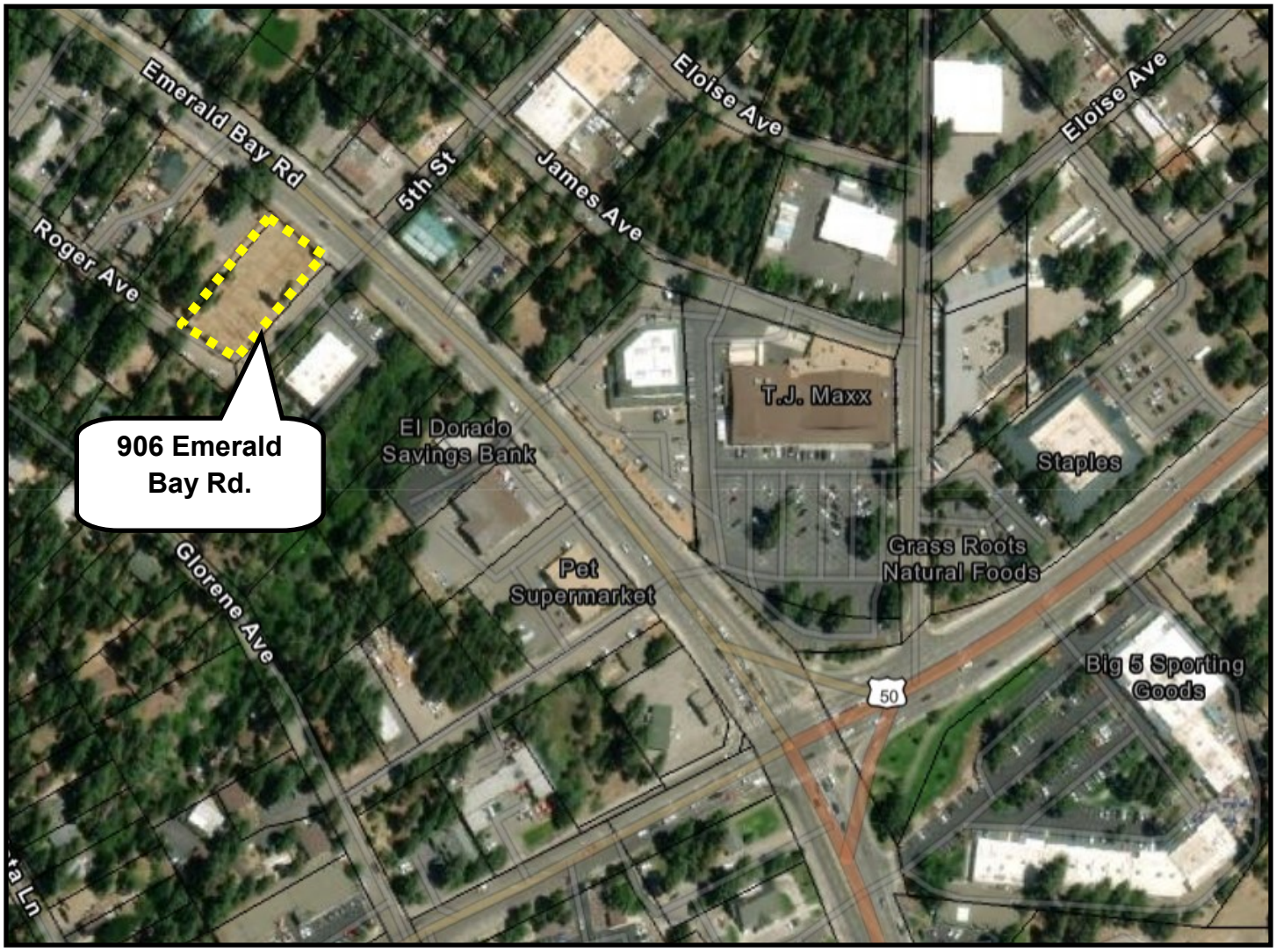
Policy Implications: The Project support the City Strategic Priority 1.3-Housing. The project facilitates development of housing within the City for a broad-spectrum of housing needs, through the construction of six new market rate housing units.

The property is within the Tahoe Valley Plan Area, Town Center Gateway District.

Location Map

906 Emerald Bay Road

(APN 023-182-028)



Resolution 2022-XXX

Adopted by the City of South Lake Tahoe
City Council

June 7, 2022

Approving the Final Subdivision Map for 906 Emerald Bay Road

BACKGROUND

A. The Planning Commission of the City of South Lake Tahoe conducted a public hearing and approved a Major Design Review and Special Use Permit on March 18, 2021 for the Emerald Bay Road Residential project located at 906 Emerald Bay Road.

B. The Planning Commission reviewed the Tentative Subdivision Map for the Emerald Bay Road Residential Project and adopted Planning Commission Resolution 2021-07 recommending approval of the tentative subdivision map.

C. The City Council of the City of South Lake Tahoe Conducted a public hearing on April 20, 2021 and approved the Tentative Subdivision Map under Resolution 2021-024.

D. The City Council made the findings of Government Code Section 66474.02 as grounds to approve a Tentative Subdivision Map in a High Fire Severity Zone.

E. The City Council of the City of South Lake Tahoe conducted a public hearing on June 7, 2021 to consider the approval of the Final Subdivision Map.

F. The City's contract surveyor found the Final Subdivision Map technically correct and ready for recording.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Does hereby approve the Final Subdivision Map for 906 Emerald Bay Road, APN 023-182-028, dated May 2022 contingent on the approval of the technical survey documents by the City surveyor.

Adopted by the City of South Lake Tahoe City Council on June 7, 2022 by the following vote:
Yes:
No:
Absent:
Abstain:

_____ Date:_____

Devin Middlebrook, Mayor

Attest:

_____

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

Resolution 2021-024
Adopted by the City of South Lake Tahoe City Council

April 20, 2021

Approving the Tentative Subdivision Map for the Emerald Bay Road Residential Project, 906 Emerald Bay Road, APN 023-182-028

BACKGROUND

A. The Planning Commission of the City of South Lake Tahoe conducted a public hearing and approved a Major Design Review and Special Use Permit on March 18, 2021 for the Emerald Bay Road Residential project located at 906 Emerald Bay Road.

B. The Planning Commission reviewed the Tentative Subdivision Map for the Emerald Bay Road Residential Project and adopted Planning Commission Resolution 2021-07 recommending approval of the tentative subdivision map.

C. The City Council of the City of South Lake Tahoe Conducted a public hearing on April 20, 2021 to consider the Tentative Subdivision Map.

D. The City Council did not make any of the findings in Government Code Section 66474 as grounds for denial of a Tentative Subdivision Map.

E. The City Council made the findings of Government Code Section 66474.02 as grounds to approve a Tentative Subdivision Map in a High Fire Severity Zone.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Does hereby approve the Tentative Subdivision Map for 906 Emerald Bay Road, APN 023-182-028, dated February 2021.

Adopted by the City of South Lake Tahoe City Council on April 20, 2021 by the following vote:
Yes: Bass, Creegan, Friedrich, Middlebrook and Wallace

_____ Date: 4/21/2021

Tamara Wallace, Mayor

Attest:

_____

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

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TENTATIVE MAP

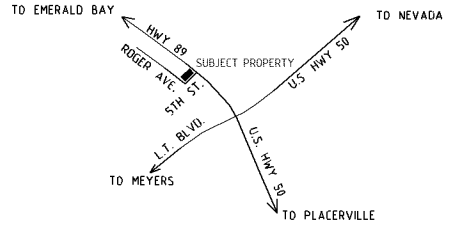
PORTION OF THE SOUTHEAST 1/4,
SECTION 5, T.12N., R.18E., M.D.M.,

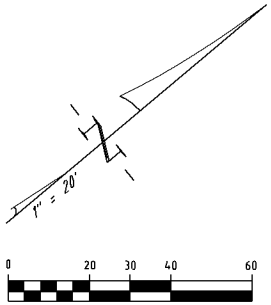
PROPERTY PER DOC. NO. 2020-0060597

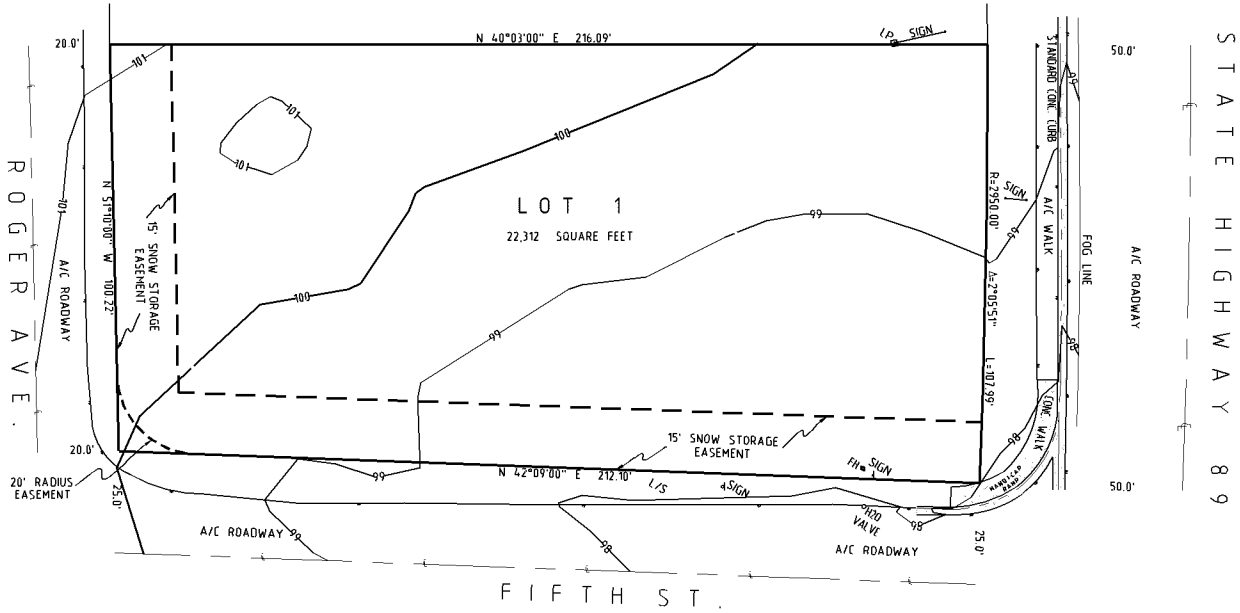
CITY OF SOUTH LAKE TAHOE
COUNTY OF EL DORADO, STATE OF CALIFORNIA

FEB. 2021 SHEET 1 OF 1 SCALE 1' = 20'

VICINITY MAP







OWNER & APPLICANT
MAILING ADDRESS
ERIC BARSTAD
P.O. BOX 4251
STATELINE, NV 89449

PROJECT AREA
22,312 SQUARE FEET

TURNER & ASSOCIATES, INC.
LAND SURVEYING
(775) 588-5658
FAX (775) 588-9296
308 DORLA COURT, SUITE 203 - ROUND HILL, NEVADA 89448
P.O. BOX 5067 - STATELINE, NEVADA 89449
JOB NO: 20261

TENTATIVE PARCEL MAP NO: _____

APPROVAL DATE: _____

EXISTING FEE PARCEL NUMBER: 023-182-028-000

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: June 7, 2022
Agenda Item #: 14

Agenda Item: American Rescue Plan Act Appropriation for Ski Run Park ADA Parking and Access Upgrades

Executive Summary: On March 11, 2021 the American Rescue Plan Act (ARPA) was signed into law and established the Coronavirus State and Local Fiscal Recovery Funds (SLFRF). On August 17, 2021 City Council discussed the results of a community survey representing a variety of projects and programs to assist the City in providing economic assistance from the negative impacts of the Covid-19 pandemic. Ski Run Park infrastructure improvements at 1195 Ski Run Blvd was chosen by City Council as a viable use of ARPA funding.

Requested Action / Suggested Motions: Pass a Resolution appropriating ARPA funds in the amount of $150,000 for civil design and construction of ADA parking and access upgrades along frontage of future Ski Run Park.
Responsible Staff Member: Faye-Marie Pekar, Engineering Technician

Responsible Staff Member: Faye-Marie Pekar, Engineering Technician (530) 542-6070

Reviewed and Approved By:
Anush Nejad, Public Works Director
Susan Blankenship, City Clerk
Olga Tikhomirova, Director of Finance
Heather Stroud, City Attorney

Attachments:

01-Staff_Report_-_Ski_Run_Park_ADA_Compliance.docx
02-Resolution - Ski Run Park ADA Appropriation.docx

City of South Lake Tahoe
Report to **City Council**

Meeting Date: June 7, 2022

Title: American Rescue Plan Act Appropriation for Ski Run Park ADA Parking and Access Upgrades

Location: 1195 Ski Run Blvd

Responsible Staff Member: Faye-Marie Pekar, Engineering Technician, (530) 542-6070

Background: On March 11, 2021 the American Rescue Plan Act (ARPA) was signed into law and established the Coronavirus State and Local Fiscal Recovery Funds (SLFRF). This program is intended to provide support to State, territorial, local, and Tribal governments in responding to the economic and public health impacts of COVID-19 in the efforts to contain impacts on communities, residents, and businesses.

On August 17,2021 City Council discussed the results of a community survey representing a variety of projects and programs to assist the city in providing economic assistance from the negative impacts of the Covid-19 pandemic. The list of projects included among others; the development of the Ski Run Park Infrastructure in the amount of $150,000.

On January 6th, 2022, the U.S. Department of the Treasury issued the Final Rule for the SLFRF program. The final rule provides state and local governments with increased flexibility to pursue a wider range of uses, as well as greater simplicity so the government can focus on responding to the crisis in the communities and maximizing the impact of their funds. On February 1, 2022, the City Council through Resolution 2022-019, elected the provision of a "standard allowance" for the allocated amount to the City of $5,309,994 to spend on government services through the period of performance.

Issue and Discussion: City staff has partnered with the Friends of Ski Run and local community members to assist with the creation of Ski Run Park. The action contemplated herein is a formal budget appropriation of SLFRF funds for the civil design and construction of an ADA parking stall and access upgrades on Ski Run Blvd within the City right-of-way and additional access infrastructure improvements for Ski Run Park (1195 Ski Run Blvd.).

Financial Implications: On May 17, 2022 the City Council approved a resolution appropriating and transferring the remainder of the ARPA funding first tranche, $662,497, from the City's Local Fiscal Recovery fund to the General Fund under the provision of revenue loss consistent with the election of "standard allowance" to replace lost public sector revenue to pay for "Government services"**.**

The attached Resolution (Attachment 02) details the budget appropriation as outlined below:

- $150,000 SLFRF funds to support the civil design and construction of one ADA Parking stall and additional required ADA access improvements along Ski Run Blvd fronting the future Ski Run Park.

Capital Improvement account (301 funds) will need to be developed for the budget appropriations and project development.

Given inflationary trends in Public Works construction costs, the proposed project work of civil design and construction for an ADA parking stall and additional access improvements for Ski Run Park has the potential to exceed the proposed appropriation of $150,000. Additional funds may be requested from undesignated General Funds for the project once the city receives the construction bids to ensure compliance with ADA requirements.

Environmental Considerations: The appropriation of funds to Ski Run Park Infrastructure is Categorically Excluded from the California Environmental Quality Act (CEQA) under Section 15301 of the CEQA Guidelines. Section 15301 exempts the operation, maintenance, repair or minor alteration of existing public facilities.

Policy Implications: The proposed project supports Strategic Plan 2 -Recreation and Equitable Access that strives to promote equitable access to recreation for underserved and under resourced populations by implementing recreation programs for inclusion. Support active and health lifestyles and strive to develop parks in every neighborhood.

Resolution 2022-XXX

Adopted by the City of South Lake Tahoe
City Council

June 7, 2022

Appropriating $150,000 of American Rescue Plan Act (ARPA) funds for Required ADA Access Improvements for the Future Ski Run Park

BACKGROUND

A. The American Rescue Plan Act (ARPA) (Public Law No. 117-2) was signed into law by the President of the United States on March 11, 2021.

B. The Act appropriated Coronavirus State and Local Fiscal Recovery Funds for allocation by the U.S. Department of the Treasury to states, counties, metropolitan cities, and small cities with a population under 50,000 (referred to as non-entitlement units of local government)

C. On June 15, 2021, the City Council adopted Resolution 2021-052 establishing the special fund “Local Fiscal Recovery Fund” and authorizing the Director of Finance to accept all funds received under the American Rescue Plan Act and deposit them in the Local Fiscal Recovery Fund.

D. On August 17, 2021, the City Council considered a list of potential projects for ARPA funding, Ski Run Park Infrastructure was chosen by City Council as a viable use of ARPA funding and directed staff to move forward in developing and implementing the projects.

E. On January 6th, 2022, the U.S. Department of the Treasury issued the Final Rule for the SLFRF program. The final rule provides state and local governments with increased flexibility to pursue a wider range of uses, as well as greater simplicity so the government can focus on responding to the crisis in the communities and maximizing the impact of their funds.

F. On February 1, 2022, the City Council through Resolution 2022-019, elected the provision of a "standard allowance" for the allocated amount to the City of $5,309,994 to spend on government services through the period of performance and on May 17, 2022 appropriated and transferred the remainder of ARPA funding from the first tranche into the General Fund.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Finds that the civil design and construction of an ADA parking stall and access improvements to Ski Run Park Infrastructure is a suitable use of ARPA funds under category A, to respond to the public health emergency or its negative economic impacts,

including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;

2. Authorizes the establishment of capital improvement project account (301) and appropriates $150,000 from the General Fund into the Capital Improvement Ski Run Infrastructure project account 301-60078-48030, Construction, for implementation of the project.

Adopted by the City of South Lake Tahoe City Council on June 7, 2022 by the following vote:
Yes:
No:
Absent:
Abstain:

_____ Date:_____

Devin Middlebrook, Mayor

Attest:

_____

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: June 7, 2022
Agenda Item #: 15

Agenda Item: Permanent Local Housing Allocation (PLHA) Grant Loan Agreement and Budget Appropriation for the Sugar Pine Village Affordable Housing Project

Executive Summary: The City was awarded $5,000,000 in PLHA funds for the Sugar Pine Village project on February 2, 2022. The City Council is requested to appropriate the funds in the City budget and authorize the City Manager to execute a loan agreement and related documents with Sugar Pine Housing Partners, L.P. to loan $4,750,000 in PLHA funds for use in the construction of Phase 1A of the Sugar Pine Affordable Housing Project.

Requested Action / Suggested Motions: 1) Pass a Resolution appropriating $5,000,000 of PLHA funds into the City budget for use in developing the Sugar Pine Village Affordable Housing Project; and 2) Pass a Motion authorizing and directing the City Manager to execute a loan agreement, promissory note, deed of trust and regulatory agreement with Sugar Pine Housing Partners, L.P. to loan $4,750,000 of PLHA funds for use in the construction of Phase 1A of the Sugar Pine Village Affordable Housing Project, all in substantially the form attached hereto including any changes required to comply with the PLHA grant agreement, and to be approved as to form by the City Attorney.
Responsible Staff Member: Zach Thomas, Housing Manager, Housing Manager

Responsible Staff Member: Zach Thomas, Housing Manager (530) 542-7400

Reviewed and Approved By:
Hilary Roverud, Director of Development Service
Susan Blankenship, City Clerk
Olga Tikhomirova, Director of Finance
Heather Stroud, City Attorney

Attachments:

01-Staff Report - Sugar Pine Village Loan Agreement.docx
02-Resolution-Budget Appropriation Sugar Pine Village Loan Agreement.docx
03_Sugar Pine PLHA Loan Agreement.docx
04-Sugar Pine Village Promissory Note Agreement.docx
05-Sugar Pine Village Deed of Trust.docx
06_City Regulatory Agreement_Sugar Pine Village PLHA Loan.docx
07 - Reso. No. 2021-071 PHLA Grant Application.pdf

City of South Lake Tahoe
Report to **City Council**

Meeting Date: June 7, 2022

Title: Permanent Local Housing Allocation (PLHA) Grant Loan Agreement and Budget Appropriation for the Sugar Pine Village Affordable Housing Project

Location: 1888 Lake Tahoe Boulevard and 1029 Tata Lane

Responsible Staff Member: Zach Thomas, Housing Manager
(530) 542-7400

Background: The Sugar Pine Village project is a proposed 248-unit affordable housing project, with onsite community service facilities on 11.6 acres of land owned by the State of California and managed by the California Tahoe Conservancy (Conservancy). This project is a result of the Governor's Executive Order N-06-19, which directed the California Department of General Services (DGS) to identify excess state properties as potential affordable housing development sites. In July 2020, the Conservancy announced the State had selected Related Companies of California LLC in partnership with the St. Joseph Community Land Trust to construct and manage the Sugar Pine Village project.

Since June 2020, the City of South Lake Tahoe has been an active partner in the development of the project. As a first step of financial commitment, the City Council at its November 17th, 2020 meeting authorized a $566,629 loan for predevelopment costs (Resolution 2020-109) and a $1,250,000 loan to purchase banked land coverage at the airport (Resolution 2020-110). The loans were funded by Program Income from repayments of loans from the Redevelopment Agency (RDA) Low- and Moderate-Income Housing Fund and the City's undesignated reserve fund, respectively. At its October 19, 2021 meeting the City Council also approved a $627,626 loan of HOME Program Income. This brings the City's total commitment toward the project to $2,444,255.

In addition to direct City commitments, the City has partnered with Related Development to secure $17,359,470 in Affordable Housing and Sustainable Communities (AHSC) grant funds, $5,000,000 in Permanent Local Housing Allocation (PLHA) grant funding.

Related California has also secured $20,000,000 in Multifamily Housing Program (MHP) funding and $3,195,900 in Infill Infrastructure Grant (IIG) funding so far in the financing phase of the project.

To date, approximately $40,000,000 in tax credits and grant applications have been applied for and secured using the City's initial approximate $1.8 million commitment as a local match.

Related California is phasing the financing and construction of the project into four phases. Phase 1A includes 68 residential units and a community building, Phase 1B 60 units, Phase 2A 60 units

and Phase 2B 60 units. The table below summarizes the financing strategy for the first three phases and shows how the City contributions pair with other funding sources.

Source	Phase 1A	Phase 1B	Phase 2A	Total
City RDA Loan	566,629	-	-	566,629
City Coverage Loan	254,487		995,513	1,250,000
HOME PI Loan		625,000		625,000
Total City Funds	821,116	625,000	995,513	2,441,629
Federal Tax Credit Equity	17,651,379	21,744,524	15,716,202	55,112,105
State Tax Credit Equity	5,722,864	-	7,672,662	13,395,526
State MHP	12,127,500	7,448,016	-	19,575,516
State AHSC	-	-	10,551,967	10,551,967
State IIG	3,195,900	-	-	3,195,900
State PLHA	4,750,000	-	-	4,750,000
State HOME	-	5,162,446	-	5,162,446
State LGMG	4,000,000		6,000,000	10,000,000
Total Leveraged Funds	47,447,643	34,354,986	39,940,831	121,743,460

Committed	Applied For	Identified	N/A

Issue and Discussion: On September 7, 2021 the City Council adopted a resolution authorizing the City Manager to submit a joint application with Related Companies of California, LLC under the PLHA non-entitlement competitive Program for an amount not to exceed $5,000,000. The $5,000,000 grant was awarded to the City on February 2, 2022. Up to 5 percent ($250,000) can be used for reimbursement of administrative costs incurred by the City.

It is recommended that the City Council adopt a resolution appropriating the funds in the City budget. It is also recommended that the City Council authorize the City Manager to enter into a Loan Agreement, Promissory Note, Deed of Trust and Regulatory Agreement with Sugar Pine Housing Partners, L.P. to loan $4,750,000 of PLHA funds for use in the construction of Phase 1A of the Sugar Pine Village Affordable Housing Project. Staff requests authorization for the City Manager to execute the Loan Agreement and related documents in substantially the form attached hereto including any changes required to comply with the Housing and Community Development Standard Agreement, to be approved as to form by the City Attorney.

Financial Implications: While the City carries primary responsibility for administering the grant, the Loan Agreement will require that the borrower, Sugar Pine Housing Partners, L.P. comply with all requirements of the Standard Agreement between the City and the State. In addition, up to 5 percent ($250,000) of the grant may be used to cover costs associated with administering the grant.

Staff is recommending that the PLHA funds be appropriated, consistent with the Standard Agreement, as follows:

Account Number 250-06024 Work-Force Housing

Revenue (33244): $5,000,000
Loans to Borrowers (47060): $4,750,000

Administration Costs (50011): $250,000

Environmental Considerations: For projects that satisfy criteria specified by SB 35, the guidelines issued by HCD specify that the California Environmental Quality Act (CEQA) does not apply to actions taken by a local government to provide financial assistance to a development that receives streamlined approval and that is to be used for housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code.

Policy Implications: The recommended actions are consistent with the City Strategic Plan, which identified supporting the Sugar Pine Village Project as a Tier 1 priority. The Sugar Pine Village project was also identified in the South Shore Housing Action plan as partnership action strategy.

The recommended action is consistent with the following adopted policies and programs:

City General Plan Housing Element

Policy 1-1 The City shall adopt programs, ordinances, incentives, land use plans and other regulatory mechanisms that provide opportunities for the private sector to address the housing needs of citizens of all economic levels.

Policy 2-2 The City shall enable opportunities for deed-restricted affordable ownership housing to ensure long-term affordability.

Policy 2-5 The City shall recognize that it will become difficult to attract employees if they cannot afford to purchase or rent housing in South Lake Tahoe. The City shall encourage and support programs and activities that create a robust local economy that provides residents with good paying employment and the means to purchase and/or rent housing in the city.

Program 2-1 PURSUE STATE AND FEDERAL FUNDS
To support the creation of quality, affordable housing options for extremely low-, very low-, and low-income households, the City shall seek and when appropriate and feasible pursue grant opportunities for state and federal funds.

Program 2-6 ANALYSIS OF FEDERAL AND STATE LANDS
The City shall continue discussing the potential for developing quality workforce and affordable housing on non-environmentally sensitive lands owned by the California Tahoe Conservancy (CTC) and the United States Forest Service (USFS). The City shall ensure that important natural resources are protected and only pursue surplus lands that these agencies have determined do not have a clear and compatible conservation or recreation purpose consistent with agency goals.

Tahoe Valley Area Plan

Policy H-1.1 – Housing Options
Provide for a range of housing options that include affordable, moderate-income, and workforce housing so that people can live and work in the City.

Policy H-1.5 – Redirection of Development
Direct high density residential development to areas of Tahoe Valley that are within walking

distance of public transit and services.

Policy H-1.7 – Tahoe Livable Communities Program
Collaborate and support efforts of the California Tahoe Conservancy to remove blighted properties and repurpose associated development commodities. Encourage the use of residential commodities for affordable housing in Tahoe Valley area.

Policy H-2.1 – General
Encourage the creation of residential uses to support and add vitality to commercial and public service projects in the Tahoe Valley area.

Resolution 2022-XXX

Adopted by the City of South Lake Tahoe
City Council

June 7, 2022

Budget Appropriation of Permanent Local Housing Allocation Non-Entitlement Local Government Competitive Component funds for construction of the Sugar Pine Village Affordable Housing Project

BACKGROUND

A. The City General Plan Housing Element (2014) identified a general disparity between wages and the cost of housing in South Lake Tahoe. There is a need for new housing construction to serve low, very low, and extremely low income residents due to 36.1 percent of City residents in these income categories having a cost burden greater than 30 percent and 19.8 percent having a cost burden greater than 50 percent between 2006 and 2010.

B. To address the shortage of housing for Californians, Governor Newsom ordered the Department of General Services (DGS) and the Department of Housing and Community Development (HCD) to identify and prioritize excess state-owned property and aggressively pursue sustainable, innovative, cost-effective housing projects (Executive Order N-06-19).

C. Through a competitive Request for Proposal process, the State of California has selected The Related Companies of California ("Related California") and Saint Joseph Community Land Trust team to develop the Sugar Pine Village project ("Project") located at 1888 Lake Tahoe Blvd and 1029 Tata Lane in South Lake Tahoe. The Project will include 248 rental units available to low and very low income households.

D. The City has been an active partner in the development and financing of the Project by both contributing local money and being joint applicants on a numerous of grants.

E. On September 7, 2021, the City Council Adopted Resolution 2021-071 authorizing the application for the Permanent Local Housing Allocation (PLHA) Program Non-Entitlement Local Government Competitive Component in an amount not to exceed $5,000,000.

F. On February 2, 2022 the City of South Lake Tahoe was awarded $5,000,000 in PLHA funds for use in the development of the Project and subject to the terms and conditions as specified in the Standard Agreement.

G. Related California has made a request on behalf of the project team, for the City to loan funds to cover predevelopment expenses associated with the design and entitlement of the Project.

H. Related California is a real estate firm with 30 years of experience delivering affordable housing, mixed-income housing, and mixed-use developments across California. The company has more than 16,000 residences completed or under construction, 13,000 of which are affordable for either low or very low income households.

I. Related California and SJCLT, or their affiliates, have formed a limited partnership or LLC to advance the development of the Sugar Pine Village project and this LLC or limited partnership would be the recipient of the financial assistance requested for the project.

J. Related California has provided a financing strategy for the development of the Sugar Pine Village, a 248 unit housing project affordable to low and very low income households, which includes a combination of tax credit equity, private loan financing, and state and federal housing program sources.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Appropriate budgeting on the PLHA funds into account number 250-06024 as follows:

Revenue (33244)	$5,000,000
Loan to Project (47060)	$4,750,000
Administrative Costs (50011)	$250,000

Adopted by the City of South Tahoe City Council on June 7, 2022 by the following vote:
Yes:
No:
Absent:
Abstain:

_____ Date:_____

Devin Middlebrook, Mayor

Attest:

_____

Susan Blankenship, City Clerk

LOAN AGREEMENT

by and between

THE CITY OF SOUTH LAKE TAHOE,
a municipal corporation

and

SUGAR PINE HOUSING PARTNERS, L.P.,
a California limited partnership

June 1, 2022

THIS LOAN AGREEMENT (this "**Agreemen**t") is entered into effective as of June 1, 2022 ("**Effective Date**") by and between the CITY OF SOUTH LAKE TAHOE, a municipal corporation ("**City**") and SUGAR PINE HOUSING PARTNERS, L.P., a California limited partnership ("**Developer**"). City and Developer are hereinafter collectively referred to as the "**Parties**."

RECITALS

A. Developer has or will acquire a leasehold interest in that real property located in South Lake Tahoe, California(the "**Property**"), as more particularly described on Exhibit A attached hereto and incorporated herein by this reference.

B. Developer has proposed to develop a sixty-eight (68) unit multifamily residential apartment building rented at an affordable housing cost to low, very-low, and extremely-low income households (the "**Project**").

C. The City has received grant funding from the California Department of Housing and Community Development (**"HCD"**) under the Permanent Local Housing Allocation ("**PLHA**") program pursuant to a Standard Agreement between the City and HCD (the "**PLHA Grant**").

D. Developer has requested, and City has agreed, to provide a loan to Developer in the amount of Four Million Seven Hundred Fifty Thousand Dollars ($4,750,000). from the City's PLHA allocation (the "**Loan**") to assist in the development of the Project pursuant to the terms and conditions set forth herein.

E. A material inducement to City to enter into this Agreement is the agreement by Developer to develop the Property within the time periods specified herein and in accordance with the provisions hereof, and the City would be unwilling to enter into this Agreement in the absence of an enforceable commitment by Developer to complete the Project in accordance with such provisions and within such time periods.

F. Concurrently herewith: (i) Developer shall execute a secured promissory note (the "**Note**") in the amount of the Loan and a Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing ("**Deed of Trust**"), which shall provide City with a security interest in the Property and the Project, and (ii) Developer and City shall execute an Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenants (the "**Regulatory Agreement**"), which shall be recorded against the Property and which shall require Project rents to be affordable to low, very low, and extremely-low income households for a term of not less than 55 years. The Note, the Regulatory Agreement and Deed of Trust are collectively hereinafter referred to as the "**City Documents**."

NOW, THEREFORE, in consideration of the mutual covenants contained herein and good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows.

ARTICLE I
DEFINITIONS

1. Definitions. The following terms shall have the meanings set forth in the Sections referenced below whenever used in this Agreement and the Exhibits attached hereto. Additional terms are defined in the Recitals and text of this Agreement.

1.1 "**Certificate of Completion**" is defined in Section 3.15.

1.2 **"City Documents"** is defined in Recital F.

1.3 "**Claims**" is defined in Section 3.17.

1.4 "**Conditions of Approval**" is defined in Section 3.2.

1.5 "**Construction Plans**" is defined in Section 3.11.

1.6 "**Environmental Laws**" is defined in Section 9.4.

1.7 "**Hazardous Materials**" is defined in Section 9.3.

1.8 "**Improvements"** is defined in Section 3.9.

1.9 **"Indemnitees**" is defined in Section 3.17.

1.10 **"Loan"** is defined in Recital C and Article 4.

1.11 **"Note"** is defined in Article 4.

1.12 "**Project"** is defined in Recital B and further described in Section 3.2.

1.13 "**Regulatory Agreement"** is defined in Recital F.

ARTICLE II
REPRESENTATIONS; EFFECTIVE DATE AND TERM

2.1 Developer's Representations. Developer represents and warrants as follows, and Developer covenants that until the expiration or earlier termination of this Agreement, upon learning of any fact or condition which would cause any of the warranties and representations in this Section 2.1 not to be true, Developer shall immediately give written notice of such fact or condition to City. Developer acknowledges that City shall rely upon Developer's representations made herein notwithstanding any investigation made by or on behalf of City.

(i) Authority. Developer is a California limited partnership duly organized and in good standing under the laws of the State of California. Developer has the full right, power and authority to undertake all obligations of Developer as provided herein, and Developer's execution, performance and delivery of this Agreement, the Regulatory Agreement, and the other City Documents have been duly authorized by all requisite actions.

(ii) No Conflict. Developer's execution, delivery and performance of its obligations under this Agreement will not constitute a default or a breach under any contract, agreement or order to which Developer is a party or by which it is bound.

(iii) No Litigation or Other Proceeding. No litigation or other proceeding (whether administrative or otherwise) is outstanding or has been threatened which would prevent, hinder or delay the ability of Developer to perform its obligations under this Agreement.

(iv) No Developer Bankruptcy. Developer is not the subject of a bankruptcy or insolvency proceeding.

2.2 City Representations. City represents and warrants to Developer and covenants that until the expiration or earlier termination of this Agreement, upon learning of any fact or condition which would cause any of the warranties and representations in this Section 2.2 not to be true, City shall immediately give written notice of such fact or condition to Developer. City acknowledges that Developer shall rely upon City's representations made herein notwithstanding any investigation made by or on behalf of Developer.

(i) Authority. City is a California municipal corporation, duly organized and in good standing under the laws of the State of California. City has the full right, power and authority to undertake all of the respective obligations as provided herein, and the execution, performance and delivery of this Agreement by City has been duly authorized by all requisite actions on the part of each such entity. The persons executing this Agreement on behalf of City has been duly authorized to do so. This Agreement constitutes a valid and binding obligation of City.

(ii) No Conflict. City's execution, delivery and performance of their respective obligations under this Agreement will not constitute a default or a breach under any contract, agreement or order to which City is a party or by which either is bound.

(iii) No Litigation or Other Proceeding. No litigation or other proceeding (whether administrative or otherwise) is outstanding or has been threatened which would prevent, hinder or delay the ability of City to perform their obligations under this Agreement.

(iv) No Bankruptcy. City is not the subject of a bankruptcy or insolvency proceeding.

2.3 Effective Date. The obligations of Developer and City hereunder shall be effective as of the Effective Date.

ARTICLE III
DEVELOPMENT OF THE PROJECT

3.1 The Property. Developer represents and warrants that as of the Effective Date: (i) Developer possesses leasehold title to the Property, and (ii) to the best knowledge of Developer after reasonable inquiry, the Property is subject to no covenant, condition, restriction or agreement that would hinder or prevent Developer's performance of its obligations under this Agreement, the Regulatory Agreement, and the other City Documents. If at any time the foregoing statements become untrue, the City shall have the right to terminate this Agreement upon written notice to Developer.

3.2 Affordable Housing. Developer covenants and agrees for itself, its successors and assigns that thirty-three (33) of the residential units developed within the Project shall be occupied by low, very-low, or extremely-low income households and rented at an affordable rent to households of low, very low, and extremely low-income in accordance with the terms hereof and the Regulatory Agreement which the Parties shall execute substantially in the form attached hereto as Exhibit C concurrently with the execution of this Agreement, and which shall be recorded in the Official Records of El Dorado County ("**Official Records**") on the date that Developer acquires the Property.

3.3 Project Approvals. Developer covenants that it shall: (i) obtain all necessary permits and approvals which may be required by City and any other governmental agency having jurisdiction over the construction of the Project or the development of the Property, (ii) comply with all Conditions of Approval, (iii) comply with all mitigation measures, if any, imposed in connection with any environmental review of the Property or the Project, and (iv) not commence construction of the Project prior to issuance of building permits.

3.4 Fees. Developer shall be solely responsible for, and shall promptly pay when due, all customary and usual fees and charges of City in connection with obtaining building permits and other approvals for the Project, including without limitation, those related to the processing and consideration of amendments, if any, to the current entitlements, any related approvals and permits, environmental review, architectural review, historic review, and any subsequent approvals for the Project or the development of the Property.

3.5 Cost of Acquisition and Construction. Except as expressly set forth herein, Developer shall be solely responsible for all direct and indirect costs and expenses incurred in connection with the acquisition of the Property, the design, development and construction of the Project and compliance with the Conditions of Approval, including without limitation the installation and construction of all off-site or on-site improvements required by City in connection therewith, and none of such costs and expenses shall be the obligation of the City.

3.6 Rights of Access; Books and Records. For the purpose of ensuring that the Project is developed in compliance with this Agreement, Developer shall permit representatives of the City to enter upon the Property to inspect the Project following 48-hours' written notice (except in the case of emergency in which case such notice as may be practical under the circumstances shall be provided). Upon request, Developer shall permit the City to inspect at

reasonable times and on a confidential basis those books, records and all other documents of Developer necessary to determine Developer's compliance with the terms of this Agreement.

3.7 City Disclaimer. Developer acknowledges that the City is under no obligation, and neither City undertakes or assumes any responsibility or duty to Developer or to any third party, to in any manner review, supervise, or inspect the progress of construction or the operation of the Project. Developer and all third parties shall rely entirely upon its or their own supervision and inspection in determining the quality and suitability of the materials and work, the performance of architects, subcontractors, and material suppliers, and all other matters relating to the construction and operation of the Project. Any review or inspection undertaken by the City is solely for the purpose of determining whether Developer is properly discharging its obligations under this Agreement, and shall not be relied upon by Developer or any third party as a warranty or representation by the City as to the quality of the design or construction of the Project and other improvements constructed on the Property (collectively, the **"Improvements**") or otherwise.

3.8 Financing Plan. As set forth in the attached Exhibit F, Developer has provided City with a preliminary financing plan for the Project (**"Financing Plan")** which describes (i) the estimated costs of Project development, including acquisition costs, and hard and soft construction costs, (ii) an operating pro forma which describes projected revenue and expenses for the Project, and (iii) identification of sources of construction and permanent financing.

Prior to the commencement of initial construction of the Project, Developer shall provide evidence to City that all sources of funds for Project construction and permanent financing have been firmly committed by Developer, equity investors or lending institutions, subject only to commercially reasonable conditions.

3.9 Equal Opportunity. During the construction of the Project, there shall be no discrimination on the basis of race, color, religion, creed, sex, sexual orientation, marital status, ancestry or national origin in the hiring, firing, promoting or demoting of any person engaged in construction of the Project, and Developer shall direct its contractors and subcontractors to refrain from discrimination on such basis.

3.10 Prevailing Wage Requirements. To the extent, and only if required by applicable federal and state laws, rules and regulations, Developer and its contractors and agents shall comply with California Labor Code Section 1720 *et seq.* and applicable federal labor laws and standards, and the regulations adopted pursuant thereto ("**Prevailing Wage Laws**"), and shall be responsible for carrying out the requirements of such provisions. .

3.11 Compliance with Laws. Developer shall carry out and shall cause its contractors to carry out the construction of the Project in conformity with all applicable federal, state and local laws, rules, ordinances and regulations, including without limitation, all applicable federal and state labor laws and standards, applicable provisions of the California Public Contracts Code, the City zoning and development standards, building, plumbing, mechanical and electrical codes, all other provisions of the City's Municipal Code, and all applicable disabled and handicapped access requirements, including without limitation, the Americans with Disabilities

Act, 42 U.S.C. Section 12101, *et seq*., Government Code Section 4450, *et seq*., Government Code Section 11135, *et seq*., and the Unruh Civil Rights Act, Civil Code Section 51, *et seq*..

3.12 Liens and Stop Notices. Until the expiration of the term of the Regulatory Agreement and full repayment of the Loan, Developer shall not allow to be placed on the Property or any part thereof any lien or stop notice on account of materials supplied to or labor performed on behalf of Developer. If a claim of a lien or stop notice is given or recorded affecting the Project, Developer shall within thirty (30) days of such recording or service: (a) pay and discharge (or cause to be paid and discharged) the same; or (b) effect the release thereof by recording and delivering (or causing to be recorded and delivered) to the party entitled thereto a surety bond in sufficient form and amount or provide other assurance satisfactory to City that the claim of lien or stop notice will be paid or discharged.

3.13 Right of City to Satisfy Liens on the Property. If Developer fails to satisfy or discharge any lien or stop notice on the Property pursuant to Section 3.19 above, the City shall have the right, but not the obligation, to satisfy any such liens or stop notices at Developer's expense and without further notice to Developer. In such event Developer shall be liable for and shall immediately reimburse City for such paid lien or stop notice. Alternatively, the City may require Developer to immediately deposit with City the amount necessary to satisfy such lien or claim pending resolution thereof. The City may use such deposit to satisfy any claim or lien that is adversely determined against Developer. Developer shall file a valid notice of cessation or notice of completion upon cessation of construction of the Improvements for a continuous period of thirty (30) days or more, and shall take all other reasonable steps to forestall the assertion of claims or liens against the Property or the Improvements. The City may (but has no obligation to) record any notices of completion or cessation of labor, or any other notice that the City deems necessary or desirable to protect its interest in the Property and the Improvements.

3.14 Performance and Payment Bond(s).

(a) Prior to commencement of construction of the Project, Developer shall deliver to the City copies of payment bond(s) and performance bond(s) issued by a reputable insurance company licensed to do business in California, each in a penal sum of not less than one hundred percent (100%) of the scheduled cost of construction of the Project.

(b) In lieu of such performance and payment bonds, Developer may submit evidence satisfactory to the City of the Developer's ability to commence and complete construction of the Project in the form of an irrevocable letter of credit, pledge of cash deposit, certificate of deposit, or other marketable securities held by a broker or other financial institution, with signature authority of the City required for any withdrawal, or a completion guaranty in a form and from a guarantor acceptable to City. Such evidence must be submitted in approvable form in sufficient time to allow the City to review and approve the information within prior to the scheduled construction start date.

ARTICLE IV
CITY FINANCIAL ASSISTANCE

4.1 Loan. Using PLHA funds, the City shall provide a loan in the amount of Four Million Seven Hundred Fifty Thousand Dollars ($4,750,000) (the "**Loan**") to Developer upon the terms and conditions and for the purposes set forth in this Agreement. The Loan shall be evidenced by a promissory note (the "**Note**") substantially in the form attached hereto as Exhibit D, and shall be secured by a leasehold deed of trust (the "**Deed of Trust**") executed by Developer as Trustor substantially in the form attached hereto as Exhibit E and recorded against the Property subordinate only to such liens as City shall approve in writing. The outstanding principal balance of the Note will accrue zero percent (0%) simple annual interest commencing upon the date of disbursement.

Provided that Developer has complied with all conditions precedent to disbursement of the Loan set forth in Section 4.5, the proceeds of the Loan ("**Loan Proceeds"**) shall be disbursed in accordance with Section 4.4 hereof. The Parties agree that City shall disburse Loan Proceeds only for the purposes set forth in Section 4.4.

4.2 Payment Dates; Maturity Date. All payments on the loan shall be deferred until the Maturity Date. The entire outstanding principal balance of the Loan together with accrued interest and (except as otherwise provided herein or in the other City Documents) all other sums due under the City Documents shall be payable in full on the fifty-fifth (55th) anniversary of the date that City issues the final certificate of occupancy for the Project (the "**Maturity Date**").

4.3 Security. As security for repayment of the Note, Developer shall execute the Deed of Trust pursuant to which City shall be provided a lien against the Property and the Improvements. The Deed of Trust shall be recorded in the Official Records on the date that Developer acquires the Property. The Deed of Trust may be subordinated only to such liens and subject only to such title exceptions as City may approve in writing. The City acknowledges that Developer's construction and permanent lender(s) may require the subordination of the Deed of Trust and the City shall subordinate the Deed of Trust to deeds of trust or other security instruments approved by the City.

4.4 Use and Disbursement of Proceeds. The Loan Proceeds shall be used solely to fund acquisition of the Property and/or construction of the Project, and closing, escrow and other costs approved by the City.

4.5 Conditions to Disbursement of Loan Proceeds. City's obligation to fund the Loan and disburse the proceeds thereof is conditioned upon the satisfaction of all of the following conditions:

(a) Developer's delivery to City of each of the following: (i) certificate of good standing, certified by the Secretary of State indicating that Developer is properly organized, in good standing, and authorized to do business in the State of California, and (ii) a certified resolution indicating that Developer has authorized this transaction and that the persons executing this Agreement, the Regulatory Agreement, and the City Documents on Developer's behalf have been duly authorized to do so.

(b) Developer's delivery to the City of evidence of insurance coverage in accordance with the requirements set forth in Section 11.2.

(c) Developer's delivery of the Regulatory Agreement and each of the City Documents, each fully-executed and acknowledged as applicable.

(d) Recordation of the Regulatory Agreement, and the Deed of Trust, in the Official Records.

(e) The issuance by an insurer satisfactory to City of an A.L.T.A. lender's policy of title insurance ("**Title Policy"**) for the benefit of City in the amount of the Loan, insuring that the lien of the Deed of Trust is subject only to such defects, liens, conditions, encumbrances, restrictions, easements and exceptions as City may approve in writing and containing such endorsements as City may reasonably require, with the cost of the Title Policy to be paid by Developer.

(f) Reasonable written confirmation that all other Project acquisition and construction costs required by the Financing Plan (or otherwise) are (or will be subject to the closing and funding of the Loan) available to Developer.

(g) The City's receipt of a written requisition for disbursement of funds from Developer specifying the amount and use of the requested funds, accompanied by the title company's estimated settlement statement showing the acquisition price, closing costs and all other amounts due in escrow for Developer's acquisition of the Property.

4.6 No Obligation to Disburse Proceeds Upon Default. Notwithstanding any other provision of this Agreement, the City shall have no obligation to disburse or authorize the disbursement of any portion of the Loan Proceeds following:

(i) the failure of any of Developer's representations and warranties made in this Agreement or in connection with the Loan to be true and correct in all material respects;

(ii) the termination of this Agreement by mutual agreement of the Parties;

(iii) the conditions to disbursement of the Loan set forth in Section 4.5 have not been satisfied within the time frame set forth in Section 3.1, unless an extension of such date is approved by City in writing; or

(iv) the occurrence of an Event of Default under this Agreement, the Regulatory Agreement, any of the City Documents which remains uncured beyond any applicable cure period.

4.7 Prepayment; Acceleration

(a) Prepayment. Developer shall have the right to prepay the Loan at any time and from time to time, without penalty or premium, provided that any prepayment of principal must

be accompanied by interest accrued but unpaid to the date of prepayment. Prepayments shall be applied first to accrued but unpaid interest and then to principal. Any such prepayment shall have no effect upon Developer's obligations under the Regulatory Agreement which shall survive for the full term of the Regulatory Agreement.

(b) Due On Sale or Encumbrance. Unless City agrees otherwise in writing, the entire unpaid principal balance and all interest and other sums accrued under the Note shall be due and payable upon the Transfer (as defined in Section 7.2) absent the prior written consent of City of all or any part of or interest in the Property except for a Transfer permitted under Section 7.3 of this Agreement or as otherwise permitted pursuant to this Agreement.

4.8 Nonrecourse. Except as expressly provided in this Section 4.8, Developer shall have no personal liability for payment of the principal of, or interest on the Note, and the sole recourse of City with respect to the payment of the principal of, and interest on the Note shall be to the Property and the Improvements and any other collateral held by City as security for the Note; provided however, nothing contained in the foregoing limitation of liability shall: (i) limit or impair the enforcement against all such security for the Note of all the rights and remedies of the City thereunder; (ii) be deemed in any way to impair the right of the City to assert the unpaid principal amount of the Note as demand for money within the meaning and intendment of Section 431.70 of the California Code of Civil Procedure or any successor provision thereto; or (iii) be deemed in any way to limit the rights of the City to obtain specific performance by the Developer of its covenants under the City Documents, other than the covenants to pay the City principal and interest due under the Note.

The foregoing limitation of liability is intended to apply only to the obligation for the repayment of the principal of, and payment of interest on the Note; nothing contained herein is intended to relieve the Developer of its obligation to indemnify the City under this Agreement, or liability for: (i) fraud or willful misrepresentation by the Developer; (ii) the failure to pay taxes, assessments or other charges which may create liens on the Property that are payable or applicable prior to any foreclosure under the Deed of Trust (to the full extent of such taxes, assessments or other charges); (iii) the fair market value of any personal property or fixtures removed or disposed of by the Developer other than in accordance with the Deed of Trust; and/or (iv) the misappropriation of any proceeds by the Developer under any insurance policies or awards resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Development

ARTICLE V
INTENTIONALLY OMITTED

ARTICLE VI
USE OF THE PROPERTY

6.1 Use; Affordable Housing. Developer covenants and agrees for itself and its successors and assigns that the Property shall be used for the development and operation of the Project in accordance with the terms and conditions of this Agreement and the Regulatory Agreement.

6.2 Maintenance. Developer shall at its own expense, maintain the Property, the Improvements and related landscaping and common areas in good physical condition, in good repair, and in decent, safe, sanitary, habitable and tenantable living conditions in conformity with all applicable state, federal, and local laws, ordinances, codes, and regulations. Without limiting the foregoing, Developer agrees to maintain the Project and the Property (including without limitation, the residential units, common areas, landscaping, driveways, parking areas and walkways) in a condition free of all waste, nuisance, debris, unmaintained landscaping, graffiti, disrepair, abandoned vehicles/appliances, and illegal activity, and shall take all reasonable steps to prevent the same from occurring on the Property or at the Project. Developer shall prevent and/or rectify any physical deterioration of the Property and the Project and shall make all repairs, renewals and replacements necessary to keep the Property and the Improvements in good condition and repair.

6.3 Taxes and Assessments. Developer shall pay all real and personal property taxes, assessments and charges and all franchise, income, payroll, withholding, sales, and other taxes assessed against the Property and payable by Developer, at such times and in such manner as to prevent any penalty from accruing, or any lien or charge from attaching to the Property; provided, however, that Developer shall have the right to contest in good faith, any such taxes, assessments, or charges. In the event the Developer exercises its right to contest any tax, assessment, or charge, the Developer, on final determination of the proceeding or contest, shall immediately pay or discharge any decision or judgment rendered against it, together with all costs, charges and interest. Developer shall have the right to apply for all applicable tax exemptions, including, without limitation, the welfare exemption from property tax for low-income housing.

6.4 Obligation to Refrain from Discrimination. Developer shall not restrict the rental, sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, or any portion thereof, on the basis of race, color, religion, creed, sex, sexual orientation, disability, marital status, ancestry, or national origin of any person. Developer covenants for itself and all persons claiming under or through it, and this Agreement is made and accepted upon and subject to the condition that there shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property or part thereof, nor shall Developer or any person claiming under or through Developer establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in, of, or for the Property or part thereof. Developer shall include such provision in all deeds, leases, contracts and other instruments executed by Developer, and shall enforce the same diligently and in good faith.

ARTICLE VII

LIMITATIONS ON CHANGE IN OWNERSHIP, MANAGEMENT AND CONTROL OF DEVELOPER

7.1 Change Pursuant to this Agreement. Developer has represented that it possess the necessary expertise, skill and ability to carry out the development of the Project on the Property pursuant to this Agreement. The qualifications, experience, financial capacity and expertise of Developer is of particular concern to the City. It is because of these qualifications, experience, financial capacity and expertise that the City has entered into this Agreement with Developer. No voluntary or involuntary successor, assignee or transferee of Developer shall acquire any rights or powers under this Agreement, except as expressly provided herein.

7.2 Prohibition on Transfer. Prior to the expiration of the term of the Regulatory Agreement, Developer shall not, except as expressly permitted by this Agreement, directly or indirectly, voluntarily, involuntarily or by operation of law make or attempt any total or partial sale, transfer, conveyance, assignment or lease (collectively, "**Transfer**") of the whole or any part of the Property, the Project, the Improvements, or this Agreement, without the prior written approval of City. Any such attempt to assign this Agreement without the City's consent shall be null and void and shall confer no rights or privileges upon the purported assignee. In addition to the foregoing, prior to the expiration of the term of the Regulatory Agreement, except as expressly permitted by this Agreement, Developer shall not undergo any significant change of ownership without the prior written approval of City. For purposes of this Agreement, a "significant change of ownership" shall mean a transfer of the beneficial interest of more than forty-nine percent (49%) in aggregate of the present ownership and /or control of Developer, taking all transfers into account on a cumulative basis; provided however, neither the admission of an investor limited partner(s), nor the transfer by the investor limited partner(s) to subsequent limited partner(s) shall be restricted by this provision.

7.3 Permitted Transfers. Notwithstanding any contrary provision hereof, the prohibitions set forth in this Article shall not be deemed to prevent: (i) the granting of utility easements or permits to facilitate development of the Property; (ii) the dedication of any property required pursuant to this Agreement; (iii) the lease of individual units to tenants for occupancy as their principal residence in accordance with the Regulatory Agreement; (iv) assignments creating security interests for the purpose of financing the acquisition, construction or permanent financing of the Project or the Property in accordance with the approved Financing Plan and subject to the requirements of Article VIII, or Transfers directly resulting from the foreclosure of, or granting of a deed in lieu of foreclosure of, such a security interest; (v) a Transfer to entity which is under the direct control or under common control with The Related Companies of California LLC or in which The Related Companies of California LLC is the sole member or the general partner ("**Controlled Affiliate**"); and (vi) any permitted transfer or assignment of Developer's leasehold interest in the Property or any portion thereof under the ground lease whereby Developer obtained its leasehold interest in the Property. Notwithstanding any provision of this Section 7.3, no permitted transaction under this Section 7.3 will alter any obligation under the Regulatory Agreement.

7.4 Requirements for Proposed Transfers. The City may, in the exercise of its sole discretion, consent to a proposed Transfer of this Agreement, the Property or portion thereof if all of the following requirements are met (provided however, the requirements of this Section 7.4 shall not apply to Transfers described in Section 7.3):

(i) The proposed transferee demonstrates to the City's satisfaction that it has the qualifications, experience and financial resources necessary and adequate as may be reasonably determined by the City to competently complete construction of the Project and to otherwise fulfill the obligations undertaken by the Developer under this Agreement.

(ii) The Developer and the proposed transferee shall submit for City review and approval all instruments and other legal documents proposed to effect any Transfer of this Agreement, the Property or interest therein together with such documentation of the proposed transferee's qualifications and development capacity as the City may reasonably request.

(iii) The proposed transferee shall expressly assume all of the rights and obligations of the Developer under this Agreement, the Regulatory Agreement, the City Documents arising after the effective date of the Transfer and all obligations of Developer arising prior to the effective date of the Transfer (unless Developer expressly remains responsible for such obligations) and shall agree to be subject to and assume all of Developer's obligations pursuant to the Conditions of Approval and all other conditions, and restrictions set forth in this Agreement and the Regulatory Agreement.

(iv) The Transfer shall be effectuated pursuant to a written instrument satisfactory to the City in form recordable in the Official Records.

Consent to any proposed Transfer may be given by the City Manager unless the City Manager, in his or her discretion, refers the matter of approval to the City Council. If the City rejects a proposed Transfer, the City, as applicable, shall provide the reasons for such rejection in writing within thirty (30) days following receipt of written request by Developer, and representatives of the City shall meet with Developer and the proposed transferee to discuss in good faith the reasons for the rejection and Developer's and transferee's responses thereto.

7.5 Effect of Transfer without City Consent.

7.5.1 In the absence of specific written agreement by the City, no Transfer by Developer shall be deemed to relieve the Developer or any other party from any obligation under this Agreement or the Regulatory Agreement.

7.5.2 Without limiting any other remedy City may have under this Agreement, or under law or equity, this Agreement may be terminated by City if without the prior written approval of the City, Developer assigns or Transfers this Agreement or the Property prior to the City's issuance of a Certificate of Completion. This Section 7.5.2 shall not apply to Transfers described in clauses (i) through (iv) of Section 7.3).

7.6 Recovery of City Costs. Developer shall reimburse City for all costs, including but not limited to attorneys' fees, incurred in reviewing instruments and other legal documents proposed to affect a Transfer under this Agreement and in reviewing the qualifications and financial resources of a proposed successor, assignee, or transferee within ten days following City's delivery to Developer of an invoice detailing such costs. This Section 7.6 shall not apply to Transfers described in Section 7.3.

ARTICLE VIII
SECURITY FINANCING AND RIGHTS OF MORTGAGEES

8.1 Mortgages and Deeds of Trust for Development. Mortgages and deeds of trust, or any other reasonable security instrument are permitted to be placed upon the Property only for the purpose of securing loans approved pursuant to the approved Financing Plan for the purpose of financing the acquisition of the Property, the design and construction of the Improvements, other expenditures reasonably necessary for development of the Property pursuant to this Agreement, and the rehabilitation and/or refinancing of the Project. Developer shall not enter into any conveyance for such financing without the prior written approval of the City Manager or his or her designee. As used herein, the terms "mortgage" and "deed of trust" shall mean any security instrument used in financing real estate acquisition, construction and land development.

8.1.1 Regulatory Agreement to be Senior to Mortgages. City agree that if required by construction and/or permanent lenders the Memorandum of this Agreement, the Deed of Trust, and the Regulatory Agreement may be subordinated to deeds of trust or other security instruments approved by the City pursuant to a written instrument conforming to the requirements of California Health and Safety Code Section 33334.14(a)(4) and including without limitation, the provisions set forth in Section 8.4 below.

8.2 Holder Not Obligated to Construct. The holder of any mortgage, deed of trust authorized by this Agreement shall not be obligated to construct or complete the Improvements or to guarantee such construction or completion. Nothing in this Agreement shall be deemed to permit or authorize any such holder to devote the Property or any portion thereof to any uses, or to construct any improvements thereon, other than those uses or improvements provided for or authorized by this Agreement.

8.3 Notice of Default and Right to Cure. Whenever City delivers any notice of default hereunder, City shall concurrently deliver a copy of such notice to each holder of record of any mortgage or deed of trust secured by the Property provided that City has been provided with the address for delivery of such notice. City shall have no liability to any such holder for any failure by the City to provide such notice to such holder. Each such holder shall have the right, but not the obligation, at its option, to cure or remedy any such default or breach.

8.4 City Right to Cure Defaults. In the event of a breach or default by Developer under a mortgage or deed of trust secured by the Property, City may (but has no obligation to) cure the default, without acceleration of the subject loan, following prior notice thereof to the holder of such instrument and Developer. In such event, Developer shall be liable for, and City

shall be entitled to reimbursement from Developer for all costs and expenses incurred by City associated with and attributable to the curing of the default or breach and such sum shall constitute a part of the indebtedness secured by the Deed of Trust.

8.5 Holder to be Notified. Developer, for itself, its successors and assigns hereby warrants and agrees that each term contained herein dealing with security financing and rights of holders shall be either inserted into the relevant deed of trust or mortgage or acknowledged by the holder prior to its creating any security right or interest in the Property.

8.6 Modifications to Agreement. City shall not unreasonably withhold is consent to modifications of this Agreement requested by Project lenders or investors provided such modifications do not alter City's substantive rights and obligations under this Agreement.

8.7 Estoppel Certificates. Any Party shall, at any time, and from time to time, within thirty (30) days after receipt of written request from the other Party, execute and deliver to such Party a written statement certifying that, to the knowledge of the certifying Party: (i) this Agreement is in full force and effect and a binding obligation of the Parties (if such be the case), (ii) this Agreement has not been amended or modified, or if so amended, identifying the amendments, and (iii) the requesting Party is not in default in the performance of its obligations under this Agreement, or if in default, describing the nature of any such defaults.

ARTICLE IX
ENVIRONMENTAL MATTERS

9.1 No City Liability; Developer's Covenants. City shall not be responsible for the cost of any soil, groundwater or other environmental remediation or other response activities for any Hazardous Materials, if any, existing or occurring on the Property or any portion thereof, and Developer shall be solely responsible for all actions and costs associated with any such activities required by any regulatory agency with jurisdiction over the Property and/or required for the development of the Project, the Property, or any portion thereof. Upon receipt of any notice regarding the presence, release or discharge of Hazardous Materials in, on or under the Property, or any portion thereof, Developer (as long as Developer owns the property which is the subject of such notice) agrees to timely initiate and diligently pursue and complete all appropriate response, remediation and removal actions for the presence, release or discharge of such Hazardous Materials within such deadlines as specified by applicable Environmental Laws. Developer hereby covenants and agrees that:

(1) Developer shall not knowingly permit the Project or the Property or any portion of either to be a site for the use, generation, treatment, manufacture, storage, disposal or transportation of Hazardous Materials or otherwise knowingly permit the presence or release of Hazardous Materials in, on, under, about or from the Project or the Property with the exception of any previously disclosed existing conditions on the Property and cleaning supplies and other materials customarily used in construction, rehabilitation, use or maintenance of residential property and used, stored and disposed of in compliance with Hazardous Materials Laws, and

(2) Developer shall keep and maintain the Project and the Property and each portion thereof in compliance with, and shall not cause or permit the Project or the Property or any portion of either to be in violation of, any Hazardous Materials Laws.

9.2 Environmental Indemnification. Developer shall indemnify, defend (with counsel approved by City) and hold the Indemnitees harmless from and against any and all Claims including without limitation any expenses associated with the investigation, assessment, monitoring, response, removal, treatment, abatement or remediation of Hazardous Materials and administrative, enforcement or judicial proceedings resulting, arising, or based directly or indirectly in whole or in part, upon (i) the presence, release, use, generation, discharge, storage or disposal or the alleged presence, release, discharge, storage or disposal of any Hazardous Materials on, under, in or about, or the transportation of any such Hazardous Materials to or from, the Property, or (ii) the failure of Developer, Developer's employees, agents, contractors, subcontractors, or any person acting on behalf of any of the foregoing to comply with Hazardous Materials Laws or the covenants set forth in Section 9.1. The foregoing indemnity shall further apply to any residual contamination in, on, under or about the Property or affecting any natural resources, and to any contamination of any property or natural resources arising in connection with the generation, use, handling, treatment, storage, transport or disposal of any such Hazardous Materials, and irrespective of whether any of such activities were or will be undertaken in accordance with Hazardous Materials Laws. The provisions of this Section 9.2 shall survive the issuance of a Certificate of Completion for the Project and the expiration or earlier termination of this Agreement. Developer's indemnification obligation under this Section 9.2 shall not apply to acts described in clause (i) above caused by the gross negligence or willful misconduct of an Indemnitee.

9.2.1 No Limitation. Developer hereby acknowledges and agrees that Developer's duties, obligations and liabilities under this Agreement, including, without limitation, under Section 9.2 above, are in no way limited or otherwise affected by any information the City may have concerning the Property and/or the presence in, on, under or about the Property of any Hazardous Materials, whether the City obtained such information from the Developer or from its own investigations. It is further agreed that City do not and shall not waive any rights against Developer that they may have by reason of this indemnity and hold harmless agreement because of the acceptance by City, or the deposit with City by Developer, of any of the insurance policies described in this Agreement.

9.3 Hazardous Materials. As used herein, the term **"Hazardous Materials"** means any substance, material or waste which is or becomes regulated by any federal, state or local governmental authority, and includes without limitation (i) petroleum or oil or gas or any direct or indirect product or by-product thereof; (ii) asbestos and any material containing asbestos; (iii) any substance, material or waste regulated by or listed (directly or by reference) as a "hazardous substance", "hazardous material", "hazardous waste", "toxic waste", "toxic pollutant", "toxic substance", "solid waste" or "pollutant or contaminant" in or pursuant to, or similarly identified as hazardous to human health or the environment in or pursuant to, the Toxic Substances Control Act [15 U.S.C. 2601, et seq.]; the Comprehensive Environmental Response, Compensation and Liability Act [42 U.S.C. Section 9601, et seq.], the Hazardous Materials Transportation Authorization Act [49 U.S.C. Section 5101, et seq.], the Resource Conservation and Recovery

Act [42 U.S.C. 6901, et seq.], the Federal Water Pollution Control Act [33 U.S.C. Section 1251], the Clean Air Act [42 U.S.C. Section 7401, et seq.], the California Underground Storage of Hazardous Substances Act [California Health and Safety Code Section 25280, et seq.], the California Hazardous Substances Account Act [California Health and Safety Code Section 25300, et seq.], the California Hazardous Waste Act [California Health and Safety Code Section 25100, et seq.], the California Safe Drinking Water and Toxic Enforcement Act [California Health and Safety Code Section 25249.5, et seq.], and the Porter-Cologne Water Quality Control Act [California Water Code Section 13000, et seq.], as they now exist or are hereafter amended, together with any regulations promulgated thereunder; (iv) any substance, material or waste which is defined as such or regulated by any "Superfund" or "Superlien" law, or any Environmental Law; or (v) any other substance, material, chemical, waste or pollutant identified as hazardous or toxic and regulated under any other federal, state or local environmental law, including without limitation, asbestos, polychlorinated biphenyls, petroleum, natural gas and synthetic fuel products and by-products.

9.4 Environmental Laws. As used herein, the term "**Environmental Laws**" means all federal, state or local statutes, ordinances, rules, regulations, orders, decrees, judgments or common law doctrines, and provisions and conditions of permits, licenses and other operating authorizations regulating, or relating to, or imposing liability or standards of conduct concerning (i) pollution or protection of the environment, including natural resources; (ii) exposure of persons, including employees and agents, to Hazardous Materials (as defined above) or other products, raw materials, chemicals or other substances; (iii) protection of the public health or welfare from the effects of by-products, wastes, emissions, discharges or releases of chemical substances from industrial or commercial activities; (iv) the manufacture, use or introduction into commerce of chemical substances, including without limitation, their manufacture, formulation, labeling, distribution, transportation, handling, storage and disposal; or (iv) the use, release or disposal of toxic or hazardous substances or Hazardous Materials or the remediation of air, surface waters, groundwaters or soil, as now or may at any later time be in effect, including but not limited to the Toxic Substances Control Act [15 U.S.C. 2601, et seq.]; the Comprehensive Environmental Response, Compensation and Liability Act [42 U.S.C. Section 9601, et seq.], the Hazardous Materials Transportation Authorization Act [49 U.S.C. Section 5101, et seq.], the Resource Conservation and Recovery Act [42 U.S.C. 6901, et seq.], the Federal Water Pollution Control Act [33 U.S.C. Section 1251], the Clean Air Act [42 U.S.C. Section 7401, et seq.], the California Underground Storage of Hazardous Substances Act [California Health and Safety Code Section 25280, et seq.], the California Hazardous Substances Account Act [California Health and Safety Code Section 25300, et seq.], the California Hazardous Waste Act [California Health and Safety Code Section 25100, et seq.], the California Safe Drinking Water and Toxic Enforcement Act [California Health and Safety Code Section 25249.5, et seq.], and the Porter-Cologne Water Quality Control Act [California Water Code Section 13000, et seq.], as each of the foregoing now exist or are hereafter amended, together with any regulations promulgated thereunder.

ARTICLE X
DEFAULTS, REMEDIES AND TERMINATION

10.1 Event of Developer Default. The following events shall constitute an event of default on the part of Developer ("**Event of Developer Default**"):

(a) Developer fails to commence or complete construction of the Project within the times set forth in Section 3.6, or subject to force majeure, abandons or suspends construction of the Project prior to completion for a period of sixty (60) days or more;

(b) Developer fails to pay when due the principal and interest (if any) payable under the Note and such failure continues for thirty (30) days after City notifies Developer thereof in writing;

(c) A Transfer occurs, either voluntarily or involuntarily, in violation of Article VII;

(d) Developer fails to maintain insurance on the Property and the Project as required pursuant to this Agreement, and Developer fails to cure such default within ten (10) days;

(e) Subject to Developer's right to contest the following charges pursuant to Section 6.3, if Developer fails to pay prior to delinquency taxes or assessments due on the Property or the Project or fails to pay when due any other charge that may result in a lien on the Property or the Project, and Developer fails to cure such default within 30 days of date of delinquency, but in all events upon the imposition of any such tax or other lien;

(f) A default is declared in writing under any loan secured by a mortgage, deed of trust or other security instrument recorded against the Property and remains uncured beyond any applicable cure period such that the holder of such security instrument has the right to accelerate repayment of such loan;

(g) Any representation or warranty contained in this Agreement or in any financial statement, certificate or report submitted to the City in connection with this Agreement or Developer's request for the Loan proves to have been false in any material and adverse respect when made and continues to be materially adverse to the City;

(h) If, pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors ("**Bankruptcy Law**"), Developer (i) commences a voluntary case or proceeding; (ii) consents to the entry of an order for relief against Developer in an involuntary case; (iii) consents to the appointment of a trustee, receiver, assignee, liquidator or similar official for Developer; (iv) makes an assignment for the benefit of its creditors; or (v) admits in writing its inability to pay its debts as they become due;

(i) A court of competent jurisdiction shall have made or entered any decree or order (1) adjudging the Developer to be bankrupt or insolvent, (2) approving as properly filed a petition seeking reorganization of the Developer or seeking any arrangement for Developer under bankruptcy law or any other applicable debtor's relief law or statute of the United States or any state or other jurisdiction, (3) appointing a receiver, trustee, liquidator, or assignee of the Developer in bankruptcy or insolvency or for any of its properties, or (4) directing the winding up or liquidation of the Developer;

(j) Developer shall have assigned its assets for the benefit of its creditors (other than pursuant to a mortgage loan) or suffered a sequestration or attachment of or execution on any substantial part of its property, unless the property so assigned, sequestered, attached or executed upon shall have been returned or released within sixty (60) days after such event (unless a lesser time period is permitted for cure under any other mortgage on the Property, in which event such lesser time period shall apply under this subsection as well) or prior to any sooner sale pursuant to such sequestration, attachment, or execution;

(k) The Developer shall have voluntarily suspended its business or Developer shall have been dissolved or terminated;

(l) An event of default arises under this Agreement, the Regulatory Agreement, or any City Document and remains uncured beyond any applicable cure period; or

(m) Developer defaults in the performance of any term, provision, covenant or agreement contained in this Agreement other than an obligation enumerated in this Section 10.1 and unless a shorter cure period is specified for such default, the default continues for ten (10) days in the event of a monetary default or thirty (30) days in the event of a nonmonetary default after the date upon which City shall have given written notice of the default to Developer; provided however, if the default is of a nature that it cannot be cured within 30 days, a Developer Event of Default shall not arise hereunder if Developer commences to cure the default within thirty (30) days and thereafter prosecutes the curing of such default with due diligence and in good faith to completion and in no event later than ninety (90) days after receipt of notice of the default or such longer period as the City may allow.

10.2 City Default. An event of default on the part of City ("**Event of City Default**") shall arise hereunder if City fails to keep, observe, or perform any of its covenants, duties, or obligations under this Agreement, and the default continues for a period of thirty (30) days after written notice thereof from Developer to City, or in the case of a default which cannot with due diligence be cured within thirty (30) days, City fails to commence to cure the default within thirty (30) days of such notice and thereafter fails to prosecute the curing of such default with due diligence and in good faith to completion.

10.3 City's Right to Terminate Agreement. If an Event of Developer Default shall occur and be continuing beyond any applicable cure period, then City shall, in addition to other rights available to it under law or this Agreement, have the right to terminate this Agreement. If City makes such election, City shall give written notice to Developer and to any mortgagee entitled to such notice specifying the nature of the default and stating that this Agreement shall expire and terminate on the date specified in such notice, and upon the date specified in the notice, this Agreement and all rights of Developer under this Agreement, shall expire and terminate.

10.4 City's Remedies and Rights Upon an Event of Developer Default. Upon the occurrence of an Event of Developer Default and the expiration of any applicable cure period, City shall have all remedies available to them under law or equity, including, but not limited to

the following, City may, at its election, without notice to or demand upon Developer, except for notices or demands required by law or expressly required pursuant to this Agreement, the Regulatory Agreement, or the City Documents, exercise one or more of the following remedies:

(a) Accelerate and declare the balance of the Note and interest accrued thereon immediately due and payable;

(b) Seek specific performance to enforce the terms of the Regulatory Agreement;

(c) Foreclose on the Property pursuant to the Deed of Trust;

(d) Pursue any and all other remedies available under law to enforce the terms of the this Agreement, the Regulatory Agreement, and the City Documents and City's rights thereunder.

10.5 Developer's Remedies Upon an Event of City Default. Upon the occurrence of an City Event of Default, in addition to pursuing any other remedy allowed at law or in equity or otherwise provided in this Agreement, Developer may bring an action for equitable relief seeking the specific performance of the terms and conditions of this Agreement, and/or enjoining, abating, or preventing any violation of such terms and conditions, and/or seeking to obtain any other remedy consistent with the purpose of this Agreement.

10.6 Remedies Cumulative; No Consequential Damages. Except as otherwise expressly stated in this Agreement, the rights and remedies of the Parties are cumulative, and the exercise by any Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different time, of any other rights or remedies for the same or any other default by the other Party. Notwithstanding anything to the contrary set forth herein, a party's right to recover damages in the event of a default shall be limited to actual damages and shall exclude consequential damages.

10.7 Inaction Not a Waiver of Default. No failure or delay by any Party in asserting any of its rights and remedies as to any default shall operate as a waiver of such default or of any such rights or remedies, nor deprive any Party of its rights to institute and maintain any action or proceeding which it may deem necessary to protect, assert or enforce any such rights or remedies in the same or any subsequent default.

ARTICLE XI
INDEMNITY AND INSURANCE.

11.1 Indemnity. Developer shall indemnify, defend (with counsel approved by City) and hold Indemnitees harmless from and against any and all Claims, including without limitation, Claims arising directly or indirectly, in whole or in part, as a result of or in connection with Developer's or Developer's contractors, subcontractors, agents or employees development, construction, improvement, operation, ownership or maintenance of the Project or the Property, or any part thereof or otherwise arising out of or in connection with Developer's performance under this Agreement. Developer's indemnification obligations under this Section 11.1 shall not

extend to Claims resulting from the gross negligence or willful misconduct of Indemnitees. The provisions of this Section 11.1 shall survive the issuance of a Certificate of Completion for the Project and the expiration or earlier termination of this Agreement. It is further agreed that City do not and shall not waive any rights against Developer that they may have by reason of this indemnity and hold harmless agreement because of the acceptance by City, or the deposit with City by Developer, of any of the insurance policies described in this Agreement.

11.2 Liability and Workers Compensation Insurance.

(a) Developer and all contractors working on behalf of Developer on the Project shall maintain a commercial general liability policy in the amount of Two Million Dollars ($2,000,000) combined single limit, Four Million Dollars ($4,000,000) annual aggregate, or such other policy limit as City may require in their reasonable discretion, including coverage for bodily injury, property damage, products, completed operations and contractual liability coverage. Such policy or policies shall be written on an occurrence basis and shall name the Indemnitees as additional insureds.

(b) Developer and all contractors working on behalf of Developer shall maintain a comprehensive automobile liability coverage in the amount of One Million Dollars ($1,000,000), combined single limit including coverage for owned and non-owned vehicles and shall furnish or cause to be furnished to City evidence satisfactory to City that Developer and any contractor with whom Developer has contracted for the performance of work on the Property or otherwise pursuant to this Agreement carries workers' compensation insurance as required by law. Automobile liability policies shall name the Indemnitees as additional insureds.

(c) Upon commencement of construction and continuing until issuance of a Certificate of Completion, Developer and all contractors working on behalf of Developer shall maintain a policy of builder's all-risk insurance in an amount not less than the full insurable cost of the Project on a replacement cost basis naming City as a loss payee.

(d) Developer shall maintain property insurance covering all risks of loss (other than earthquake), including flood (if required) for 100% of the replacement value of the Project with deductible, if any, in an amount acceptable to City, naming City as a loss payee.

(e) Companies writing the insurance required hereunder shall be licensed to do business in the State of California. Insurance shall be placed with insurers with a current A.M. Best's rating of no less than A-VIII. The Commercial General Liability and comprehensive automobile policies required hereunder shall name the Indemnitees as additional insureds. Builder’s Risk and property insurance shall name City as a loss payee.

(f) Prior to closing of the Loan, Developer shall furnish City with certificates of insurance in form acceptable to City evidencing the required insurance coverage and duly executed endorsements evidencing such additional insured status. The certificates shall contain a statement of obligation on the part of the carrier to notify City of any material adverse change, cancellation, termination or non-renewal of the coverage at least thirty (30) days in advance of the effective date of any such material adverse change, cancellation, termination or non-renewal.

(g) If any insurance policy or coverage required hereunder is canceled or reduced, Developer shall, within fifteen (15) days after receipt of notice of such cancellation or reduction in coverage, but in no event later than the effective date of cancellation or reduction, file with City a certificate showing that the required insurance has been reinstated or provided through another insurance company or companies. Upon failure to so file such certificate, City may, without further notice and at its option, procure such insurance coverage at Developer's expense, and Developer shall promptly reimburse City for such expense upon receipt of billing from City.

(h) Coverage provided by Developer shall be primary insurance and shall not be contributing with any insurance, or self-insurance maintained by City, and the policies shall so provide. The insurance policies shall contain a waiver of subrogation for the benefit of the City. Developer shall furnish the required certificates and endorsements to City prior to the commencement of construction of the Project, and shall provide City with certified copies of the required insurance policies upon request of City.

ARTICLE XII
MISCELLANEOUS PROVISIONS

12.1 No Brokers. Each Party warrants and represents to the other that no person or entity can properly claim a right to a real estate commission, brokerage fee, finder's fee, or other compensation with respect to the transactions contemplated by this Agreement. Each Party agrees to defend, indemnify and hold harmless the other Party from any claims, expenses, costs or liabilities arising in connection with a breach of this warranty and representation. The terms of this Section shall survive the expiration or earlier termination of this Agreement.

12.2 Enforced Delay; Extension of Times of Performance. Subject to the limitations set forth below, performance by any Party shall not be deemed to be in default, and all performance and other dates specified in this Agreement shall be extended where delays are due to: war, insurrection, strikes, lockouts, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, governmental restrictions or priority, litigation, including court delays, unusually severe weather, acts or omissions of the other Parties, acts or failures to act of any other public or governmental agency or entity (other than the acts or failures to act of City which shall not excuse performance by City), or any other cause beyond the affected Party's reasonable control. An extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the Party claiming such extension is sent to the other Parties within thirty (30) days of the commencement of the cause and such extension is not rejected in writing by the other Parties within ten (10) days of receipt of the notice. None of the Parties shall unreasonably withhold consent to an extension of time pursuant to this Section.

Times of performance under this Agreement may also be extended in writing by the mutual agreement of Developer and City (acting in the discretion of its City Manager unless he or she determine in his or her discretion to refer such matter to the City Council). City and Developer acknowledge that adverse changes in economic conditions, either of the affected Party specifically or the economy generally, changes in market conditions or demand, and/or inability

to obtain financing to complete the work of Improvements shall not constitute grounds of enforced delay pursuant to this Section. Each Party expressly assumes the risk of such adverse economic or market changes and/or financial inability, whether or not foreseeable as of the Effective Date.

12.3 Notices. Except as otherwise specified in this Agreement, all notices to be sent pursuant to this Agreement shall be made in writing, and sent to the Parties at their respective addresses specified below or to such other address as a Party may designate by written notice delivered to the other parties in accordance with this Section. All such notices shall be sent by: (i) personal delivery, in which case notice is effective upon delivery; (ii) certified or registered mail, return receipt requested, in which case notice shall be deemed delivered on receipt if delivery is confirmed by a return receipt; (iii) nationally recognized overnight courier, with charges prepaid or charged to the sender's account, in which case notice is effective on delivery if delivery is confirmed by the delivery service;

City:

City of South Lake Tahoe
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150
Attention: City Manager

With a copy to:

City Attorney
City of South Lake Tahoe
1901 Lisa Maloff Way, Suite 300
South Lake Tahoe, CA 96150

Developer:

Sugar Pine Housing Partners, L.P.
c/o Related California
44 Montgomery Street, Suite 1300
San Francisco, California 94104
Attention: Ann Silverberg

With a copy to:

St. Joseph Sugar Pine Village LLC
c/o St. Joseph Community Land Trust
312 Dorla Court, Suite 205
PO Box 12032

Zephyr Cove, NV 89448
Attn: Executive Director

With a copy to: c/o Red Stone Equity Partners, LLC
1100 Superior Ave., Suite 1640
Cleveland, OH 44114
Attention: Managing Director & General Counsel
Fax No.: (216) 820-4751

With a copy to: Applegate & Thorne-Thomsen, P.C.
425 South Financial Place, Suite 1900
Chicago, Illinois 60605
Attention: Bennett P. Applegate
Fax No.: (312) 491-4411

12.4 Attorneys' Fees. If any Party fails to perform any of its obligations under this Agreement, or if any dispute arises between the Parties concerning the meaning or interpretation of any provision hereof, then the prevailing party in any proceeding in connection with such dispute shall be entitled to the costs and expenses it incurs on account thereof and in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees and disbursements.

12.5 Waivers; Modification. No waiver of any breach of any covenant or provision of this Agreement shall be deemed a waiver of any other covenant or provision hereof, and no waiver shall be valid unless in writing and executed by the waiving party. An extension of time for performance of any obligation or act shall not be deemed an extension of the time for performance of any other obligation or act, and no extension shall be valid unless in writing and executed by the waiving party. This Agreement may be amended or modified only by a written instrument executed by the Parties.

12.6 Binding on Successors. Subject to the restrictions on Transfers set forth in Article VII, this Agreement shall bind and inure to the benefit of the Parties and their respective permitted successors and assigns. Any reference in this Agreement to a specifically named party shall be deemed to apply to any permitted successor and assign of such party who has acquired an interest in compliance with this Agreement or under law.

12.7 Construction. The section headings and captions used herein are solely for convenience and shall not be used to interpret this Agreement. The Parties acknowledge that this Agreement is the product of negotiation and compromise on the part of both Parties, and the Parties agree, that since all of the Parties have participated in the negotiation and drafting of this Agreement, this Agreement shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if all Parties had prepared it.

12.8 Action or Approval. Whenever action and/or approval by City is required under this Agreement, the City Manager or his or her designee may act on and/or approve such matter unless specifically provided otherwise, or unless the City Manager determines in his or her discretion that such action or approval requires referral to the City Council for consideration.

12.9 Entire Agreement. This Agreement, including the exhibits listed below, which are attached hereto and incorporated herein by this reference, together with the Regulatory Agreement, and the other City Documents contains the entire agreement between the Parties with respect to the subject matter hereof, and supersedes all prior written or oral agreements, understandings, representations or statements between the Parties with respect to the subject matter hereof.

Exhibit A	Legal Description of Property
Exhibit B	Form of Certificate of Completion
Exhibit C	Form of Regulatory Agreement
Exhibit D	Form of Promissory Note
Exhibit E	Form of Leasehold Deed of Trust
Exhibit F	Financing Plan

12.10 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original and all of which taken together shall constitute one instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto having additional signature pages executed by the other Parties. Any executed counterpart of this Amendment may be delivered to the other Parties by facsimile and shall be deemed as binding as if an originally signed counterpart was delivered.

12.11 Severability. If any term, provision, or condition of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall continue in full force and effect unless an essential purpose of this Agreement is defeated by such invalidity or unenforceability.

12.12 No Third Party Beneficiaries. Nothing contained in this Agreement is intended to or shall be deemed to confer upon any person, other than the Parties and their respective successors and assigns, any rights or remedies hereunder.

12.13 Parties Not Co-Venturers. Nothing in this Agreement is intended to or shall establish the Parties as partners, co-venturers, or principal and agent with one another.

12.14 Non-Liability of Officials, Employees and Agents. No officer, official, employee or agent of City shall be personally liable to Developer or its successors in interest in the event of any default or breach by City or for any amount which may become due to Developer or its successors in interest pursuant to this Agreement.

12.15 Time of the Essence; Calculation of Time Periods. Time is of the essence for each condition, term, obligation and provision of this Agreement. Unless otherwise specified, in computing any period of time described in this Agreement, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is not a business day, in which event the period shall run until the next business day. The final day of any such period shall be deemed to end at 5:00 p.m., local time at the Property. For purposes of this Agreement, a "business day" means a day that is not a Saturday, Sunday, a federal holiday or a state holiday under the laws of California.

12.16 Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to principles of conflicts of laws. Any action to enforce or interpret this Agreement shall be filed in the Superior Court of El Dorado County, California or in the Federal District Court for the Northern District of California.

12.17 Financial and Governmental Capacities. Developer agrees that the capacity of the City in this Agreement, the Regulatory Agreement, and the other City Documents shall be only as a lender (**"Financial Capacity"**), and that nothing herein or therein shall waive, supersede, condition, limit, modify or affect the City's rights to take (or not take) any action in a governmental capacity, including without limitation enacting laws, inspecting structures, reviewing and issuing permits, and all other legislative, administrative, or enforcement functions pursuant to federal, state or local law (**"Governmental Capacity"**). In addition, nothing in this Agreement, the Regulatory Agreement, and the other City Documents shall supersede or waive any discretionary or regulatory approvals required to be obtained from the City under applicable law.

SIGNATURES ON FOLLOWING PAGE.

IN WITNESS WHEREOF, the Parties have entered into this Agreement effective as of the date first written above.

CITY:
City of South Lake Tahoe

By: _____
_____i, City Manager

ATTEST:

By: _____
, City Clerk

APPROVED AS TO FORM:

By: _____
a, City Attorney

DEVELOPER:

Sugar Pine Housing Partners, L.P., a California limited partnership

By: Sugar Pine Housing Development Co., LLC, a California limited liability company, its administrative general partner

By: _____
Ann Silverberg
President

By: St. Joseph Sugar Pine Village LLC, its managing general partner

By: St. Joseph Community Land Trust, a California nonprofit public benefit corporation, its manager

By: _____
Jean Diaz, Executive Director

EXHIBIT A
LEGAL DESCRIPTION

EXHIBIT B
FORM OF CERTIFICATE OF COMPLETION

CERTIFICATE OF COMPLETION

Recording requested by **and when recorded mail to:** EXEMPT FROM RECORDING FEES PER GOVERNMENT CODE §§6103, 27383	

Space above this line for Recorder's use.

CERTIFICATE OF COMPLETION

This Certificate of Completion (this "**Certificate**") is made by the City of South Lake Tahoe, a municipal corporation ("**City**") effective as of _____.

RECITALS

A. City and SUGAR PINE HOUSING PARTNERS, L.P., a California limited partnership ("**Owner**") entered into that certain Loan Agreement dated as of _____, 2022 (the "**Loan Agreement**") regarding the development of a residential housing project on those certain leasehold premises located in South Lake Tahoe, California, as more particularly described on Exhibit A attached hereto and incorporated herein (the "**Property**"). Capitalized terms used herein without definition shall have the meaning ascribed to such terms in the Loan Agreement.

B. Pursuant to Section 3.15 of the Loan Agreement, the City is required to furnish the Owner or its successors with a Certificate of Completion upon completion of construction of the Project, issuance of a final Certificate of Occupancy by the City, and written request in accordance with the Loan Agreement.

C. The City has determined that construction of the Project has been satisfactorily completed in accordance with the Loan Agreement.

NOW, THEREFORE, Agency hereby certifies as follows:

1. Development of the Project has been satisfactorily completed in conformance with the Loan Agreement.

2. All use, maintenance and nondiscrimination covenants contained in the Loan Agreement shall remain in effect and enforceable in accordance with the Loan Agreement. This Certificate does not constitute evidence of Owner's compliance with those covenants in the Loan Agreement that survive the issuance of this Certificate, including without limitation, compliance

with the Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenants entered into pursuant to the Loan Agreement and recorded in the Official Records as Instrument No. _____

3. This Certificate does not constitute evidence of compliance with or satisfaction of any obligation of Owner to any holder of a deed of trust securing money loaned to finance the development of the Property, Improvements or any part thereof and does not constitute a notice of completion under California Civil Code Section 3093.

4. Nothing contained in this instrument shall modify any provisions of the Loan Agreement or any other document executed in connection therewith.

IN WITNESS WHEREOF, Agency has executed and issued this Certificate of Completion as of the date first written above.

CITY OF SOUTH LAKE TAHOE, a municipal corporation

By: _____

Name: _____
City Manager

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

<u>CITY MANAGER SIGNATURE MUST BE NOTARIZED.</u>

EXHIBIT C
FORM OF REGULATORY AGREEMENT

EXHIBIT D
FORM OF SECURED PROMISSORY NOTE

EXHIBIT E
FORM DEED OF TRUST

EXHIBIT F
FINANCING PLAN

SECURED PROMISSORY NOTE
(PLHA Loan)

$4,750,000 South Lake Tahoe, California
June 1, 2022

FOR VALUE RECEIVED, Sugar Pine Housing Partners, L.P., a California limited partnership ("**Borrower**"), promises to pay to the South Lake Tahoe, a California charter city ("**City**"), in lawful money of the United States of America, the principal sum of Four Million Seven Hundred Fifty Thousand Dollars ($4,750,000) so much thereof as may be advanced by City pursuant to the Loan Agreement referred to below, together with interest on the outstanding principal balance in accordance with the terms and conditions described herein. Interest shall accrue on the outstanding principal balance at a rate equal to zero percent (0%) simple interest per annum, commencing upon the date of disbursement thereof. Interest shall be calculated on the basis of a year of 365 days, and charged for the actual number of days elapsed.

This Secured Promissory Note (this "**Note**") has been executed and delivered pursuant to and in accordance with an Loan Agreement executed by and between Borrower and City, dated as of June 1, 2022 (the "**Loan Agreement**"), and is subject to the terms and conditions of the Loan Agreement, which is by this reference incorporated herein and made a part hereof. Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Loan Agreement.

This Note is secured by a Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing ("**Deed of Trust**") dated as of the date hereof, executed by Borrower for the benefit of City and encumbering the property described therein. City shall be entitled to the benefits of the security provided by the Deed of Trust and shall have the right to enforce the covenants and agreements contained herein, in the Regulatory Agreement, and the Loan Agreement. The Regulatory Agreement shall remain effective for the full term thereof and shall survive the repayment of this Note.

PAYMENTS

1.1 PAYMENT DATES; MATURITY DATE. All payments on this Note shall be deferred until the Maturity Date. The entire outstanding principal balance of this Note, together with interest accrued thereon and any other sums accrued hereunder shall be payable in full on the fifty-fifth (55th) anniversary of the date upon which City issues a final certificate of occupancy for the Project ("**Maturity Date**").

1.2 DUE ON SALE. The entire unpaid principal balance and all interest and other sums accrued hereunder shall be due and payable upon the Transfer (as defined in Section 7.2 of the Loan Agreement) absent City consent, of all or any part of the Project or the Property or any interest therein other than a Transfer permitted without City consent pursuant to the Loan Agreement. Without limiting the generality of the foregoing, this Note shall not be assumable without City's prior written consent, which consent may be granted or denied in City's sole discretion; provided however, this Note may be assumed in connection with a permitted transfer as described in Section 7.3 of the Loan Agreement.

1.3 PREPAYMENT. Borrower may, without premium or penalty, at any time and from time to time, prepay all or any portion of the outstanding principal balance due under

this Note, provided that each such prepayment is accompanied by accrued interest on the amount of principal prepaid calculated to the date of such prepayment. Prepayments shall be applied first to any unpaid late charges and other costs and fees then due, then to accrued but unpaid interest, and then to principal.

1.4 MANNER OF PAYMENT. All payments of principal and interest on this Note shall be made to City at 1901 Lisa Maloff Way, South Lake Tahoe, CA 96150 or such other place as City shall designate to Borrower in writing, or by wire transfer of immediately available funds to an account designated by City in writing.

2. DEFAULTS AND REMEDIES.

2.1 EVENTS OF DEFAULT. The occurrence of any one or more of the following events shall constitute an event of default hereunder ("**Event of Default**"):

(A) Borrower fails to pay when due the principal and interest payable hereunder and such failure continues for thirty (30) days after City notifies Borrower thereof in writing, provided no notice shall be required for any payment otherwise due on final maturity of this Note.

(B) Pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors ("**Bankruptcy Law**"), Borrower or any general partner thereof (i) commences a voluntary case or proceeding; (ii) consents to the entry of an order for relief against Borrower or any general partner thereof in an involuntary case; (iii) consents to the appointment of a trustee, receiver, assignee, liquidator or similar official for Borrower or any general partner thereof; (iv) makes an assignment for the benefit of its creditors; or (v) admits in writing its inability to pay its debts as they become due.

(C) A court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (i) is for relief against Borrower or any general partner thereof in an involuntary case, (ii) appoints a trustee, receiver, assignee, liquidator or similar official for Borrower or any general partner thereof or substantially all of such entity's assets, (iii) orders the liquidation of Borrower or any general partner thereof, or (iv) issues or levies a judgment, writ, warrant of attachment or similar process against the Property or the Project, and in each case the order or decree is not released, vacated, dismissed or fully bonded within 90 days after its issuance.

(D) The occurrence of a Transfer in violation of Article VII of the Loan Agreement.

(E) A default is declared under any debt instrument secured by a mortgage or deed of trust on the Project or the Property and remains uncured beyond any applicable cure period such that the holder of such instrument has the right to accelerate payment thereunder.

(F) Borrower fails to maintain insurance on the Property and the Project as required pursuant to the City Documents and Borrower fails to cure such default within 20 days.

(G) Subject to Borrower's right to contest the following charges pursuant to the City Documents, if Borrower fails to pay taxes or assessments due on the Property or the

Project or fails to pay any other charge that may result in a lien on the Property or the Project, and Borrower fails to cure such default within 10 days.

(H) If any representation or warranty contained in any City Document, or any certificate furnished in connection therewith, or in connection with any request for disbursement of the proceeds of the Loan (the "**Loan Proceeds**") proves to have been false or misleading in any material adverse respect when made and continues to be materially adverse to the City.

(I) An Event of Default shall have been declared under the Regulatory Agreement or any City Document, and remains uncured beyond the expiration of any applicable cure period.

2.2 REMEDIES. Upon the occurrence of an Event of Default hereunder, City may, at its option (i) by written notice to Borrower, declare the entire unpaid principal balance of this Note, together with all accrued interest thereon and all sums due hereunder, immediately due and payable regardless of any prior forbearance, (ii) exercise any and all rights and remedies available to it under applicable law, and (iii) exercise any and all rights and remedies available to City under this Note and the other City Documents, including without limitation the right to pursue foreclosure under the Deed of Trust. Borrower shall pay all reasonable costs and expenses incurred by or on behalf of City including, without limitation, reasonable attorneys' fees, incurred in connection with City's enforcement of this Note and the exercise of any or all of its rights and remedies hereunder and all such sums shall be a part of the indebtedness secured by the Deed of Trust. The rights and remedies of City under this Note shall be cumulative and not alternative.

2.3 DEFAULT RATE. Upon the occurrence of an Event of Default, interest shall automatically be increased without notice to the rate of ten percent (10%) per annum (the "**Default Rate**"); provided however, if any payment due hereunder is not paid when due, the Default Rate shall apply commencing upon the due date for such payment. When Borrower is no longer in default, the Default Rate shall no longer apply, and the interest rate shall once again be the rate specified in the first paragraph of this Note. Notwithstanding the foregoing provisions, if the interest rate charged exceeds the maximum legal rate of interest, the rate shall be the maximum rate permitted by law. The imposition or acceptance of the Default Rate shall in no event constitute a waiver of a default under this Note or prevent City from exercising any of its other rights or remedies.

3. MISCELLANEOUS

3.1 WAIVERS; BORROWER'S WAIVERS. No waiver by City of any right or remedy under this Note shall be effective unless in a writing signed by City. Neither the failure nor any delay in exercising any right, power or privilege under this Note will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege by City will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. No waiver that may be given by City will be applicable except in the specific instance for which it is given. No notice to or demand on Borrower will be deemed to be a waiver of any obligation of Borrower or of the right of City to take further action without notice or demand as provided in this Note.

To the maximum extent permitted by applicable law Borrower hereby waives presentment, demand, protest, notices of dishonor and of protest and all defenses and pleas on the grounds of any extension or extensions of the time of payment or of any due date under this Note, in whole or in part, whether before or after maturity and with or without notice.

3.2 NOTICES. Any notice required or permitted to be given hereunder shall be given in accordance with Section 12.3 of the Loan Agreement.

3.3 SEVERABILITY. If any provision in this Note is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Note will remain in full force and effect. Any provision of this Note held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

3.4 GOVERNING LAW; VENUE. This Note shall be governed by the laws of the State of California without regard to principles of conflicts of laws. Any legal action filed in connection with this Note shall be filed in the Superior Court of Alameda County, California, or in the Federal District Court for the Northern District of California.

3.5 PARTIES IN INTEREST. This Note shall bind Borrower and its successors and assigns and shall accrue to the benefit of City and its successors and assigns.

3.6 SECTION HEADINGS, CONSTRUCTION. The headings of Sections in this Note are provided for convenience only and will not affect its construction or interpretation.

3.7 RELATIONSHIP OF THE PARTIES. The relationship of Borrower and City under this Note is solely that of borrower and lender, and the loan evidenced by this Note and secured by the Deed of Trust will in no manner make City the partner or joint venturer of Borrower.

3.8 TIME IS OF THE ESSENCE. Time is of the essence with respect to every provision of this Note.

3.9 NONRECOURSE. Except as expressly provided in this Section 3.9, neither Borrower nor its partners shall have personal liability for payment of the principal of, or interest on, this Note, and the sole recourse of City with respect to the payment of the principal of, and interest on, this Note shall be to the Project, the Property and any other collateral held by City as security for this Note; provided however, nothing contained in the foregoing limitation of liability shall: (i) limit or impair the enforcement against all such security for the Note of all the rights and remedies of the City thereunder; (ii) be deemed in any way to impair the right of the City to assert the unpaid principal amount of the Note as demand for money within the meaning and intendment of Section 431.70 of the California Code of Civil Procedure or any successor provision thereto; or (iii) be deemed in any way to limit the rights of the City to obtain specific performance by the Borrower of its covenants under the City Documents, other than the covenants to pay the City principal and interest due under the Note.

The foregoing limitation of liability is intended to apply only to the obligation for the repayment of the principal of, and payment of interest on the Note; nothing contained herein is intended to relieve the Borrower of its obligation to indemnify the City under this Agreement, or liability for: (i) fraud or willful misrepresentation by the Borrower; (ii) the

failure to pay taxes, assessments or other charges which may create liens on the Property that are payable or applicable prior to any foreclosure under the Deed of Trust (to the full extent of such taxes, assessments or other charges); (iii) the fair market value of any personal property or fixtures removed or disposed of by the Borrower other than in accordance with the Deed of Trust; and/or (iv) the misappropriation of any proceeds by the Borrower under any insurance policies or awards resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Development

IN WITNESS WHEREOF, Borrower has executed and delivered this Note as of the date first written above.

BORROWER:

Sugar Pine Housing Partners, L.P., a California limited partnership

By: Sugar Pine Housing Development Co., LLC, a California limited liability company, its administrative general partner

By: _____
Ann Silverberg
President

By: St. Joseph Sugar Pine Village LLC, its managing general partner

By: St. Joseph Community Land Trust, a California nonprofit public benefit corporation, its manager

By: _____
Jean Diaz, Executive Director

Recording requested by and when recorded mail to: City of South Lake Tahoe 1901 Lisa Maloff Way South Lake Tahoe, CA 96150 EXEMPT FROM RECORDING FEES PER GOVERNMENT CODE §§6103, 27383	

Space above this line for Recorder's use.

LEASEHOLD DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING

(PLHA Loan)

THIS LEASEHOLD DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING (this "**Deed of Trust**") is made as of June 1, 2022, by SUGAR PINE HOUSING PARTNERS, L.P., a California limited partnership ("**Trustor**") to OLD REPUBLIC TITLE COMPANY ("**Trustee**"), for the benefit of the City of South Lake Tahoe, a municipal corporation ("**Beneficiary**").

RECITALS

A. Trustor owns a leasehold interest in the land described in Exhibit A attached hereto and incorporated herein by this reference (the "**Land**"). Trustor intends to construct a 68-unit multifamily residential development on the Land and related improvements (the "**Project"**).

B. Beneficiary and Trustor have entered into an Loan Agreement dated as of June 1, 2022 (the "**Loan Agreement**") pursuant to which Beneficiary will provide a loan to Trustor in the amount of up to Four Million Seven Hundred Fifty Thousand Dollars ($4,750,000) ("**Loan**") for the purpose of partially financing the Project. Trustor has issued to Beneficiary a secured promissory note dated as of the date hereof (the "**Note**") to evidence Trustor's obligation to repay the Loan. This Deed of Trust, the Loan Agreement, the Note and the Regulatory Agreement (defined below) are collectively referred to herein as the "**City Documents**."

C. As a condition precedent to the making of the Loan, Beneficiary has required that Trustor enter into this Deed of Trust and grant to Trustee for the benefit of Beneficiary, a lien and security interest in the Project and in Trustor's leasehold interest in the Land to secure repayment of the Note and performance of Trustor's obligations under the Loan Agreement and the other City Documents.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows.

1. Grant in Trust. In consideration of the foregoing and for the purpose of securing payment and performance of the Secured Obligations defined and described in Section 2, Trustor hereby irrevocably and unconditionally grants, conveys, transfers and assigns to Trustee, in trust for the benefit of Beneficiary, with power of sale and right of entry and possession, all estate, right, title

and interest which Trustor now has or may later acquire in and to the Land, and all of the following, whether presently owned or hereafter acquired:

a. The leasehold estate (**"Leasehold Estate"**) in the land created by that certain Development Ground Lease between Trustor, as Lessee, and the State of California ("**State**"), dated as of June [___], 2022, recorded substantially concurrently herewith in the Official Records of El Dorado County, California (**"Ground Lease"**);

b. All buildings, structures, and improvements, now or hereafter located or constructed on the Land ("**Improvements**");

c. All appurtenances, easements, rights of way, pipes, transmission lines or wires and other rights used in connection with the Land or the Improvements or as a means of access thereto, whether now or hereafter owned or constructed or placed upon or in the Land or Improvements and all existing and future privileges, rights, franchises and tenements of the Land, including all minerals, oils, gas and other commercially valuable substances which may be in, under or produced from any part of the Land, and all water rights, rights of way, gores or strips of land, and any land lying in the streets, ways, and alleys, open or proposed, in front of or adjoining the Land and Improvements (collectively, "**Appurtenances**");

d. All machinery, equipment, fixtures, goods and other personal property of the Trustor, whether moveable or not, now owned or hereafter acquired by the Trustor and now or hereafter located at or used in connection with the Land, the Improvements or Appurtenances, and all improvements, restorations, replacements, repairs, additions or substitutions thereto (collectively, "**Equipment**");

e. All existing and future leases, subleases, licenses, and other agreements relating to the use or occupancy of all or any portion of the Leasehold Estate, Land or Improvements (collectively, "**Leases**"), all amendments, extensions, renewals or modifications thereof, and all rent, royalties, or other payments which may now or hereafter accrue or otherwise become payable thereunder to or for the benefit of Trustor, including but not limited to security deposits (collectively, "**Rents**");

f. All insurance proceeds and any other proceeds from the Leasehold Estate, Land, Improvements, Appurtenances, Equipment, Leases, and Rents, including without limitation, all deposits made with or other security deposits given to utility companies, all claims or demands relating to insurance awards which the Trustor now has or may hereafter acquire, including all advance payments of insurance premiums made by Trustor, and all condemnation awards or payments now or later made in connection with any condemnation or eminent domain proceeding ("**Proceeds**");

g. All revenues, income, rents, royalties, payments and profits produced by the Leasehold Estate, Land, Improvements, Appurtenances and Equipment, whether now owned or hereafter acquired by Trustor ("**Gross Revenues**");

h. All architectural, structural and mechanical plans, specifications, design documents and studies produced in connection with development of the Land and construction of the Improvements (collectively, "**Plans**"); and

i. All interests and rights in any private or governmental grants, subsidies, loans or other financing provided in connection with development of the Leasehold Estate, Land and construction of the Improvements (collectively, "**Financing**").

All of the above-referenced interests of Trustor in the Leasehold Estate, Land, Improvements, Appurtenances, Equipment, Leases, Rents, Proceeds, Gross Revenues, Plans and Financing as hereby conveyed to Trustee or made subject to the security interest herein described are collectively referred to herein as the "**Property**."

2. Obligations Secured. This Deed of Trust is given for the purpose of securing payment and performance of the following (collectively, the "**Secured Obligations**"): (i) all present and future indebtedness evidenced by the Note and any amendment thereof, including principal, interest and all other amounts payable under the terms of the Note; (ii) all present and future obligations of Trustor to Beneficiary under the Loan Agreement, the Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenants dated as of the date hereof, executed by and between City and Trustor and recorded substantially concurrently herewith (the "**Regulatory Agreement**") or the other City Documents; (iii) all additional present and future obligations of Trustor to Beneficiary under any other agreement or instrument acknowledged by Trustor (whether existing now or in the future) which states that it is or such obligations are, secured by this Deed of Trust; (iv) all obligations of Trustor to Beneficiary under all modifications, supplements, amendments, renewals, or extensions of any of the foregoing, whether evidenced by new or additional documents; and (v) reimbursement of all amounts advanced by or on behalf of Beneficiary to protect Beneficiary's interests under this Deed of Trust or any other City Document as such may be modified, supplemented, amended, renewed or extended.

3. Assignment of Rents, Issues, and Profits. Trustor hereby irrevocably, absolutely, presently and unconditionally assigns to Beneficiary the Rents, royalties, issues, profits, revenue, income and proceeds of the Property. This is an absolute assignment and not an assignment for security only. Beneficiary hereby confers upon Trustor a license to collect and retain such Rents, royalties, issues, profits, revenue, income and proceeds as they become due and payable prior to any Event of Default hereunder. Upon the occurrence of any such Event of Default, Beneficiary may terminate such license without notice to or demand upon Trustor and without regard to the adequacy of any security for the indebtedness hereby secured, and may either in person, by agent, or by a receiver to be appointed by a court, enter upon and take possession of the Property or any part thereof, and sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees, to any indebtedness secured hereby, and in such order as Beneficiary may determine. Beneficiary's right to the rents, royalties, issues, profits, revenue, income and proceeds of the Property does not depend upon whether or not Beneficiary takes possession of the Property. The entering upon and taking possession of the Property, the collection of such rents, issues, and profits, and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice. If an Event of Default occurs while Beneficiary is in possession of all or part of the Property and/or is collecting and applying Rents as permitted under this Deed of Trust, Beneficiary, Trustee and any receiver shall nevertheless be entitled to exercise and invoke every right and remedy afforded any of them under this Deed of Trust and at law or in equity,

including the right to exercise the power of sale granted hereunder. Regardless of whether or not Beneficiary, in person or by agent, takes actual possession of the Land or the Improvements, Beneficiary shall not be deemed to be a "mortgagee in possession," shall not be responsible for performing any obligation of Trustor under any Lease, shall not be liable in any manner for the Property, or the use, occupancy, enjoyment or operation of any part of it, and shall not be responsible for any waste committed by Trustor, lessees or any third parties, or for dangerous or defective condition of the Property or any negligence in the management, repair or control of the Property. Absent Beneficiary's written consent, Trustor shall not accept prepayment of Rents for any rental period exceeding one month.

4. Security Agreement. The parties intend for this Deed of Trust to create a lien on the Property, and an absolute assignment of the Rents and Leases, all in favor of Beneficiary, subject to the rights of any beneficiaries under deeds of trust senior in priority to this Deed of Trust permitted under the Loan Agreement and Ground Lease ("**Senior Deeds of Trust**"). The parties acknowledge that some of the Property may be determined under applicable law to be personal property or fixtures. To the extent that any Property may be or be determined to be personal property, Trustor as debtor hereby grants to Beneficiary as secured party a security interest in all such Property to secure payment and performance of the Secured Obligations. This Deed of Trust constitutes a security agreement under the California Uniform Commercial Code, as amended or recodified from time to time (the "**UCC**"), covering all such Property. To the extent such Property is not real property encumbered by the lien granted above, and is not absolutely assigned by the assignment set forth above, it is the intention of the parties that such Property shall constitute "proceeds, products, offspring, rents, or profits" (as defined in and for the purposes of Section 552(b) of the United States Bankruptcy Code, as such section may be modified or supplemented) of the Land and Improvements.

5. Financing Statements. Pursuant to the UCC, Trustor, as debtor, hereby authorizes Beneficiary, as secured party, to file such financing statements and amendments thereof and such continuation statements with respect thereto as Beneficiary may deem appropriate to perfect and preserve Beneficiary's security interest in the Property and Rents, without requiring any signature or further authorization by Trustor. If requested by Beneficiary, Trustor shall pay all fees and costs that Beneficiary may incur in filing such documents in public offices and in obtaining such record searches as Beneficiary may reasonably require. If any financing statement or other document is filed in the records normally pertaining to personal property, that filing shall not be construed as in any way derogating from or impairing this Deed of Trust or the rights or obligations of the parties under it.

Everything used in connection with the Property and/or adapted for use therein and/or which is described or reflected in this Deed of Trust is, and at all times and for all purposes and in all proceedings both legal or equitable shall be regarded as part of the estate encumbered by this Deed of Trust irrespective of whether (i) any such item is physically attached to the Improvements, (ii) serial numbers are used for the better identification of certain equipment items capable of being thus identified in a recital contained herein or in any list filed with Beneficiary, or (iii) any such item is referred to or reflected in any such financing statement so filed at any time. Similarly, the mention in any such financing statement of (1) rights in or to the proceeds of any fire and/or hazard insurance policy, or (2) any award in eminent domain proceedings for a taking or for lessening of value, or (3) Trustor's interest as lessor in any present

or future lease or rights to income growing out of the use and/or occupancy of the property conveyed hereby, whether pursuant to lease or otherwise, shall not be construed as in any way altering any of the rights of Beneficiary as determined by this instrument or impugning the priority of Beneficiary's lien granted hereby or by any other recorded document. Such mention in any financing statement is declared to be solely for the protection of Beneficiary in the event any court or judge shall at any time hold, with respect to the matters set forth in the foregoing clauses (1), (2), and (3), that notice of Beneficiary's priority of interest is required in order to be effective against a particular class of persons, including but not limited to the federal government and any subdivisions or entity of the federal government.

6. Fixture Filing. Subject to the rights of beneficiaries under Senior Deeds of Trust, this Deed of Trust is intended to be and constitutes a fixture filing pursuant to the provisions of the UCC with respect to all of the Property constituting fixtures, is being recorded as a fixture financing statement and filing under the UCC, and covers property, goods and equipment which are or are to become fixtures related to the Land and the Improvements. Trustor covenants and agrees that this Deed of Trust is to be filed in the real estate records of El Dorado County and shall also operate from the date of such filing as a fixture filing in accordance with Section 9502 and other applicable provisions of the UCC. This Deed of Trust shall also be effective as a financing statement covering minerals or the like (including oil and gas) and accounts subject to the UCC, as amended. Trustor shall be deemed to be the "debtor" and Beneficiary shall be deemed to be the "secured party" for all purposes under the UCC.

7. Trustor's Representations, Warranties and Covenants; Rights and Duties of the Parties.

7.1 Representations and Warranties. Trustor represents and warrants that: (i) Trustor lawfully possesses and holds the Leasehold Estate in the Land and title to the Improvements, (ii) Trustor has good and marketable title to all of the Property; (iii) Trustor has the full and unlimited power, right and authority to encumber the Property and assign the Rents; (iv) subject only to encumbrances of record and senior liens permitted pursuant to the City Documents or otherwise approved in writing by Beneficiary ("**Permitted Encumbrances**"), this Deed of Trust creates a valid first lien on Trustor's entire interest in the Property; (v) except with respect to Permitted Encumbrances, Trustor owns the Property free and clear of any deeds of trust, mortgages, security agreements, reservations of title or conditional sales contracts, (vi) there is no financing statement affecting the Property on file in any public office other than as disclosed in writing to Beneficiary; and (vii) the correct address of Trustor's chief executive office is specified in Section 10.2.

Trustor further represents and warrants that this Deed of Trust and all other documents delivered or to be delivered by Trustor in connection herewith: (a) have been duly authorized, executed, and delivered by Trustor; (b) are binding obligations of Trustor; and (c) do not violate the provisions of any agreement to which Trustor is a party or which affects the Property. Trustor further represents and warrants that there are no pending, or to Trustor's knowledge, threatened actions or proceedings before any court or administrative agency which may adversely affect Trustor's ownership of the Property.

7.2 Payment and Performance of Secured Obligations. Trustor shall promptly pay when due the principal and any interest due on the indebtedness evidenced by the Note, and shall

promptly pay and perform all other obligations of Trustor arising in connection with the Secured Obligations or the City Documents in accordance with the respective terms thereof.

7.3 Use of Loan Proceeds; Preservation and Maintenance of Property; Compliance with Laws. Trustor covenants that it shall use the proceeds of the Loan (the "**Loan Proceeds**") solely for purposes authorized by the City Documents. Trustor shall keep the Land and Improvements in good repair and condition, and from time to time shall make necessary repairs, renewals and replacements thereto so that the Property shall be preserved and maintained. Trustor covenants to comply with all federal, state and local laws, regulations, ordinances and rules applicable to the Property and the Project, including without limitation all applicable requirements of state and local building codes and regulations, and all applicable statutes and regulations relating to accessibility for the disabled. Trustor shall not remove, demolish or materially alter any Improvement without Beneficiary's consent, shall complete or restore promptly and in good and workmanlike manner any building, fixture or other improvement which may be constructed, damaged, or destroyed thereon, and shall pay when due all claims for labor performed and materials furnished therefor. Trustor shall use the Land and Improvements solely for purposes authorized by the City Documents, shall not commit or allow waste of the Property, and shall not commit or allow any act upon or use of the Property which would violate any applicable law or order of any governmental authority, nor shall Trustor bring on or keep any article on the Property or cause or allow any condition to exist thereon which could invalidate or which would be prohibited by any insurance coverage required to be maintained on the Property pursuant to the City Documents.

7.4 Restrictions on Conveyance and Encumbrance; Acceleration. It shall be an Event of Default hereunder if any Transfer (as defined in the Loan Agreement) of the Property, any part thereof or any interest therein occurs in violation of the requirements of the City Documents. If any such Transfer occurs in violation of such requirements, without limiting the provisions of Section 8 hereof, all obligations secured by this Deed of Trust, irrespective of the maturity dates of such obligations, shall at the option of Beneficiary, and without demand, immediately become due and payable, subject to any applicable cure period.

7.5 Inspections; Books and Records. Beneficiary and its agents and representatives shall have the right at any reasonable time upon reasonable notice to enter upon the Land and inspect the Property to ensure compliance with the City Documents. Trustor shall maintain complete and accurate books of account and other records (including copies of supporting bills and invoices) adequate to document the use of the Loan Proceeds and the operation of the Property, together with copies of all written contracts, Leases and other instruments which affect the Property. The books, records, contracts, Leases and other instruments shall be subject to examination and inspection at any reasonable time by Beneficiary following two business days prior notice.

7.6 Charges, Liens, Taxes and Assessments. Trustor shall pay before delinquency all taxes, levies, assessments and other charges affecting the Property that are (or if not paid may become) a lien on all or part of the Property. Trustor may, at Trustor's expense, contest the validity or application of any tax, levy, assessment or charge affecting the Property by appropriate legal proceedings promptly initiated and conducted in good faith and with due diligence, provided that (i) Beneficiary is reasonably satisfied that neither the Property nor any

part thereof or interest therein will be in danger of being sold, forfeited, or lost as a result of such contest, and (ii) Trustor shall have posted a bond or furnished other security as may reasonably be required from time to time by Beneficiary; and provided further that Trustor shall timely make any payment necessary to prevent a lien foreclosure, sale, forfeiture or loss of the Property.

7.7 Subrogation. Beneficiary shall be subrogated to the liens of all encumbrances, whether released of record or not, which are discharged in whole or in part by Beneficiary in accordance with this Deed of Trust.

7.8 Hazard, Liability and Workers' Compensation Insurance. At all times during the term hereof, Trustor shall at Trustor's expense, maintain insurance policies in accordance with the requirements set forth in the City Documents. Trustor shall file with Beneficiary prior to the commencement of the term hereof, certificates (or such other proof as Beneficiary may reasonably require, including without limitation copies of the required insurance policies) evidencing each of the insurance policies and endorsements thereto as required pursuant to the City Documents, and such certificates (or policies) shall provide that at least thirty (30) days' prior written notice shall be provided to Beneficiary prior to the expiration, cancellation or change in coverage under each such policy. If any insurance policy required pursuant to the City Documents is canceled or the coverage provided thereunder is reduced, Trustor shall, within ten (10) days after receipt of written notice of such cancellation or reduction in coverage, but in no event later than the effective date of cancellation or reduction, file with Beneficiary a certificate showing that the required insurance has been reinstated or provided through another insurance company or companies. Upon failure to so file such certificate, Beneficiary may, without further notice and at its option (and without any obligation to do so), procure such insurance coverage at Trustor's expense, and Trustor shall promptly reimburse Beneficiary for such expense upon receipt of billing from Beneficiary.

7.9 Condition of Property. Trustor represents and warrants that except as disclosed to Beneficiary in writing, as of the date hereof: (i) Trustor has not received any notice from any governmental authority of any threatened or pending zoning, building, fire, or health code violation or violation of other governmental regulations concerning the Land that has not previously been corrected, and no condition on the Land violates any health, safety, fire, environmental, sewage, building, or other federal, state or local law, ordinance or regulation; (ii) no contracts, licenses, leases or commitments regarding the maintenance or use of the Property or allowing any third party rights to use the Property are in force; (iii) there are no threatened or pending actions, suits, or administrative proceedings against or affecting the Property or any portion thereof or the interest of Trustor in the Property; (iv) there are no threatened or pending condemnation, eminent domain, or similar proceedings affecting the Land or any portion thereof; (v) Trustor has not received any notice from any insurer of defects of the Property which have not been corrected; (vi) there are no natural or artificial conditions upon the Land or any part thereof that could result in a material and adverse change in the condition of the Land; (vii) all information that Trustor has delivered to Beneficiary, either directly or through Trustor's agents, is accurate and complete; and (viii) Trustor or Trustor's agents have disclosed to Beneficiary all material facts concerning the Property.

7.10 Hazardous Materials. Trustor represents and warrants that except as disclosed to Beneficiary in writing, as of the date hereof to the best knowledge of Trustor: (i) the Land is

free and has always been free of Hazardous Materials (as defined below) and is not and has never been in violation of any Environmental Law (as defined below); (ii) there are no buried or partially buried storage tanks located on the Land; (iii) Trustor has received no notice, warning, notice of violation, administrative complaint, judicial complaint, or other formal or informal notice alleging that conditions on the Land are or have ever been in violation of any Environmental Law or informing Trustor that the Land is subject to investigation or inquiry regarding Hazardous Materials on the Land or the potential violation of any Environmental Law; (iv) there is no monitoring program required by the Environmental Protection Agency or any other governmental agency concerning the Land; (v) no toxic or hazardous chemicals, waste, or substances of any kind have ever been spilled, disposed of, or stored on, under or at the Land, whether by accident, burying, drainage, or storage in containers, tanks, holding areas, or any other means; (vi) the Land has never been used as a dump or landfill; and (vii) Trustor has disclosed to Beneficiary all information, records, and studies in Trustor's possession or reasonably available to Trustor relating to the Land concerning Hazardous Materials.

Trustor shall not cause or permit any Hazardous Material (as defined in Section 9.3 of the Loan Agreement) to be brought upon, kept, stored or used in, on, under, or about the Land by Trustor, its agents, employees, contractors or invitees except for incidental supplies ordinarily used in the construction and operation of residential developments in compliance with all applicable laws, and shall not cause any release of Hazardous Materials into, onto, under or through the Land. If any Hazardous Material is discharged, released, dumped, or spilled in, on, under, or about the Land and results in any contamination of the Land or adjacent property, or otherwise results in the release or discharge of Hazardous Materials in, on, under or from the Land, Trustor shall promptly take all actions at its sole expense as are necessary to comply with all Environmental Laws (as defined below).

Trustor shall indemnify, defend (with counsel reasonably acceptable to Beneficiary), and hold Beneficiary and its elected and appointed officials, officers, agents and employees (collectively, "**Indemnitees**") harmless from and against any and all loss, claim, liability, damage, demand, judgment, order, penalty, fine, injunctive or other relief, cost, expense (including reasonable fees and expenses of attorneys, expert witnesses, and other professionals advising or assisting Beneficiary), action, or cause of action (all of the foregoing, hereafter individually "**Claim"** and collectively **"Claims"**) arising in connection with the breach of Trustor's covenants and obligations set forth in this Section 7.10 or otherwise arising in connection with the presence or release of Hazardous Materials in, on, under, or from the Property. The foregoing indemnity includes, without limitation, all costs of investigation, assessment, containment, removal, remediation of any kind, and disposal of Hazardous Materials, all costs of determining whether the Land is in compliance with Environmental Laws, all costs associated with bringing the Land into compliance with all applicable Environmental Laws, and all costs associated with claims for damages or injury to persons, property, or natural resources.

Without limiting the generality of the foregoing, Trustor shall, at Trustor's own cost and expense, do all of the following:

a. pay or satisfy any judgment or decree that may be entered against any Indemnitee or Indemnitees in any legal or administrative proceeding incident to any matters against which Indemnitees are entitled to be indemnified under this Deed of Trust;

b. reimburse Indemnitees for any expenses paid or incurred in connection with any matters against which Indemnitees are entitled to be indemnified under this Deed of Trust; and

c. reimburse Indemnitees for any and all expenses, including without limitation out-of-pocket expenses and fees of attorneys and expert witnesses, paid or incurred in connection with the enforcement by Indemnitees of their rights under this Deed of Trust, or in monitoring and participating in any legal or administrative proceeding.

Trustor's obligation to indemnify the Indemnitees shall not be limited or impaired by any of the following, or by any failure of Trustor to receive notice of or consideration for any of the following: (i) any amendment or modification of any City Document; (ii) any extensions of time for performance required by any City Document; (iii) any provision in any of the City Documents limiting Beneficiary's recourse to property securing the Secured Obligations, or limiting the personal liability of Trustor, or any other party for payment of all or any part of the Secured Obligations; (iv) the accuracy or inaccuracy of any representation and warranty made by Trustor under this Deed of Trust or by Trustor or any other party under any City Document, (v) the release of Trustor or any other person, by Beneficiary or by operation of law, from performance of any obligation under any City Document; (vi) the release or substitution in whole or in part of any security for the Secured Obligations; and (vii) Beneficiary's failure to properly perfect any lien or security interest given as security for the Secured Obligations.

The provisions of this Section 7.10 shall be in addition to any and all other obligations and liabilities that Trustor may have under applicable law, and each Indemnitee shall be entitled to indemnification under this Section without regard to whether Beneficiary or that Indemnitee has exercised any rights against the Property or any other security, pursued any rights against any guarantor or other party, or pursued any other rights available under the City Documents or applicable law. The obligations of Trustor to indemnify the Indemnitees under this Section shall survive any repayment or discharge of the Secured Obligations, any foreclosure proceeding, any foreclosure sale, any delivery of any deed in lieu of foreclosure, and any release of record of the lien of this Deed of Trust.

Without limiting any of the remedies provided in this Deed of Trust, Trustor acknowledges and agrees that each of the provisions in this Section 7.10 is an environmental provision (as defined in Section 736(f)(2) of the California Code of Civil Procedure) made by Trustor relating to real property security (the "**Environmental Provisions**"), and that Trustor's failure to comply with any of the Environmental Provisions will be a breach of contract that will entitle Beneficiary to pursue the remedies provided by Section 736 of the California Code of Civil Procedure ("**Section 736**") for the recovery of damages and for the enforcement of the Environmental Provisions. Pursuant to Section 736, Beneficiary's action for recovery of damages or enforcement of the Environmental Provisions shall not constitute an action within the meaning of Section 726(a) of the California Code of Civil Procedure or constitute a money judgment for a deficiency or a deficiency judgment within the meaning of Sections 580a, 580b, 580d, or 726(b) of the California Code of Civil Procedure.

"**Environmental Law**" means all federal, state or local statutes, ordinances, rules, regulations, orders, decrees, judgments or common law doctrines, and provisions and conditions of permits, licenses and other operating authorizations regulating, or relating to, or imposing

liability or standards of conduct concerning (i) pollution or protection of the environment, including natural resources; (ii) exposure of persons, including employees and agents, to any Hazardous Material (as defined above) or other products, raw materials, chemicals or other substances; (iii) protection of the public health or welfare from the effects of by-products, wastes, emissions, discharges or releases of chemical substances from industrial or commercial activities; (iv) the manufacture, use or introduction into commerce of chemical substances, including without limitation, their manufacture, formulation, labeling, distribution, transportation, handling, storage and disposal; or (iv) the use, release or disposal of toxic or hazardous substances or Hazardous Materials or the remediation of air, surface waters, groundwaters or soil, as now or may at any later time be in effect, including but not limited to the Toxic Substances Control Act [15 U.S.C. 2601, et seq.]; the Comprehensive Environmental Response, Compensation and Liability Act [42 U.S.C. Section 9601, et seq.], the Hazardous Materials Transportation Authorization Act [49 U.S.C. Section 5101, et seq.], the Resource Conservation and Recovery Act [42 U.S.C. 6901, et seq.], the Federal Water Pollution Control Act [33 U.S.C. Section 1251], the Clean Air Act [42 U.S.C. Section 7401, et seq.], the California Underground Storage of Hazardous Substances Act [California Health and Safety Code Section 25280, et seq.], the California Hazardous Substances Account Act [California Health and Safety Code Section 25300, et seq.], the California Hazardous Waste Act [California Health and Safety Code Section 25100, et seq.], the California Safe Drinking Water and Toxic Enforcement Act [California Health and Safety Code Section 25249.5, et seq.], and the Porter-Cologne Water Quality Control Act [California Water Code Section 13000, et seq.], as they now exist or are hereafter amended, together with any regulations promulgated thereunder.

7.11 Notice of Claims; Defense of Security; Reimbursement of Costs.

a. Notice of Claims. Promptly upon obtaining knowledge of the institution of any proceedings for the condemnation or other taking of all or any portion of the Property, or knowledge of any casualty damage to the Property, or damage in any other manner, Trustor shall immediately notify Beneficiary thereof. Trustor hereby authorizes and empowers Beneficiary as attorney in fact for Trustor to make proof of loss, to adjust and compromise any claim under the insurance policies covering the Property, to appear in and prosecute any action arising from such insurance policies, to collect and receive insurance proceeds, and to deduct therefrom Beneficiary's expenses incurred in the collection of such proceeds; provided, however, that nothing contained in this Section shall require Beneficiary to incur any expense or take any action hereunder. Trustor hereby authorizes and empowers Beneficiary, at Beneficiary's option, as attorney in fact for Trustor, to commence, appear in and prosecute, in Beneficiary's or Trustor's name, any action or proceeding relating to any condemnation or other taking of all or any part of the Property, whether direct or indirect, and to settle or compromise any claim in connection with such condemnation or other taking. The proceeds of any award payment or claim for damages, direct or consequential, in connection with any condemnation or other taking, whether direct or indirect, of the Property, or any part thereof, or for conveyances in lieu of the Property, or any part thereof, shall be paid to Beneficiary. The foregoing powers of attorney are coupled with an interest and are irrevocable. Trustor hereby authorizes Beneficiary to apply such awards, payments, proceeds or damages relating to condemnation of the Property and insurance covering the Property, after the deduction of Beneficiary's expenses incurred in the collection of such amounts, at Beneficiary's option, subject to the requirements of applicable law and the provisions hereof, to restoration or repair of the Property or to payment of the sums

secured by this Deed of Trust. Beneficiary shall be under no obligation to question the amount of any compensation, awards, proceeds, damages, claims, rights of action, and payments relating to condemnation or other taking of the Property or insured casualty affecting the Property, and may accept the same in the amount in which the same shall be paid. Trustor shall execute such further evidence of assignment of any awards, proceeds damages or claims arising in connection with such condemnation or taking or such insurance as Beneficiary may require. Trustor's obligations and Beneficiary's rights under this Section are subject to the requirements of the Senior Deeds of Trust (if any)..

b. Defense of Security. At Trustor's sole expense, Trustor shall protect, preserve and defend the Property and title to and right of possession of the Property, the security of this Deed of Trust and the rights and powers of Beneficiary and Trustee created under it, against all adverse claims.

c. Compensation; Reimbursement of Costs. Trustor agrees to pay all reasonable fees, costs and expenses charged by Beneficiary or Trustee for any service that Beneficiary or Trustee may render in connection with this Deed of Trust, including without limitation, fees and expenses related to provision of a statement of obligations or related to a reconveyance. Trustor further agrees to pay or reimburse Beneficiary for all costs, expenses and other advances which may be incurred or made by Beneficiary or Trustee in any efforts to enforce any terms of this Deed of Trust, including without limitation any rights or remedies afforded to Beneficiary or Trustee or both of them under Sections 7.17 and 8.2, whether or not any lawsuit is filed, or in defending any action or proceeding arising under or relating to this Deed of Trust, including reasonable attorneys' fees and other legal costs, costs of any disposition of the Property under the power of sale granted hereunder or any judicial foreclosure, and any cost of evidence of title.

d. Notice of Changes. Trustor shall give Beneficiary prior written notice of any change in the address of Trustor and the location of any Property, including books and records pertaining to the Property.

7.12 Indemnification. Trustor shall indemnify, defend (with counsel reasonably acceptable to Beneficiary), and hold harmless the Indemnitees (as defined in Section 7.10) from and against all Claims arising directly or indirectly in any manner in connection with or as a result of (a) any breach of Trustor's covenants under any City Document, (b) any representation by Trustor in any City Document which proves to be false or misleading in any material respect when made, (c) injury or death to persons or damage to property or other loss occurring on the Land or in any improvement located thereon, whether caused by the negligence or any other act or omission of Trustor or any other person or by negligent, faulty, inadequate or defective design, building, construction or maintenance or any other condition or otherwise, (d) any claim, demand or cause of action, or any action or other proceeding, whether meritorious or not, brought or asserted against any Indemnitee which relates to or arises out of the Property, or any City Document or any transaction contemplated thereby, or any failure of Trustor to comply with all applicable state, federal and local laws and regulations applicable to the Property, provided that no Indemnitee shall be entitled to indemnification under this Section for matters caused by such Indemnitee's gross negligence or willful misconduct. The obligations of Trustor under this Section shall survive the repayment of the Loan and shall be secured by this Deed of Trust. Notwithstanding any contrary provision contained herein, the obligations of Trustor under this

Section shall survive any foreclosure proceeding, any foreclosure sale, any delivery of a deed in lieu of foreclosure, and any release or reconveyance of this Deed of Trust.

7.13. Limitation of Liability. Beneficiary shall not be directly or indirectly liable to Trustor or any other person as a consequence of any of the following: (i) Beneficiary's exercise of or failure to exercise any rights, remedies or powers granted to Beneficiary in this Deed of Trust; (ii) Beneficiary's failure or refusal to perform or discharge any obligation or liability of Trustor under any agreement related to the Property or under this Deed of Trust; (iii) any waste committed by Trustor, the lessees of the Property or any third parties, or any dangerous or defective condition of the Property; or (iv) any loss sustained by Trustor or any third party resulting from any act or omission of Beneficiary in managing the Property after an Event of Default, unless the loss is caused by the willful misconduct, gross negligence, or bad faith of Beneficiary. Trustor hereby expressly waives and releases all liability of the types described in this Section 7.13, and agrees that Trustor shall assert no claim related to any of the foregoing against Beneficiary.

7.14 Insurance and Condemnation Proceeds. Subject to the rights of any senior lienholders, and notwithstanding anything contained in any of the City Documents, unless Beneficiary and Trustor otherwise agree in writing, any award of damages in connection with any condemnation for public use of, or injury to the Property or any part thereof shall be applied to restoration or repair of the Property, provided Trustor determines that such restoration or repair is economically feasible and there is no default under any City Document that is continuing beyond the expiration of all applicable cure periods. If Trustor determines that such restoration or repair is not economically feasible or if a default exists after expiration of all applicable cure periods, the insurance proceeds shall be applied to the sums secured by this Deed of Trust, with the excess, if any, paid to Trustor. In the event funds for such work are insufficient, Beneficiary may, in its sole discretion and subject to the approval of Beneficiary’s governing board, advance such additional funds as may be necessary to allow the Property to be repaired or restored, and may add the amount thereof to the principal balance of the Note. If the Property is abandoned by Trustor, or if Trustor fails to respond to Beneficiary within 30 days from the date notice is mailed by Beneficiary to Trustor that the insurance carrier offers to settle a claim for insurance benefits, Beneficiary is authorized to collect and apply the insurance proceeds at Beneficiary's option either to restoration or repair of the Property or to the sums secured by this Deed of Trust

7.15 Release, Extension, Modification. At any time and from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the Note for endorsement, Trustee may release or reconvey all or any part of the Property, consent to the making of any map or plat of the Land or part thereof, join in granting any easement or creating any restriction affecting the Property, or join in any extension agreement or other agreement affecting the lien or charge hereof. At any time and from time to time, without liability therefor and without notice, Beneficiary may (i) release any person liable for payment of any Secured Obligation, (ii) extend the time for payment or otherwise alter the terms of payment of any Secured Obligation; (iii) accept additional real or personal property of any kind as security for any Secured Obligation, or (iv) substitute or release any property securing the Secured Obligations.

7.16 Reconveyance. Upon written request of Beneficiary stating that all of the Secured Obligations have been satisfied in full, and upon surrender of this Deed of Trust, and the Note, Trustee shall reconvey, without warranty, the Property or so much of it as is then held under this Deed of Trust. The recitals in any reconveyance executed under this Deed of Trust of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustor shall pay all fees of Trustee and all recordation fees related to such reconveyance.

7.17 Cure; Protection of Security. Beneficiary may cure any breach or default of Trustor, and if it chooses to do so in connection with any such cure, Beneficiary may also enter the Property and/or do any and all other things which it may in its reasonable discretion consider necessary and appropriate to protect the security of this Deed of Trust. Such other things may include: appearing in and/or defending any action or proceeding which purports to affect the security of, or the rights or powers of Beneficiary or Trustee under, this Deed of Trust; paying, purchasing, contesting or compromising any encumbrance, charge, lien or claim of lien which in Beneficiary's sole judgment is or may be senior in priority to this Deed of Trust, such judgment of Beneficiary to be conclusive as among Beneficiary, Trustee and Trustor; obtaining insurance and/or paying any premiums or charges for insurance required to be carried hereunder; otherwise caring for and protecting any and all of the Property; and/or employing counsel, accountants, contractors and other appropriate persons to assist Beneficiary. Beneficiary may take any of the actions permitted under this Section 7.17 either with or without giving notice, except for notices required under applicable law. Any amounts disbursed by Beneficiary pursuant to this paragraph shall become additional indebtedness secured by this Deed of Trust. Beneficiary shall have no obligation to take any action described in this Section.

7.18 Subordination. Beneficiary hereby acknowledges and agrees that this Deed of Trust and the promissory note and all rights of Beneficiary thereunder shall be subordinate to the following liens and encumbrances:

[insert senior encumbrances and Senior Deeds of Trust]

8. Default and Remedies.

8.1 Events of Default. Trustor acknowledges and agrees that an Event of Default shall occur under this Deed of Trust upon the occurrence of any one or more of the following events:

a. Beneficiary's declaration of an Event of Default under any City Document, subject to the expiration of any applicable cure period set forth in such document;

b. Trustor fails to perform any monetary obligation which arises under this Deed of Trust, and does not cure that failure within ten (10) days following written notice from Beneficiary or Trustee;

c. If Trustor's interest in the Property or any part thereof is voluntarily or involuntarily sold, transferred, leased, encumbered, or otherwise conveyed in violation of Section 7.4 hereof or if any other Transfer occurs in violation of the Loan Agreement;

d. Trustor fails to maintain the insurance coverage required under the City

Documents or otherwise fails to comply with the requirements of Section 7.8 hereof and Trustor fails to cure such default within the time specified in Section 7.8;

e. Subject to Trustor's right to contest such charges as provided herein, Trustor fails to pay taxes or assessments due on the Land or the Improvements or fails to pay any other charge that may result in a lien on the Land or the Improvements, and Trustor fails to cure such default within ten (10) days.

f. Any representation or warranty of Trustor contained in or made in connection with the execution and delivery of this Deed of Trust or in any certificate or statement furnished pursuant hereto or in any other City Document proves to have been false or misleading in any material adverse respect when made;

g. If, pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors ("**Bankruptcy Law**"), Trustor or any general partner thereof (i) commences a voluntary case or proceeding; (ii) consents to the entry of an order for relief against Trustor or any general partner thereof in an involuntary case; (iii) consents to the appointment of a trustee, receiver, assignee, liquidator or similar official for Trustor or any general partner thereof; (iv) makes an assignment for the benefit of its creditors; or (v) admits in writing its inability to pay its debts as they become due.

h. If a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (i) is for relief against Trustor or any general partner thereof in an involuntary case, (ii) appoints a trustee, receiver, assignee, liquidator or similar official for Trustor or any general partner thereof or substantially all of such entity's assets, (iii) orders the liquidation of Trustor or any general partner thereof, or (iv) issues or levies a judgment, writ, warrant of attachment or similar process against the Property or the Project, and in each case the order or decree is not released, vacated, dismissed or fully bonded within 60 days after its issuance.

i. The holder of any other debt instrument secured by a mortgage or deed of trust on the Property or part thereof declares an event of default thereunder and exercises a right to declare all amounts due under that debt instrument immediately due and payable, subject to the expiration of any applicable cure period set forth in such holder's documents; or

j. Trustor fails to perform any obligation arising under this Deed of Trust other than one enumerated in this Section 8.1, and does not cure that failure either within ten (10) days after written notice from Beneficiary or Trustee in the event of a monetary default, or within thirty (30) days after such written notice in the event of a nonmonetary default, provided that in the case of a nonmonetary default that in Beneficiary's reasonable judgment cannot reasonably be cured within thirty (30) days, an Event of Default shall not arise hereunder if Trustor commences to cure such default within thirty (30) days and thereafter prosecutes such cure to completion with due diligence and in good faith and in no event later than ninety (90) days, or such longer period as the City may approve, following receipt of notice of default.

8.2 Remedies. Subject to the applicable notice and cure provisions set forth herein, at any time after an Event of Default, Beneficiary and Trustee shall be entitled to invoke any and all

of the rights and remedies described below, and may exercise any one or more or all, of the remedies set forth in any City Document, and any other remedy existing at law or in equity or by statute, subject to the nonrecourse provisions set forth in the Note. All of Beneficiary's rights and remedies shall be cumulative, and the exercise of any one or more of them shall not constitute an election of remedies. Beneficiary shall be entitled to collect all expenses incurred in pursuing the remedies provided hereunder, including without limitation reasonable attorneys' fees and costs.

a. Acceleration. Beneficiary may declare any or all of the Secured Obligations, including without limitation all sums payable under the Note and this Deed of Trust, to be due and payable immediately.

b. Receiver. Beneficiary may apply to any court of competent jurisdiction for, and obtain appointment of, a receiver for the Property.

c. Entry. Beneficiary, in person, by agent or by court-appointed receiver, may enter, take possession of, manage and operate all or any part of the Property, and may also do any and all other things in connection with those actions that Beneficiary may in its sole discretion consider necessary and appropriate to protect the security of this Deed of Trust. Such other things may include: taking and possessing copies of all of Trustor's or the then owner's books and records concerning the Property; entering into, enforcing, modifying, or canceling Leases on such terms and conditions as Beneficiary may consider proper; obtaining and evicting tenants; fixing or modifying Rents; collecting and receiving any payment of money owing to Trustor; completing any unfinished construction; and/or contracting for and making repairs and alterations. If Beneficiary so requests, Trustor shall assemble all of the Property that has been removed from the Land and make all of it available to Beneficiary at the site of the Land. Trustor hereby irrevocably constitutes and appoints Beneficiary as Trustor's attorney-in-fact to perform such acts and execute such documents as Beneficiary in its sole discretion may consider to be appropriate in connection with taking these measures, including endorsement of Trustor's name on any instruments.

d. UCC Remedies. Beneficiary may exercise any or all of the remedies granted to a secured party under the UCC.

e. Judicial Action. Beneficiary may bring an action in any court of competent jurisdiction to foreclose this Deed of Trust in the manner provided by law for foreclosure of mortgages on real property and/or to obtain specific enforcement of any of the covenants or agreements of this Deed of Trust.

f. Power of Sale. Under the power of sale hereby granted, Beneficiary shall have the discretionary right to cause some or all of the Property, including any Property which constitutes personal property, to be sold or otherwise disposed of in any combination and in any manner permitted by applicable law.

Trustor's limited partners (the "**Limited Partners**") shall have the right to cure any default of Trustor hereunder upon the same terms and conditions afforded to Trustor. Provided that Beneficiary has been given written notice of the address for delivery of notices to the Limited

Partners, Beneficiary shall provide any notice of default hereunder to the Limited Partners concurrently with the provision of such notice to Trustor, and as to the Limited Partners, the cure periods specified herein shall commence upon the date of delivery of such notice in accordance with Section 10.2.

8.3 Power of Sale. If Beneficiary elects to invoke the power of sale hereby granted, Beneficiary shall execute or cause the Trustee to execute a written notice of such default and of its election to cause the Property to be sold to satisfy the obligations hereof, and shall cause such notice to be recorded in the office of the Recorder of each County wherein the Property or some part thereof is situated as required by law and this Deed of Trust.

Prior to publication of the notice of sale, Beneficiary shall deliver to Trustee this Deed of Trust and the Note or other evidence of indebtedness which is secured hereby, together with a written request for the Trustee to proceed with a sale of the Property, pursuant to the provisions of law and this Deed of Trust.

Notice of sale having been given as then required by law, and not less than the time then required by law having elapsed after recordation of such notice of default, Trustee, without demand on Trustor, shall sell the Property at the time and place fixed by it in the notice of sale, either as a whole or in separate parcels and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may, and at Beneficiary's request shall, postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time and place fixed by the preceding postponement. Trustee shall deliver to the purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary, may purchase at such sale.

After deducting all costs, fees, and expenses of Trustee and of the trust hereby created, including reasonable attorneys' fees in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums advanced or expended by Beneficiary or Trustee under the terms hereof and all outstanding sums then secured hereby, and the remainder, if any, to the person or persons legally entitled thereto.

Without limiting the generality of the foregoing, Trustor acknowledges and agrees that regardless of whether or not a default has occurred hereunder, if an Event of Default has occurred under the City Documents, and if in connection with such Event of Default Beneficiary exercises its right to foreclose on the Property, then: (i) Beneficiary shall be entitled to declare all amounts due under the Note immediately due and payable, and (ii) the proceeds of any sale of the Property in connection with such foreclosure shall be used to pay all Secured Obligations, including without limitation, the outstanding principal balance and all other amounts due under the Note.

At any foreclosure sale, any person, including Trustor, Trustee or Beneficiary, may bid for and acquire the Property or any part of it to the extent permitted by then applicable law. Instead of paying cash for such property, Beneficiary may settle for the purchase price by

crediting the sales price of the property against the following obligations:

a. First, the portion of the Secured Obligations attributable to the expenses of sale, costs of any action and any other sums for which Trustor is obligated to pay or reimburse Beneficiary or Trustee under Section 7.11(c); and

b. Second, the remaining balance of all other Secured Obligations in any order and proportions as Beneficiary in its sole discretion may choose.

8.4 Trustor's Right to Reinstate. Notwithstanding Beneficiary's acceleration of the sums secured by this Deed of Trust, Trustor shall have the right to have any proceedings begun by Beneficiary to enforce this Deed of Trust discontinued at any time prior to five days before sale of the Property pursuant to the power of sale contained in this Deed of Trust or at any time prior to entry of a judgment enforcing this Deed of Trust if: (a) Trustor pays Beneficiary all sums which would be then due under the Loan Documents if the Secured Obligations had no acceleration provision; (b) Trustor cures all breaches of any other covenants or agreements of Trustor contained in this Deed of Trust; (c) Trustor pays all reasonable expenses incurred by Beneficiary and Trustee in enforcing the covenants and agreements of Trustor contained in this Deed of Trust, and in enforcing Beneficiary's and Trustee's remedies as provided herein, including, but not limited to, reasonable attorney's fees; and (d) Trustor takes such action as Beneficiary may reasonably require to assure that the lien of this Deed of Trust, Beneficiary's interest in the Property and Trustor's obligation to pay the sums secured by this Deed of Trust shall continue unimpaired. Upon such payment and cure by Trustor, this Deed of Trust and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

Nothing contained in Sections 8.3 and 8.4 is intended to expand upon or limit the rights of Trustor and Beneficiary under California law regarding Beneficiary's exercise of the power of sale or Trustor's reinstatement rights.

9. Trustor's Waivers. To the fullest extent permitted by law, Trustor waives: (a) all statutes of limitations as a defense to any action or proceeding brought against Trustor by Beneficiary; (b) the benefit of all laws now existing or which may hereafter be enacted providing for any appraisement, valuation, stay, extension, redemption or moratorium; (c) all rights of marshalling in the event of foreclosure; and (d) all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, notices of acceptance of this Deed of Trust and of the existence, creation, or incurring of new or additional indebtedness, and demands and notices of every kind.

10. Miscellaneous Provisions.

10.1 Additional Provisions. The City Documents grant further rights to Beneficiary and contain further agreements and affirmative and negative covenants by Trustor which apply to this Deed of Trust and the Property.

10.2 Notices. Trustor requests that a copy of notice of default and notice of sale be

mailed to Trustor at the address set forth below. That address is also the mailing address of Trustor as debtor under the UCC. Beneficiary's address set forth below is the address for Beneficiary as secured party under the UCC. Except for any notice required under applicable law to be given in another manner, all notices to be sent pursuant to this Deed of Trust shall be made in writing, and sent to the parties at their respective addresses specified below or to such other address as a party may designate by written notice delivered to the other parties in accordance with this Section. All such notices shall be sent by:

a. personal delivery, in which case notice shall be deemed delivered upon receipt;

b. certified or registered mail, return receipt requested, in which case notice shall be deemed delivered two (2) business days after deposit, postage prepaid in the United States mail;

c. nationally recognized overnight courier, in which case notice shall be deemed delivered one (1) day after deposit with such courier; or

d. facsimile transmission, in which case notice shall be deemed delivered on transmittal, provided that a transmission report is generated reflecting the accurate transmission thereof.

Beneficiary:

City of South Lake Tahoe
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150
Attention: City Manager

With a copy to:

City Attorney
City of South Lake Tahoe
1901 Lisa Maloff Way, Suite 300
South Lake Tahoe, CA 96150

Trustor:

Sugar Pine Housing Partners, L.P.
c/o Related California
44 Montgomery Street, Suite 1300
San Francisco, California 94104
Attention: Ann Silverberg

With a copy to:

St. Joseph Sugar Pine Village LLC
c/o St. Joseph Community Land Trust
312 Dorla Court, Suite 205
PO Box 12032
Zephyr Cove, NV 89448
Attn: Executive Director

With a copy to: c/o Red Stone Equity Partners, LLC
1100 Superior Ave., Suite 1640
Cleveland, OH 44114
Attention: Managing Director & General Counsel
Fax No.: (216) 820-4751

With a copy to: Applegate & Thorne-Thomsen, P.C.
425 South Financial Place, Suite 1900
Chicago, Illinois 60605
Attention: Bennett P. Applegate
Fax No.: (312) 491-4411

10.3 Binding on Successors. The terms, covenants and conditions of this Deed of Trust shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors in interest, transferees, and assigns of the Trustor, Beneficiary and Trustee; provided however this Section 10.3 does not waive the provisions of Section 7.4.

10.4 Substitution of Trustee. Beneficiary may from time to time or at any time substitute a trustee or trustees to execute the trust hereby created, and when any such substitution has been filed for record in the office of the Recorder of El Dorado County, it shall be conclusive evidence of the appointment of such trustee or trustees, and such new trustee or trustees shall succeed to all of the powers and duties of the Trustee named herein.

10.5 Attorneys' Fees and Costs. In any action or proceeding to foreclose this Deed of Trust or to enforce any right of Beneficiary or of Trustee, Trustor shall pay to Beneficiary and Trustee all costs of such action or proceeding, including reasonable attorneys' fees.

10.6 Governing Law; Severability; Interpretation. This Deed of Trust shall be governed by the laws of the State of California without regard to principles of conflicts of laws. Trustor agrees that any controversy arising under or in relation to this Deed of Trust shall be litigated exclusively in the jurisdiction where the Land is located (the "**Property Jurisdiction**"). The state and federal courts and authorities with jurisdiction in the Property Jurisdiction shall have exclusive jurisdiction over all controversies which shall arise under or in relation to the City Documents. Trustor irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation, and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise. If any provision of this Deed of Trust is held unenforceable or void, that provision shall be deemed severable from the remaining provisions,

and shall in no way affect the validity of this Deed of Trust. The captions used in this Deed of Trust are for convenience only and are not intended to affect the interpretation or construction of the provisions herein contained. In this Deed of Trust, whenever the context so requires, the singular number includes the plural.

10.7 Waiver, Modification and Amendment. Any waiver by Beneficiary of any obligation of Trustor hereunder must be in writing, and no waiver shall be construed as a continuing waiver. No waiver shall be implied from any delay or failure by Beneficiary or Trustee to take action on account of any default of Trustor. Consent by Beneficiary or Trustee to any act or omission by Trustor shall not be construed as a consent to any other or subsequent act or omission or to waive the requirement for Beneficiary's or Trustee's consent to be obtained in any future or other instance. No amendment to or modification of this Deed of Trust shall be effective unless and until such amendment or modification is in writing, executed by Trustor and Beneficiary. Without limiting the generality of the foregoing, Beneficiary's acceptance of payment of any sum secured hereby after its due date shall not constitute a waiver by Beneficiary of its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

10.8 Action By Beneficiary. Except as may be otherwise specifically provided herein, whenever any approval, notice, direction, or consent by the Beneficiary is required or permitted under this Agreement, such action shall be in writing, and such action may be given, made or taken by Beneficiary's Executive Director or by any person who shall have been designated by Beneficiary's Executive Director, without further approval by the governing board of Beneficiary. Beneficiary shall use reasonable best efforts to respond to requests for any such approval, notice, direction, or consent in a timely manner. In any approval, consent, or other determination by Beneficiary required hereunder, Beneficiary shall act reasonably and in good faith.

10.9 Joint and Several Liability. If Trustor consists of more than one person or entity, each shall be jointly and severally liable for the faithful performance of all of Trustor's obligations under this Deed of Trust.

10.10 Time is of the Essence. Time is of the essence for each provision of this Deed of Trust.

SIGNATURES ON FOLLOWING PAGE.

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the date first written above.

TRUSTOR:

Sugar Pine Housing Partners, L.P., a California limited partnership

By: Sugar Pine Housing Development Co., LLC, a California limited liability company, its administrative general partner

By: _____
Ann Silverberg
President

By: St. Joseph Sugar Pine Village LLC, its managing general partner

By: St. Joseph Community Land Trust, a California nonprofit public benefit corporation, its manager

By: _____
Jean Diaz, Executive Director

<u>SIGNATURES MUST BE NOTARIZED.</u>

EXHIBIT "A"
LAND LEGAL DESCRIPTION

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of El Dorado)

On_____ before me, _____, Notary Public, , personally appeared, _____, who proved to me the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____

5056720.1

RECORDING REQUESTED BY:

WHEN RECORDED MAIL TO:
City of South Lake Tahoe
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150
Attn: City Manager

APN: _____ *(Space above for Recorder's use only)*

AFFORDABLE HOUSING REGULATORY AGREEMENT
(Sugar Pine Village Phase 1A)

This Affordable Housing Regulatory Agreement (the **"Agreement"**) is made this ____ day of June, 2022, by and between the **CITY OF SOUTH LAKE TAHOE**, a municipal corporation (**"City"**), and **SUGAR PINE HOUSING PARTNERS, L.P.**, a California limited partnership (**"Developer"**).

RECITALS

A. Developer is, pursuant to a Ground Lease (as defined below), acquiring a long-term lease of certain land (**"Land"**) in the City of South Lake Tahoe, California, and under the Ground Lease will become the owner of certain improvements to be constructed on the Land (**"Improvements"**). Developer's leasehold in the Land, together with the Improvements, as more particularly described in Exhibit A, is the **"Development."**

B. Developer intends to operate the Development as an affordable housing project (the **"Project"**) comprised of a 68 unit (including one manager's unit) housing project (the **"Improvements"**), located on the Development.

C. This Agreement is the Regulatory Agreement" and one of the "City Documents" as described in that certain Loan Agreement, dated on or about June __, 2022 between the City and Developer (**"Loan Agreement"**), which provides for a $4,750,000 loan from the City to the Developer (**"City Loan"**). This Agreement is, in part, to comply with the City's obligations to HCD under the PLHA Grant (as defined in the Loan Agreement).

D. As required by the PLHA Grant, as further consideration for the City Loan, and to further the interests of City, Developer has agreed to enter into and record this Agreement. The purpose of this Agreement is to regulate and restrict the occupancy, rents, operation, ownership, and management of the Development and the Project for affordable housing and related uses. The covenants in this Agreement are intended to run with the land and be binding on Developer and its successors and assigns in the Development, notwithstanding payoff of the Loan.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Developer and City hereby agree as follow:

A. <u>Definitions</u>.

The following terms have the meanings and content set forth in this section wherever used in this Agreement or attached exhibits.

"Affordable Rent" means the total charges for rent and utilities to each Qualifying Household as allowed based on household size, income level and unit size pursuant to Fair Market Rents and Income Limits published annually by HUD.

"City" is the City of South Lake Tahoe.

"City Documents" is defined in Recital C.

"City Loan" is defined in Recital C.

"County" is the County of El Dorado, California.

"Developer" means SUGAR PINE HOUSING PARTNERS, L.P, a California limited partnership, and its officers, officials, directors, employees, agents and authorized representatives.

"Development" is defined in Recital A.

"Ground Lease" means that certain Ground Lease between the State of California ("**Landlord"**), acting by and through the Director of the Department of General Services, with the consent of HCD, and Developer (as Lessee), dated on or about _____, 2022 as memorialized by a Memorandum of Ground Lease of the Development dated _____, 202__, and recorded in the Official Records of the County, substantially concurrently herewith, as amended from time to time.

"HCD" means the California Department of Housing and Community Development.

"HUD" means the Federal Department of Housing and Urban Development, or successor.

"Loan Agreement" is defined in Recital C.

"Lower Income Household" means a household whose annual income does not exceed **[sixty percent (60%)]** of the Area Median Income as determined for the **[Insert applicable area]** HUD Metro FMR Area annually by HUD and adjusted for household size.

In the event that such income determinations are no longer published by HUD, **"**Median Income**"** shall mean the median gross yearly income for households in the County, as published periodically by HCD. In the event that such income determinations are no longer published by HCD, or are not updated for a period of at least eighteen months, Lessor shall provide Lessee with other income determinations which are reasonably similar with respect to method of calculation to these previously published by HCD or HUD.

"PLHA Grant" is defined in Recital C.

Project" means the Units on the Development and any supportive services and programs provided to tenants of the Development.

"Qualifying Household" means a household that qualifies as a Lower Income Household.

"Restricted Units" is defined in C.1, below.

"TCAC" means the California Tax Credit Allocation Committee.

"Term" means the term of this Agreement described herein.

"Unit" means any one of the units in the Project.

B. DEVELOPER'S OBLIGATIONS

1. Compliance with Loan Agreement and PLHA Grant. Developer's actions with respect to the Development shall at all times be in full conformity with all of the requirements of the Loan Agreement and PLHA Grant, including but not limited to the insurance requirements contained therein.

2. Use For Affordable Housing. Developer agrees that, at all times during the Term of this Agreement, a minimum of **[67]** Units in the Project will be used as affordable housing for Lower Income Households.

3. Term of Agreement. This Agreement shall commence upon completion of the construction of the Project **[(as evidenced by issuance of a final Certificate of Occupancy)]** and shall remain in full force and effect for **[55-years thereafter, or such other time as may be required to comply with the PLHA Grant, whichever is less]**.

C. OCCUPANCY AND RENTS

1. Occupancy of Units. During the term of this Agreement, **[67]** Units in the Project will be used as affordable housing for Lower Income Households (**"Restricted Units"**).

2. Tenant Selection. Developer shall adopt written tenant selection policies for the Restricted Units that: (i) are reasonably related to program eligibility and the applicant's ability to perform the obligations of the lease; (ii) are consistent with the purpose of providing housing for Qualifying Households; and (iii) give prompt written notification to any rejected applicant of the grounds for rejection.

3. Nondiscrimination. Developer shall not discriminate or segregate in the use, enjoyment, occupancy, conveyance, lease, sublease, or rental of any units in the Project on the basis of race, color, ancestry, national origin, religion, sex, sexual preference, age, marital status, family status, source of income, physical or mental disability, Acquired Immune Deficiency Syndrome (AIDS) or AIDS-related conditions (ARC), or any other arbitrary basis. Developer shall include a statement in all advertisements, notices and signs for the availability of Units for rent to the effect that Developer is an Equal Housing Opportunity Provider.

4. Income Certification and Increases In Tenant Income. Developer shall certify the incomes of all prospective tenants in the Restricted Units prior to their initial occupancy of a Unit and shall recertify their incomes annually. If upon recertification, a tenant's income exceeds the maximum designated for a Lower Income Household, Developer may increase the rent for such tenants to no more than 30% of the tenant's income and the tenant may be permitted to

continue to occupy a Unit in the Project. Developer shall provide City an annual report on the income recertification evidencing that Project occupants meet the requirements of Qualified Households.

5. Rental Charges. Total charges for rent, utilities and related services for each Unit in the Project shall not exceed the Affordable Rent for that Unit. If upon recertification, a tenant's income exceeds the Qualifying Household limit for the applicable Unit type, Developer may increase the rent for such tenants to no more than 30% of the Tenant's monthly income less utility and other mandatory charges.

6. Conflicts With Other Regulatory Requirements. If any other regulatory agreement executed by Developer enforces the requirements of any loan program or low income housing tax credits as a means of providing financing or equity for the Development or Project are more restrictive than the rent and income restrictions contained in this Agreement, compliance with the rent and income restrictions of any such regulatory agreements shall be deemed compliance with this Agreement.

D. PROPERTY MANAGEMENT.

1. Management Responsibilities. Developer is responsible for all management functions with respect to the Project, including without limitation the selection of tenants, certification and recertification of household size and income, evictions, collection of rents and deposits, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items, and security. City shall have no responsibility over management of the Development or the Project.

2. Review of Management Policies. Developer shall submit its written management policies with respect to the Project and Program to City for its review, and shall amend such policies in any way necessary to insure that such policies comply with the provisions of this Agreement and the requirements of all parties providing financing for the Development and/or the Project.

3. Inspection and Records. Developer shall maintain records that clearly document Developer's performance of its obligations to operate the Development under the terms of this Agreement. Developer shall submit any records to City within ten business days of City's request. Developer shall permit City to enter and inspect the Project for compliance with obligations under this Agreement upon 72 hours advance notice of such visit by City to Developer or Developer's management agent and to tenants of any Units.

4. Annual Report. Developer shall submit to City each year, on or prior to the date such report is required to be submitted to TCAC, a report for the preceding calendar year showing the necessary information to allow City to determine Developer's compliance with this Agreement, and within 30 days after receipt of a written request, any other information or completed forms requested by City in order to comply with City reporting requirements.

E. GENERAL PROVISIONS

1. Default and Remedies. In the event of any Developer breach of any agreement or obligation under this Agreement, City shall provide written notice to Developer and Developer's limited partner of such breach. Developer shall have an opportunity to cure the breach within 30 days from Developer's receipt of such written notice or such longer period of time as City

determines is necessary to cure the breach if Developer diligently undertakes to cure. If Developer fails to perform a timely cure, City may proceed with any remedy provided under the City Documents (subject to any subordination agreement) allowed by law to enforce the terms and conditions of this Agreement. A cure by any other Project lender or Developer's limited partner shall be accepted or rejected on the same basis as if made or tendered by Developer.

2. Binding Upon Successors. All provisions of this Agreement shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors-in-interest, transferee, and assigns of Developer and City, and shall run with the land for the full term of this Agreement, regardless of any subordination, cancellation, surrender, amendment or modification of the Ground Lease, assignment or any conveyance or transfer of the Development or Project or portion thereof, or any payment, prepayment, modification or expiration of any other City Documents.

3. Non-Liability of Officials, Employees and Agents. No officers, directors, employees and agents of City shall be personally liable to Developer for any obligation created under the terms of this Agreement.

4. Indemnity. Developer shall indemnify and hold City free and harmless against any losses, damages, liabilities, claims, demands, judgments, actions, court costs, and legal or other expenses (including reasonable attorneys' fees) which City may incur as a direct or indirect consequence of Developer's failure to perform any obligations as and when required by this Agreement. This indemnity obligation shall not extend to any claim arising solely from the gross negligence or willful acts of City, its agents, and its employees. Developer's duty to indemnify City shall survive the term of this Agreement. Notwithstanding the foregoing or anything else to the contrary contained herein, no foreclosing lender or its successors and/or assigns shall be responsible or liable for any indemnity obligations that accrue hereunder prior to the completion of foreclosure (or acceptance of a deed in lieu thereof).

5. Intentionally Deleted.

6. Governing Law. This Agreement shall be interpreted under and be governed by the laws of the State of California applicable to contracts executed and wholly performed in that State, except for those provisions preempted by federal law.

7. Agreement Controls. Notwithstanding any provisions of the Loan Agreement, in the event that any provisions of this Agreement and Loan Agreement conflict, the terms of this Agreement shall control.

8. Consents and Approvals. Any consent or approval of City required under this Agreement shall not be unreasonably withheld. Any approval must be in writing and executed by an authorized representative of City.

9. Notices, Demands and Communication. Formal notices, demands and communications between Developer and City shall be sufficiently given and shall not be deemed given unless dispatched by (i) delivered personally or by courier, (ii) sent by overnight express delivery, or (iii) mailed by registered or certified mail (return receipt requested), postage prepaid, to the principal offices of Developer and City as follows:

City: Developer:

City of South Lake Tahoe
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150
Attention: City Manager

With a copy to:

City Attorney
City of South Lake Tahoe
1901 Lisa Maloff Way, Suite 300
South Lake Tahoe, CA 96150

Sugar Pine Housing Partners, L.P
c/o Related California
44 Montgomery Street, Suite 1300
San Francisco, California 94104
Attention: Ann Silverberg

With a copy to

St. Joseph Sugar Pine Village LLC
c/o St. Joseph Community Land Trust
312 Dorla Court, Suite 205
PO Box 12032
Zephyr Cove, NV 89448
Attn: Executive Director
and

With a copy to

c/o Red Stone Equity Partners, LLC
1100 Superior Ave., Suite 1640
Cleveland, OH 44114
Attention: Managing Director & General Counsel
Fax No.: (216) 820-4751

Applegate & Thorne-Thomsen, P.C.
425 South Financial Place, Suite 1900
Chicago, Illinois 60605
Attention: Bennett P. Applegate
Fax No.: (312) 491-4411

10. Relationship of Parties. The relationship of Developer and City during the term of this Agreement is solely that of borrower and lender and shall not be construed as a joint venture, equity venture, or partnership.

11. Waiver. Any waiver by City of any obligation in this Agreement must be in writing. No waiver will be implied from any delay or failure by City to take action on any breach or default of Developer or to pursue any remedy allowed under this Agreement, the Loan Agreement or applicable law. Any extension of time granted to Developer to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligations under this Agreement. Consent by City to any act or omission by Developer shall not be construed to be consent to any other or subsequent act or omission or to waive the requirement for City's written consent to future waivers.

12. Amendments and Modifications. Any amendments or modifications to this Agreement must be in writing, and shall be made only if executed by both Developer and City.

13. **Severability.** Every provision of this Agreement is intended to be severable. If any provision of this Agreement shall be held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired.

IN WITNESS WHEREOF, City and Developer have caused this Regulatory Agreement to be executed by their duly authorized representatives.

[**SIGNATURE PAGES FOLLOW**]

City

CITY OF SOUTH LAKE TAHOE,
a municipal corporation

By: _____
[City Manager Name], City Manager

Developer:

SUGAR PINE HOUSING PARTNERS, L.P.
a California limited partnership

By: Sugar Pine Housing Development Co., LLC,
a California limited liability company,
its administrative general partner

By:_____
Ann Silverberg,
President

By: St. Joseph Sugar Pine Village LLC,
a California limited liability company
its managing general partner

By: St. Joseph Community Land Trust,
a California nonprofit public benefit corporation,
its manager

By:_____
Jean Diaz,
Executive Director

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of _____)

On_____ before me, _____, Notary Public, personally appeared, _____ _____,_who proved to me the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her their authorized capacity(ies), and that by his/her/their signature (s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of _____)

On_____ before me, _____, Notary Public, personally appeared, _____ _____,_who proved to me the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her their authorized capacity(ies), and that by his/her/their signature (s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____

ORDER NO. : _____

EXHIBIT A

LEASEHOLD LEGAL DESCRIPTION

APN: _____

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Resolution 2021-071

Adopted by the City of South Lake Tahoe
City Council

September 7, 2021

Authorizing the Application for the Permanent Local Housing Allocation Program Non-Entitlement Local Government Competitive Component

All, or A necessary quorum and majority of the council members of the **City of South Lake Tahoe** ("Applicant") hereby consents to, adopts and ratifies the following resolution:

A. WHEREAS, the Department is authorized to provide up to $*29* million under the SB 2 Permanent Local Housing Allocation Program Competitive Component from the Building Homes and Jobs Trust Fund for assistance to Cities and Counties (as described in Health and Safety Code section 50470 et seq. (Chapter 364, Statutes of 2017 (SB 2)).

B. WHEREAS the State of California (the "State"), Department of Housing and Community Development ("Department") issued a Notice of Funding Availability ("NOFA") dated *06/07/2021* under the Permanent Local Housing Allocation (PLHA) Program Competitive Component;

C. WHEREAS the City of South Lake Tahoe is an eligible non- entitlement Local government who has applied for program funds to administer an eligible activity;

D. WHEREAS the Department may award, subject to selection criteria set forth in PLHA guidelines section 403, funding allocations for applicants recommended for funding, subject to the terms and conditions of the Guidelines, NOFA, Program requirements, the Standard Agreement and other contracts between the Department and PLHA competitive grant recipients;

NOW THEREFORE BE IT RESOLVED THAT:

1. If Applicant is awarded a grant of PLHA funds from the Department pursuant to the above referenced PLHA Competitive Component NOFA, it represents and certifies that it will use all such funds in a manner consistent and in compliance with all applicable state and federal statutes, rules, regulations, and laws, including without limitation all rules and laws regarding the PLHA Program, as well as any and all contracts Applicant may have with the Department.

2. Applicant hereby agrees to use the PLHA funds for the eligible activity for which the Applicant has submitted an application, as set forth in Section 401 of the Guidelines, and as awarded and approved by the Department in accordance with all Program requirements, Guidelines, other rules and laws, as well as in a manner consistent and in compliance with the Standard Agreement and other contracts between the Applicant and the Department.

3. Pursuant to Applicant's certification in this resolution, the PLHA funds will be expended only for the eligible Activity for which the Applicant has submitted an application, and consistent with all program requirements.

4. Applicant certifies that, if funds are awarded for the development of new multifamily housing at or below 60 AMI or substantial rehabilitation of multifamily rental housing at or below 60 percent of AMI, Applicant shall comply with Uniform Multifamily Regulations Subchapter 19, Title 25, Division 1, Chapter 7, commencing with Section 8300 and the Multifamily Housing Program Guidelines commencing with Section 7300,;

5. Applicant certifies that, if funds are awarded for the development of an Affordable Rental Housing Development, the Local Government shall make PLHA assistance in the form of a low-interest, deferred loan to the Sponsor of the Project, and such loan shall be evidenced through a Promissory Note secured by a Deed of Trust and a Regulatory Agreement shall restrict occupancy and rents in accordance with the Department-approved underwriting of the Project for a term of at least 55 years.

6. Applicant shall be subject to the terms and conditions as specified in the Standard Agreement, the PLHA Program Guidelines and any other applicable SB 2 Guidelines published by the Department.

7. ***If applicable,*** Applicant proposes allocation of funds for the awarded activity to Related Companies of California LLC. Applicant certifies that the selection process that resulted in the allocation to Related Companies of California complied with all conflict of interest laws and prohibitions and was accessible to the public throughout the selection process and by request via the Public Records Act.

8. **[** City Manager **]** is/are authorized to execute the PLHA

   Competitive Component Program Application, the PLHA Competitive Component Standard Agreement and any subsequent amendments or modifications thereto, as well as any other documents which are related to the Program or the PLHA Competitive Component grant awarded to Applicant, as the Department may deem appropriate.

PASSED AND ADOPTED at a regular meeting of the City of South Lake Tahoe City Council this
7th day of September, 2021 by the following vote:

AYES: Bass, Creegan, Friedrich, Middlebrook & Wallace ABSTENTIONS: none

NOES: none ABSENT: none

APPROVE: 9/10/2021

Signature of Approving Officer

[Tamara Wallace, Mayor ***]***

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INSTRUCTION: The attesting officer cannot be the person identified in the resolution as the authorized signor

CERTIFICATE AND SIGNATURE OF THE ATTESTING OFFICER

The undersigned, Officer of [City of South Lake Tahoe] does hereby attest and certify that the [foregoing / attached] Resolution is a true, full and correct copy of a resolution duly adopted at a meeting of the City of South Lake Tahoe City Council which was duly convened and held on the date stated thereon, and that said document has not been amended, modified, repealed or rescinded since its date of adoption and is in full force and effect as of the date hereof.

ATTEST:_____ 9/10/2021

Signature of Attesting Officer
Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: June 7, 2022
Agenda Item #: 16

Agenda Item: Amendment to Predevelopment Loan Agreement for the Sugar Pine Village Affordable Housing Project

Executive Summary: City Council will consider amendments to the previously approved Predevelopment Loan for the Sugar Pine Village Affordable Housing Project authorized by Resolution 2020-109. The amendment does not change the structure of the loan but rather amends the loan to be consistent with the terms and requirements of other loans associated with the project.

Requested Action / Suggested Motions: Pass a Motion authorizing and directing the Mayor to execute the Amendment to the Predevelopment Loan Agreement for the Sugar Pine Village Affordable Housing Project to make minor changes for consistency with terms and requirements of other lenders.
Responsible Staff Member: Jessica Wackenhut, Associate Housing Planner and Zachary Thomas, Housing Manager

Responsible Staff Member: Jessica Wackenhut, Associate Housing Planner (530) 542-6158
Zach Thomas, Housing Manager (530) 542-7400

Reviewed and Approved By:
Hilary Roverud, Development Services Director
Susan Blankenship, City Clerk
Olga Tikhomirova, Director of Finance
Heather Stroud, City Attorney

Attachments:

01-Staff_Report_RDA_Loan_Amendment__final__1_.docx
02-Agreement Amendment Sugar Pine Housing LLC.doc
03-C-120-2021 Sugar Pine Housing LLC

City of South Lake Tahoe
Report to **City Council**

Meeting Date: June 7, 2022

Title: **Amendment to Predevelopment Loan Agreement for the Sugar Pine Village Affordable Housing Project**

Location: 1888 Lake Tahoe Boulevard and 1029 Tata Lane

Responsible Staff Member: Jessica Wackenhut Lomeli, Associate Housing Planner
Zach Thomas, Housing Manager

Background:

The Sugar Pine Village project is a proposed 248-unit affordable housing project, with onsite community service facilities on 11.6 acres of land owned by the State of California and managed by the California Tahoe Conservancy (Conservancy). This project is a result of the Governor's Executive Order N-06-19, which directed the California Department of General Services (DGS) to identify excess state properties as potential affordable housing development sites. In July 2020, the Conservancy announced the State had selected Related Companies of California LLC in partnership with the St. Joseph Community Land Trust to construct and manage the Sugar Pine Village project.

Since June 2020, the City of South Lake Tahoe has been an active partner in the development of the project. As a first step of financial commitment, the City Council at its November 17th, 2020 meeting authorized a $566,629 loan for predevelopment costs (Resolution 2020-109) and a $1,250,000 loan to purchase banked land coverage at the airport (Resolution 2020-110). The loans were funded by Program Income from repayments of loans from the Redevelopment Agency (RDA) Low- and Moderate-Income Housing Fund and the City's undesignated reserve fund, respectively. At its October 19, 2021 meeting the City Council also approved a $627,626 loan of HOME Program Income. This brings the City's total commitment toward the project to $2,444,255.

To date, approximately $40,000,000 in tax credits and grant applications have been applied for and secured using the City's initial approximate $1.8 million commitment as a local match.

Related California is phasing the financing and construction of the project into four phases. Phase 1A includes 68 residential units and a community building, Phase 1B 60 units, Phase 2A 60 units and Phase 2B 60 units.

Issue and Discussion:

Since City Council adoption of Resolution 2020-109 on November 17, 2020, committing to the RDA loan, the loan documents have been executed with Sugar Pine Housing LLC.

The Predevelopment Loan Agreement was completed prior to several other grants and loans for Sugar Pine Village. The proposed amendment was anticipated and serves to ensure that the predevelopment loan is inclusive of the language and terms of the documents associated with other loans and funding sources. This amendment does not change the structure of the loan but rather provides alignment and consistency with the terms and requirements of the other lenders.

It is recommended that the City Council adopt an amendment to the Predevelopment Loan Agreement authorized by Resolution 2020-109. A new section is added to the Loan Agreement, 2.07 to include the following:

1. Clearly defines what a “Phase” is;
2. If all or substantially all of the Predevelopment Costs relate to a single Phase, there may only be a single Assignment and Assumption Agreement, etc., and;
3. Will ensure alignment of the loan term with other Phase lenders, investors, etc., as approved by Borrower and Lender.

Financial Implications:

The approved $566,629 loan for predevelopment costs is funded by the in Low and Moderate Income Housing Fund program income (account # 25106015).

Use of the RDA program income for the project will require ongoing monitoring for compliance with affordability covenants similar to obligations associated with other affordable housing funding sources.

Environmental Considerations:

For projects that satisfy criteria specified by SB 35, the guidelines issued by HCD specify that the California Environmental Quality Act (CEQA) does not apply to actions taken by a local government to provide financial assistance to a development that receives streamlined approval and that is to be used for housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code.

Policy Implications:

The recommended action is consistent with the City Strategic Plan which identifies supporting the Sugar Pine Village Project as Action Item 1.3.2.

The recommended action is also consistent with the following adopted policies and programs:

<u>City General Plan Housing Element</u>

Policy 1-1 The City shall adopt programs, ordinances, incentives, land use plans and other regulatory mechanisms that provide opportunities for the private sector to address the housing needs of citizens of all economic levels.

Policy 2-2 The City shall enable opportunities for deed-restricted affordable ownership housing to ensure long-term affordability.

Policy 2-5 The City shall recognize that it will become difficult to attract employees if they cannot afford to purchase or rent housing in South Lake Tahoe. The City shall encourage and support

programs and activities that create a robust local economy that provides residents with good paying employment and the means to purchase and/or rent housing in the city.

Program 2-1 PURSUE STATE AND FEDERAL FUNDS
To support the creation of quality, affordable housing options for extremely low-, very low-, and low-income households, the City shall seek and when appropriate and feasible pursue grant opportunities for state and federal funds.

Program 2-6 ANALYSIS OF FEDERAL AND STATE LANDS
The City shall continue discussing the potential for developing quality workforce and affordable housing on non-environmentally sensitive lands owned by the California Tahoe Conservancy (Conservancy) and the United States Forest Service (USFS). The City shall ensure that important natural resources are protected and only pursue surplus lands that these agencies have determined do not have a clear and compatible conservation or recreation purpose consistent with agency goals.

Tahoe Valley Area Plan

Policy H-1.1 – Housing Options
Provide for a range of housing options that include affordable, moderate-income, and workforce housing so that people can live and work in the City.

Policy H-1.5 – Redirection of Development
Direct high density residential development to areas of Tahoe Valley that are within walking distance of public transit and services.

Policy H-1.7 – Tahoe Livable Communities Program
Collaborate and support efforts of the California Tahoe Conservancy to remove blighted properties and repurpose associated development commodities. Encourage the use of residential commodities for affordable housing in Tahoe Valley area.

Policy H-2.1 – General
Encourage the creation of residential uses to support and add vitality to commercial and public service projects in the Tahoe Valley area.

AMENDMENT TO PREDEVELOPMENT LOAN AGREEMENT
(SUGAR PINE VILLAGE)

THIS AMENDMENT TO PREDEVELOPMENT LOAN AGREEMENT (**"Amendment"**) is made and entered into as of the _____ day of June, 2022 (**"Amendment Date"**) by and between CITY OF SOUTH LAKE TAHOE, a municipal corporation in its capacity as Housing Successor to the South Tahoe Redevelopment Agency, a redevelopment agency organized and existing under the Laws of the State of California (**"Lender"**), and SUGAR PINE HOUSING, LLC, a California limited liability company (**"Borrower"**).

RECITALS

A. Lender is the "City" or "Lender" and Borrower is the "Borrower" or "Master Developer" under that certain Master Predevelopment Loan Agreement, effective as of August 23, 2021 (the **"Loan Agreement"**).

B. Under the Predevelopment Loan Agreement, that certain Non-Negotiable Predevelopment Loan Promissory Note dated July 22, 2021 (**"Note"**), and one or more associated documents (together with the Loan Agreement and Note, the **"Loan Documents"**), Lender agreed to loan Borrower up to $566,629.00 (the **"Predevelopment Loan"**) from the Lender's Low and Moderate Income Housing Fund (the **"Fund"**) to cover certain predevelopment costs incurred by the Borrower in connection with a planned development to include 248 units on two separate property sites, being approximately 10-acres at 1860 Lake Tahoe Boulevard, and approximately 1.6-acres at 1029 Tata Lane, all in the City of South Lake Tahoe, California (**"Development"**).

C. The Loan Documents contemplate, among other things, that on the formation of one or more specific limited partnership affiliates of the Borrower to own, operate and manage phases of the Development (each, an **"Owner Entity"**), and an Owner Entity acquiring title (or a long-term lease) to the property associated with the phase and entering into one or more construction loans with other lenders for that phase, the Owner Entity would assign the applicable portion of the Predevelopment Loan to an Owner Entity, all as provided by the Loan Documents.

D. Lender and Borrower desire by this Amendment to modify certain terms of the Predevelopment Loan Documents relating to the assignment to an Owner Entity, all as set forth below.

NOW, THEREFORE, pursuant to the foregoing and in consideration of the mutual promises set forth herein, and for other good and valuable consideration, the receipt of which is hereby acknowledged, Lender and Borrower hereby agree as follows:

AGREEMENT

1. **Capitalized Terms**. Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Predevelopment Loan Agreement.

2. **New Section 2.07**. The following is added as a new Loan Agreement Section 2.07:

2.07 **Additional Matters Regarding Sections 2.05 and 2.06**.

(a) For purposes of Sections 2.05 and 2.06, "Phase" means either (i) a "Phase" as defined in Sections 1.01(h) and 1.01(v) above or (ii) any portion of such a Phase approved by Borrower and Lender.

(b) If all or substantially all of the Predevelopment Costs relate to a single Phase (as defined in 2.07(a)), there may be only a single Assignment and Assumption Agreement, etc.

(c) In connection with any transaction under Sections 2.05, 2.06 and 2.07, the payment terms of the Note (or assigned and assumed portion) may be modified to the extent required by other Phase lenders, investors, etc., as reasonably approved by Borrower and Lender.

3. **Authorization.** Each individual or entity executing this Amendment on behalf of Lender or Borrower represents and warrants that he or she or it is duly authorized to execute and deliver this Amendment on behalf of Lender and Borrower, respectively, and that such execution is binding upon Lender and Borrower, as applicable.

4. **Modifications and Waivers**. No modification, waiver, amendment, discharge, change or termination of this Amendment shall be valid unless the same is in writing and signed by Lender and Borrower.

5. **Counterparts**. This Amendment may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Electronic, .pdf, and facsimile signatures shall constitute original signatures under this Amendment.

6. **Governing Law**. This Amendment shall be governed by the laws of the State of California, including its statutes of limitation but excluding its choice of law rule.

7. **Severability**. If any provision of this Amendment is held by a court of competent jurisdiction to be invalid, void or unenforceable to any extent, the remaining provisions shall remain in full force and effect and shall not be affected, impaired or invalidated.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, this Amendment is made as of the day and year first above written:

LENDER:

CITY OF SOUTH LAKE TAHOE, a municipal corporation

By: _____
Devin Middlebrook, Mayor

APPROVED AS TO FORM:

By: _____
Heather Stroud, City Attorney

ATTEST:

By: _____
Susan Blankenship, City Clerk

BORROWER:

SUGAR PINE HOUSING, LLC, a California limited liability company

By: _____
Ann Silverberg, Vice President

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NON-NEGOTIABLE
PREDEVELOPMENT LOAN PROMISSORY NOTE
FOR
SUGAR PINE VILLAGE

$566,629.00 South Lake Tahoe, California
July 22, 2021

FOR VALUE RECEIVED, the undersigned SUGAR PINE HOUSING, LLC,a California Limited Liability Company (the **"Maker"**) promises to pay to the order of the CITY OF SOUTH LAKE TAHOE, a municipal corporation in its capacity as Housing Successor to the South Tahoe Redevelopment Agency, a redevelopment agency organized and existing under the Laws of the State of California (**"Holder**,**"** or **"Lender"**) at City of South Lake Tahoe, 1901 Lisa Maloff Way, South Lake Tahoe, CA 96150 or at such other place as Lender may from time to time designate in writing, the principal sum of Five Hundred Sixty-Six Thousand Six Hundred Twenty-Nine and 00/100 Dollars ($566,629.00) or so much thereof as may be advanced and outstanding, in lawful money of the United States.

1. This Note evidences the **"Predevelopment Loan"** as defined and described in that certain Master Predevelopment Loan Agreement, dated of even date herewith, between Maker and Lender (the **"Loan Agreement"**). Collectively this Note, the Loan Agreement and associated documents constitute the **"Loan Documents**.**"** The principal amount of this Note will be disbursed as contemplated and controlled by the Loan Agreement.

All terms used herein that are not otherwise defined are defined in the Loan Agreement and the provisions of the Loan Agreement relating to the Predevelopment Loan are hereby incorporated herein by this reference.

2. Principal amount of this Note shall bear interest prior to maturity at the Interest Rate and, during an uncured Event of Default, the Default Rate. The principal amount of this Note in the sum of Five Hundred Sixty-Six Thousand Six Hundred Twenty-Nine Dollars ($566,629), or so much thereof as may be advanced and outstanding, shall be repayable as follows:

(a) Unless Closings have occurred for all Phases of the Development, all principal and accrued interest shall be due and payable on the Drop-Dead Date. In such event, Lender's remedies shall be limited as provided in Loan Agreement Section 2.04 and the Assignment of Project Documents.

(b) For each Phase where there has been a Closing, unless there is a New Loan or the City's City Council approves different terms, the Phase Related Amount-shall be due and payable as follows:

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i. Commencing the first full year following the issuance of a Certificate of Occupancy and payment of deferred developer fee for the first Phase, a prorata amount with other lenders from 50% of each Phase's residual receipts; and

ii. All remaining amounts, 55 years after the date hereof.

(c) Except in the case of an uncured Event of Default under Section 6.01 of the Loan Agreement, if the loan has not been repaid in full by the Maturity Date, then the Lender's sole recourse shall be limited to any assets assigned to Lender and any additional security granted to Lender under the Loan Documents, including, but not limited to, Borrower's right, title and interest in all documents and work product relating to the Project that have been paid for in whole or in part by the Lender as assigned pursuant to the Assignment of Project Documents. The Lender, in its sole discretion, may accelerate repayment if an Event of Default occurs under any Loan Documents after the expiration of the applicable cure periods therein.

(d) Any and all sums not paid, which are required to be paid, on the Maturity Date as required hereunder shall bear interest at the Default Rate of five percent (5%) from the Maturity Date until the date paid;

(e) This Note may be prepaid in whole or in part at any time, and from time to time without premium or penalty.

3. It is expressly agreed that time is of the essence in this Note and in the event of:

(a) any default in the full and punctual payment of all or part of any installment of principal or interest hereunder as and when the same become due and payable; or

(b) upon the occurrence of any **"Event of Default"** under the Loan Agreement and the expiration of any applicable period of grace within which the Maker may cure the same, there shall be an Event of Default under this Note;

then, in any such event, the Holder hereof, at its option, may declare the entire outstanding principal balance hereof, together with all costs, fees, expenses, charges for collection, including reasonable attorneys' fees (which shall include outside counsel fees and all allocated costs of Holder's in-house counsel), and costs for declaratory relief, arbitration, prosecution or defense of any action related to this Note, to be immediately due and payable in full, without further demand or notice to Maker or to any other party.

4. Failure of the Holder to exercise any rights hereunder with respect to any default shall not excuse such default and shall not constitute the Holder's waiver of the

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right to the latter exercise thereof, in the absence of a written agreement to the contrary executed and delivered by the Holder hereof and subsequent to such default.

5. All payments hereunder shall be paid in lawful money of the United States, which, at the time of payment, shall be legal tender for the payment of all debts and dues, public and private.

6. All sums received hereunder shall be applied in the following order: first, upon an Event of Default to costs and expenses of the Lender incurred in connection with the Loan, including costs of collection and reasonable attorney's fees, second, to interest, and then to principal.

7. Maker, all endorsers and guarantors hereof, and all others who may become liable for all or any part of the indebtedness evidenced hereby: (i) agree to be jointly and severally bound hereby, as primary obligors; (ii) jointly and severally waive and renounce any and all exception rights, including that of homestead, and the benefit of all valuation and appraisement privileges available to them or any of them pursuant to the Constitution or the laws of the United States or of any state, territory or jurisdiction, as against this debt or any renewal or extension thereof; and (iii) jointly and severally waive presentment for payment, demand, notice of protest, and any and all lack of diligence or delays in collection or enforcement hereof or in bringing suit for the collection hereof or in taking any other action hereunder. Maker and all others who may become liable for all or any part of the indebtedness evidenced hereby further agree with the Holder thereof that said Holder may, without notice, in such manner, on such terms and for such times(s) as the Holder may see fit, increase, extend, or renew this Note, and/or release any maker hereof, and/or substitute or add guarantors, and/or substitute or release all or any part of the collateral (real, personal or mixed) securing this Note, all without any way affecting, impairing, limiting, releasing or foregoing the joint and several liability of Maker and all endorsers and guarantors hereof not so released. The foregoing shall in all events be subject to the limitations on recourse set forth in Section 8 hereof.

8. The recourse of the Lender shall be limited as set forth in this Note and the Loan Agreement. It is agreed that the agreements limiting the exercise of remedies against Borrower or any general partner or managing member of Borrower, shall not:

a. constitute a release, discharge or waiver of the indebtedness evidenced by the Note and the indebtedness evidenced by the Note shall continue until satisfied or paid in full;

b. limit or be construed to limit the personal liability of the Borrower or any general partner of Borrower, for the performance of the covenants and obligations under the Loan Documents, other than the covenant to personally pay the indebtedness evidenced by the Note; or

c. affect any additional remedies or liens which the Lender has for

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the indebtedness evidenced by the Note and for the enforcement of any rights which the Lender has under the Loan Documents.

Except as provided above, no general or limited partner or member of Borrower, or any affiliate thereof, nor any officer, director, shareholder or employee of any of said entities, shall have any personal liability hereunder.

9. Maker hereby represents and warrants to, and covenants with, Lender that the entire proceeds hereof have been or will be used for the purpose of eligible predevelopment costs incurred by Maker for the Development pursuant to the Loan Agreement.

10. The rights and obligations created hereunder shall be construed and enforced according to, and shall be governed by, the laws of the State of California.

11. The unenforceability or invalidity of any provision or provisions hereof shall not render any other provision or provisions hereof invalid or unenforceable.

12. Lender shall not have the right to assign this Note without the prior written consent of Maker. Maker shall not have the right to assign this Note without the prior written notice of Lender.

WITNESS the following signatures and seals.

MAKER:

SUGAR PINE HOUSING, LLC, A
Manager-Managed California Limited
Liability Company

By: Ann Silverberg
Ann Silverberg, Vice President

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MASTER PREDEVELOPMENT LOAN AGREEMENT

This **MASTER PREDEVELOPMENT LOAN AGREEMENT** ("**Loan Agreement**") is effective as of August 23, 2021 ("**Effective Date**") by and between the **CITY OF SOUTH LAKE TAHOE**, a municipal corporation in its capacity as ***Housing Successor*** to the South Tahoe Redevelopment Agency, a redevelopment agency organized and existing under the Laws of the State of California (the "**City**" and "**Lender**") and SUGAR PINE HOUSING, LLC, a California Limited Liability Company (the "**Borrower**" and "**Master Developer**").

RECITALS

A. The City has funds available from its Low and Moderate Income Housing Fund (the **"Fund"**), whose use is restricted to affordable housing purposes pursuant to Section 33334.2 et seq. of the California Community Redevelopment Law (**"CRL"**, Health and Safety Code Section 33000, et seq.).

B. WHEREAS, in order to help achieve financial feasibility for the Development (as hereinafter defined) and to increase the supply of affordable rental housing in the City of South Lake Tahoe, the Lender intends to lend up to Five Hundred Sixty-Six Thousand Six Hundred Twenty-Nine Dollars ($566,629) from the Fund to the Borrower (the "**Predevelopment Loan**") to cover of predevelopment costs incurred by the Borrower related to the Development.

C. WHEREAS, because predevelopment activities are of extreme importance to the success of the Development, the Lender is willing to make this Predevelopment Loan to the Borrower upon the terms and subject to the conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the promises and the mutual covenants herein contained, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

ARTICLE 1
DEFINITIONS

1.01 **Definitions.** The following terms are defined as follows for purposes of this Loan Agreement and each shall have the meaning given it unless the context clearly indicates otherwise:

(a) **"Architect"** means the architect or architects, if any, with whom the Borrower contracts to design and oversee certain Predevelopment Work, and subsequent construction of the Project.

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(b) **"Assignment of Project Documents"** means the instrument executed in connection with this Predevelopment Loan of approximately even date herewith as security for this Predevelopment Loan.

(c) **"Borrower"** means Master Developer.

(d) "**Closing**" means an Owner Entity (i) acquiring title (or a long-term lease) to the Property associated with a particular Phase and (ii) entering into one or more construction loans with other lenders for that Phase.

(e) "**Contractors**" mean the Architect, and other contractors and consultants, required for the performance of the Predevelopment Work.

(f) **"Cost Ceiling Commitment"** means the maximum amount Lender shall lend for Predevelopment Costs, which shall not exceed Five Hundred Sixty-Six Thousand Six Hundred Twenty-Nine Dollars ($566,629) unless otherwise approved by the Lender in its sole and absolute discretion.

(g) **"Default Rate"** means the rate of interest to be charged on all sums due under the Note following an uncured Event of Default, which rate shall be the short-term applicable federal rate in effect on the effective date hereof, plus three percent (3%) per annum.

(h) **"Development"** or **"Project"** means 248 units on two separate Property sites and constructed in two phases (each a **"Phase"**): 1) Approximately 10-acre Sugar Pine Village West (**"West Village"**) at 1860 Lake Tahoe Boulevard, and 2) Approximately 1.6-acre Sugar Pine Village East (**"East Village"**) at 1029 Tata Lane, all in the City of South Lake Tahoe, California.

(i) **"Drop-Dead Date"** is defined in Section 2.04 of this Loan Agreement.

(j) **"Event of Default"** is defined in Article 6 of this Loan Agreement.

(k) **"Force Majeure"** is defined in Section 8.18 of this Loan Agreement.

(l) **"Fund"** is defined in the Recitals.

(m) **"Individual Developer"** means The Related Companies of California LLC in partnership with the St. Joseph Community Land Trust.

(n) **"Interest Rate"** means two percent (2%) simple interest and, during an uncured Event of Default, the Default Rate.

(o) **"Lender"** means the City or its successor in interest.

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(p) **"Loan Amount"** means the amount not to exceed an outstanding principal balance of Five Hundred Sixty-Six Thousand Six Hundred Twenty-Nine Dollars ($566,629) to be provided to the Borrower pursuant to this Loan Agreement for Predevelopment Work.

(q) **"Loan Documents"** means all documents identified in Article 4 herein.

(r) **"Master Developer"** means Borrower.

(s) **"New Loan"** is defined in Section 2.06 of this Loan Agreement.

(t) **"Note"** means the promissory note to be executed by the Borrower evidencing the Predevelopment Loan made pursuant to this Loan Agreement.

(u) **"Owner Entity"** means the limited partnership affiliates of the Master Developer or Borrower will form to own, operate and manage each Phase of the Development, and before any transactions described in Sections 2.05 or 2.06 of this Loan Agreement Borrower will deliver to Lender copies of all LP-1's, limited partnership agreements and other documents to confirm the same.

(v) **"Phase"** is defined in the definition of Development above.

(w) **"Phase-Related Loan Amount"** is defined in Section 2.05 of this Loan Agreement

(x) **"Phase-Related Predevelopment Property"** is defined in Section 2.05 of this Loan Agreement.

(y) **"Predevelopment Loan"** is defined in the Recitals.

(z) **"Predevelopment Budget"** means the budget attached as Exhibit 3 hereto, as the same may be amended or revised from time to time with the consent of the parties hereto. The Borrower may submit written requests for amendments to line items within the Predevelopment Budget at the same time Borrower submits draw requests pursuant to this Agreement. The City shall approve or deny such requests for amendments in writing upon disbursement of the Predevelopment Loan proceeds.

(aa) **"Predevelopment Costs"** means costs for the Predevelopment Work.

(bb) **"Predevelopment Loan"** is defined in the Recitals.

(cc) **"Predevelopment Property"** means all drawings, tracings, plans, specifications, studies and other documents prepared by the Borrower, its

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individual members, or any Contractor resulting from performance of the Predevelopment Work.

(dd) **"Predevelopment Schedule"** means the schedule attached as Exhibit 2 hereto, as the same may be amended or revised from time to time with the consent of the parties hereto, and subject to Force Majeure.

(ee) **"Predevelopment Work"** means all services and work contemplated in the Predevelopment Schedule and the Predevelopment Budget.

(ff) **"Project"** is defined in in the definition of Development above.

(gg) **"Property"** means fee title or a long-term leasehold interest in the two separate land sites on which each Phase of the Development is expected to be located, as more specifically defined in Exhibit 1.

(hh) **"Request Letter"** means that certain letter from Meea Kang, Senior Vice President of Related California to Hilary Roverud, Director of Development Services of the City, October 22, 2020 which, among other things, asked the City to make a loan for certain Project predevelopment expenses.

(ii) **"State"** means the State of California.

ARTICLE 2
LOAN AGREEMENT TO CONSTRUCT, LEND AND REPAY

2.01 **Predevelopment Loan**. Subject to the terms and conditions of this Loan Agreement and the Note, and so long as no Event of Default exists, the Lender shall make advances to Borrower, provided that the aggregate principal amount of the advances outstanding at any time after giving effect to any proposed borrowing shall not exceed the Cost Ceiling Commitment. This credit shall be a revolving credit and Borrower may borrow, repay, and re-borrow as provided herein and in the Note, provided that at no time shall the aggregate principal amount outstanding exceed the Cost Ceiling Commitment.

2.02 **Use of Predevelopment Loan Proceeds**. The proceeds of the Predevelopment Loan shall be used solely for the payment of the eligible, City-approved and budgeted Predevelopment Costs for to Predevelopment Work as such costs are incurred. Further, the Predevelopment Loan may be used only for eligible predevelopment activities in the manner presented in the Request Letter and in accordance with California Health and Safety Code sections 33334.2 through Section 33334.4.

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2.03 **Pre-Payment Permitted**. Borrower agrees to repay the outstanding principal according to the terms outlined in the Note. The Borrower may, at its option, prepay all or any portion of the unpaid principal balance of the Note, together with interest accrued through the date of such prepayment, without charge or penalty.

2.04 **Term**. Lender's obligation to make advances to Borrower and Borrower's right to request advances under this Loan Agreement shall commence on the effective date hereof and continue until the sooner of December 31, 2025 (the "**Drop-Dead Date**") and (ii) the Closing of the last Phase. If by the Drop-Dead Date either (x) the Note has not been repaid in full, or (y) Closings have not occurred for all Project Phases, then the Lender's sole recourse shall be limited to the Predevelopment Property as provided in this Loan Agreement and the Assignment of Project Documents.

2.05 **Partial Assignment of Predevelopment Loan**. To the extent any Predevelopment Costs relate to a particular Phase, Borrower shall, on or prior to the Drop-Dead Date, have the right to assign the portion of the Predevelopment Loan used to finance such Predevelopment Costs (together with accrued and unpaid interest on such amount, the **"Phase-Related Loan Amount"**) to that Phase's Owner Entity pursuant to a Partial Assignment and Assumption Agreement in form and substance approved by the Borrower and Lender (a **"Partial Assignment Agreement"**). Concurrently therewith, Borrower shall assign all of its rights in the Predevelopment Property related to that Phase (**"Phase-Related Predevelopment Property"**) to the Owner Entity pursuant to such documents (including without limitation consents of the applicable Contractors) approved by Borrower and Lender and, if not previously provided copies of all LP-1's, limited partnership agreements and other documents to confirm that the Owner Entity qualifies as such pursuant to the definition thereof.. To the extent any Predevelopment Costs do not relate to a particular Phase, Borrower may allocate them between Phases in any reasonable manner approved by Lender and Borrower.

2.06 **Additional Actions at a Closing; New Loan**. If, on or before the Drop-Dead Date, a partial assignment of the Predevelopment Loan described in Section 2.05 coincides with a Closing on a Phase then, in addition to the actions described in Section 2.05: (i) the Partial Assignment Agreement shall be terminated with respect to that Phase; and (ii) the Owner Entity shall secure repayment of the Phase-Related Loan Amount by executing and recording against the applicable portion of the Property a deed of trust and assignment of rents in favor of the Lender and in form and substance approved by Borrower and Lender, and by executing and delivering (or causing to be executed and delivered) to the Lender a title policy and such other documents as may be approved by Borrower and Lender; or (iii) in lieu of the actions described in (ii), if a new loan and loan agreement for a particular Phase (a "**New Loan**") are subsequently approved by the City Council and executed by the City and the owner of such Phase, and if the closing conditions for the New Loan are satisfied: (x) the Partial Assignment Agreement shall be terminated; and (y) the Phase-Related Loan Amount shall bear interest and be repaid in accordance with the terms of the documents evidencing the New Loan.

ARTICLE 3

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COVENANTS

3.01 **Performance of the Predevelopment Work**. The Borrower represents, warrants and covenants that the Predevelopment Work will be conducted in accordance with the Predevelopment Budget, the Predevelopment Schedule, all applicable permits and approvals, and any title or other restrictions or conditions affecting the Development.

3.02 **Responsibility for Costs Exceeding Predevelopment Loan Amount and Cost Ceiling Commitment; Changes in Predevelopment Budget**. The Borrower acknowledges that the Lender is not obligated to advance funds that would cause the outstanding principal balance of the Predevelopment Loan to exceed the Predevelopment Loan Amount and the Cost Ceiling Commitment. Borrower, however, may request changes in any individual Predevelopment Budget line item that is offset by a corresponding decrease in one or more other line items such that the total Predevelopment Budget is not increased, so long as the integrity and quality of the Development are not materially adversely affected. Such request must be submitted to Lender promptly upon Borrower's knowledge of the need to revise the Predevelopment Budget and no later than five (5) business days before any request for disbursement of funds that will cover such revised costs. Lender's approval of such requests shall not be unreasonably withheld.

3.03 **Contractor Agreements**. The Borrower shall retain the Architect under a binding contract or contracts to provide all architectural services necessary for the Predevelopment Work and to begin the design and construction of the Development. The Borrower shall retain the other Contractors under a binding contract or contracts to provide all other services to be paid for from the Predevelopment Loan. The Borrower shall obtain the Architect and other Contractors' written consents to collaterally assign the Predevelopment Property pursuant to the Assignment of Project Documents in form and substance approved by Borrower and Lender.

3.04 **Contracts**. The Borrower shall make available for review by the Lender copies of all contracts for Predevelopment Work, or any portion thereof, in accordance this Loan Agreement. The Borrower agrees that all its interest in the Predevelopment Property shall be collaterally assigned to the Lender pursuant to the Assignment of Project Documents. The Borrower also agrees to deliver copies of all Predevelopment Property to Lender without representation or warranty..

3.05 **Monitoring Contractors; Correction of Defects**. The Borrower shall monitor the performance of the Contractors and all other persons and entities providing materials, equipment or services to the Predevelopment Work and shall take such actions as are necessary to maintain adherence to quality standards, safety standards, production schedules, shipping dates, and job-site requirements. The Borrower shall use reasonable efforts to guard against defects and deficiencies in design and construction that is performed as part of the Predevelopment Work.

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3.06 **Inspection by the Lender**. The Lender, its authorized agents may inspect the Project and any work in progress for the purpose of protecting or furthering the Lender's interest under this Loan Agreement. The Lender shall have no obligation to make any such inspection of the Project. Such inspections are for the Lender's information only, and any such inspection shall not relieve the Borrower of its obligation to complete the Predevelopment Work in accordance with this Loan Agreement, the Predevelopment Budget and the Predevelopment Schedule. In no event shall the Lender's inspection of the work be deemed acceptance of all or any of the work, equipment, or materials or a waiver of any right the Lender has under this Loan Agreement.

3.07 **Compliance with Law**. All Predevelopment Work shall comply with all applicable federal, state and local laws, rules and regulations, including without implied limitation those pertaining to zoning, environmental, subdivision, building, health, safety and sanitary conditions.

3.08 **Entity Matters**. The Borrower represents and warrants that it is a limited liability company organized and validly existing under the laws of the State of California and duly authorized to enter into this Loan Agreement.

3.09 **No Default**. Borrower represents and warrants that the consummation and performance of the transaction contemplated by the Loan Documents will not constitute a default under any agreement or obligation to which the Borrower is a party or any obligation by which the same may be bound.

3.10 **Insurance**. The Borrower will obtain and maintain, and require its contractors to obtain and maintain, the insurance policies and coverages set forth on Exhibit 5 attached hereto.

3.11 **Notices**. The Borrower shall, with reasonable promptness, but in any event within fourteen (14) calendar days after it has actual knowledge thereof, notify the Lender in writing of the occurrence of any act, event or condition that constitutes, or that after notice or lapse of time or both would constitute, an Event of Default by the Borrower. Such notification shall include a written statement of any remedial or curative actions that the Borrower proposes to undertake to cure or remedy such default.

3.12 **Encumbrances.** Borrower covenants to, and shall cause its contractors to, keep the Predevelopment Property free from any and all liens and/or encumbrances, including stop work notices, arising out of the Predevelopment Work, materials furnished, or obligations incurred by or for Borrower and/or its contractors. Borrower shall be jointly and severally responsible for discharging and releasing any lien or encumbrance from the Predevelopment Property caused by Borrower, its contractors, or assigns in connection with the Predevelopment Work, and for all costs associated therewith.

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ARTICLE 4
CONDITIONS ON ADVANCES

4.01 **Conditions on Advances.** The obligation of the Lender to make this Predevelopment Loan or any advance is subject to the compliance by the Borrower with its covenants, agreements, representations and warranties contained in the Loan Documents and to the satisfaction before making the Predevelopment Loan or any such advance, of the following

(a) The Borrower shall have incurred costs or expended funds in accordance with the Predevelopment Budget and Predevelopment Schedule;

(b) The following documents (together with this Loan Agreement and any UCC financing statements, **"Loan Documents"**) shall have been duly executed and delivered by the parties thereto and shall be in full force and effect and, to the extent required by the Lender, all lien documents securing this Predevelopment Loan shall have been duly recorded:

1. the Note;

2. the Assignment of Project Documents**;**

3. such other documents, instruments, and/or papers, which may evidence or secure the Predevelopment Loan;

(c) The Borrower shall have provided consents by the Architect and other Contractors to the Assignment of Project Documents, all by instruments acceptable to the Lender in the Lender's reasonable discretion;

(d) The Borrower shall have provided prior to the initial disbursement an opinion issued to the Lender by counsel acceptable to the Lender that: (i) the Borrower is a validly existing business entity under the laws of the state in which it is organized with full power and authority to consummate and perform the transaction contemplated by this Loan Agreement and the other Loan Documents, as applicable; (ii) members or partners in the Borrower are validly existing business entities with full power and authority to consummate and perform the transaction contemplated by this Loan Agreement and the other Loan Documents; and (iii) this Loan Agreement and the other Loan Documents, as applicable, have been duly authorized, executed and delivered to the Lender and are valid, binding and enforceable according to their terms, subject only to customary exceptions regarding enforcement of creditors rights generally and equitable remedies being discretionary;

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(e) The Borrower shall have provided such other evidence as the Lender reasonably may require that the Predevelopment Work complies with the Predevelopment Budget, the Predevelopment Schedule and with all applicable federal, state and municipal laws;

(f) No Event of Default shall exist and no event exists that, with the passage of time or giving of notice by the Lender, constitutes an Event of Default;

(g) Borrower has delivered to Lender current financial statements prior to the execution of this Agreement;

(h) Borrower shall have the required insurance in effect and shall have provided certificates evidencing such insurance; and

(i) Such other documents and certifications as Lender or its counsel may reasonably request.

ARTICLE 5
DISBURSEMENTS

5.01 **Borrower Representations and Warranties with Each Disbursement**. Each request by the Borrower for a disbursement under this Loan Agreement: (a) shall constitute the Borrower's affirmation that the representations and warranties contained in this Loan Agreement remain true and correct as of the date of such request; (b) shall constitute the Borrower's representation and warranty that the information set forth in each such request and any certification by the Borrower, the Architect or any other Contractor supplied in connection therewith is true and correct and omits no material fact necessary to make the same not misleading; (c) shall constitute Borrower's affirmation that this disbursement shall not cause Lender to exceed its Cost Ceiling Commitment; and (d) shall constitute the Borrower's affirmation of compliance with the covenants contained in this Loan Agreement.

5.02 **Requests for Disbursements**. The proceeds of the Loan shall be disbursed as the work to be paid for by the Loan proceeds is performed. The Borrower shall submit draw requests to the City not more frequently than one time each calendar month. The City will make a good faith effort to disburse the Loan proceeds under each draw request within thirty (30) calendar days after the request.

(a) Each request for a disbursement shall be made to the Lender in writing, and disbursements shall not be requested more frequently than monthly. Each request for disbursement shall be funded within thirty (30) days after it has been properly

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submitted and when conditions on advances under Section 4.01 have been satisfied. Each request for a disbursement must contain the following:

(b) a letter from the Borrower requesting a disbursement, which should contain any special funding instructions and an executed Certification of Request for Payment of Predevelopment Costs in a form attached hereto as Exhibit 4;

(c) as requested by Lender, invoices, cancelled checks, and any additional supporting documentation for Predevelopment Costs previously paid by Lender and invoices and supporting documentation for the current disbursement request;

(d) [reserved]; and

(e) such other certificates, documents, information, or instruments the Lender shall reasonably require to substantiate the same.

5.03 **Disbursements Contingent on Lender's Satisfaction**. The Lender shall not be obligated to make any disbursements unless the Lender is satisfied in its reasonable judgment that the conditions precedent to the making of such disbursements, have been satisfied by the Borrower, Lender is in compliance with its Cost Ceiling Commitment, and Borrower is in compliance with its obligations under the Loan Documents.

5.04 **Lender's Right to Withhold Disbursements**. The Lender shall have the right to withhold disbursements, in whole or in part, if: (a) Predevelopment Work is in any material respect not in accordance with the Loan Documents, including the Predevelopment Budget, and Predevelopment Schedule or (b) the Borrower Individual Developer or Master Developer, as applicable, is in default (after any applicable notice and cure period) under any obligations to the Lender as described in the Loan Documents.

ARTICLE 6
EVENTS OF DEFAULT AND REMEDIES

6.01 **Events of Default**. Each of the following shall constitute an **"Event of Default"** for purposes of this Loan Agreement:

(a) The failure by the Borrower to pay the Note when due;

(b) The failure of the Borrower to make any other payment required under the terms of this Loan Agreement, or any of the other Loan Documents or any of the Exhibits hereto, within thirty (30) days after receipt of written notice from the Lender;

(c) Except as otherwise provided herein, the failure of the Borrower,

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or Individual Developer, as applicable, to promptly and accurately perform any other covenant or agreement contained in this Loan Agreement and any of the other Loan Documents or any of the Exhibits hereto, and the additional failure to cure or remedy such within a period of thirty (30) days after written notice thereof; *provided, however,* that if such failure cannot be remedied in such time, the Borrower shall have such additional time needed to remedy such failure as long as the Borrower commences efforts to cure within thirty (30) days and, in the determination of the Lender, diligently and in good faith pursues such cure or remedy;

(d) Subject to Force Majeure, Borrower abandons Predevelopment Work, or ceases Predevelopment Work for a period of more than sixty (60) consecutive days;

(e) Any representation, warranty or certificate given or furnished by the Borrower, or the members or partners in the Borrower, or Individual Developer shall prove to be materially false as of the date on which the representation, warranty or certification was given and shall prove to have a material adverse effect on the Lender; provided, however, that if any representation, warranty or certification that proves to be materially false is due to the Borrower's inadvertence, then Borrower shall have a thirty (30) day opportunity beginning upon the earlier of (1) Borrower's knowledge of the breach or (2) written notice thereof from Lender, to: (a) cause such representation, warranty or certification to be full, true and complete in every respect; and (b) cure the harm caused to the Lender by the falsity of such representation, warranty or certification;

(f) The Borrower, or Individual Developer shall file, or have filed against it, a petition of bankruptcy, insolvency or similar action pursuant to state or federal law, or shall file any petition or answer seeking, consenting to, or acquiescing in, any reorganization, arrangement readjustment, liquidation, dissolution or similar relief; or shall be adjudicated bankrupt or insolvent, under any present or future statute, law, regulation, either state or federal, and such judgment or decree is not vacated or set aside; provided, however, that in the event of an involuntary bankruptcy proceeding, Borrower, or the members or partners in the Borrower, shall have ninety (90) days to have such petition, judgment or decree set aside or vacated;

(g) The Borrower, or Individual Developer shall make an assignment for the benefit of creditors, or shall submit in writing its inability to pay its debts generally as they become due;

(h) There is a change in the ownership interests or a change in the control of the Borrower, the members or partners in the Borrower, or any Owner Entity, without prior notice to or approval by the Lender(other than the Lender approved admission of limited partners or members in a mixed-finance rental transaction); or

(i) The Borrower fails to maintain, or fails to cause to be maintained, insurance as required by this Loan Agreement.

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6.02 **Remedies Upon Events of Default**.

(a) Upon the occurrence of an Event of Default, at its option and without notice, the Lender may (but shall not be required to) (i) terminate this Loan Agreement and the Lender's commitment to make any disbursement hereunder; (ii) declare the indebtedness evidenced by the Note to be immediately due and payable, and pursue the Lender's other remedies under the other Loan Documents; or (iii) institute any action, suit, or other proceeding at law or in equity, which the Lender shall deem necessary or proper for the protection of its interest.

(b) [Reserved].

(c) At any time after the occurrence of an Event of Default and during its duration, the Lender may revoke Borrower's right to use the Predevelopment Property and may use the Predevelopment Property as provided in the Loan Agreement and Assignment of Project Documents.

6.03 **Remedies Cumulative**. Upon the occurrence of an Event of Default, the rights, powers, and privileges provided in this Article 6 and all other remedies available to the Lender under this Loan Agreement or any of the Loan Documents may be exercised by the Lender at any time and shall not constitute a waiver of any of the Lender's other rights and remedies thereunder, whether or not the indebtedness shall become due and payable, and whether or not the Lender shall have instituted action for the enforcement of its rights under any of the Loan Documents.

6.04 **Borrower's Waiver of Presentment, Etc.** The Borrower hereby waives, to the extent permitted by applicable law: (a) all presentments, demands for performance, notices of nonperformance (unless required by the terms hereof or any other Loan Document), protests, and/or notices of dishonor; (b) any requirement of diligence or promptness on the Lender's part in the enforcement of its rights under this Loan Agreement or any Loan Document; and (c) any and all notice of every kind and description that may be required to be given by any statute or rule of law.

6.05 **Course of Dealing Not Operative as Waiver**. No course of dealing between the Borrower, on the one hand, and the Lender, on the other hand, shall operate as a waiver of the Lender's rights under any Loan Document. A waiver on one occasion shall not be deemed a waiver of such right or any other right hereunder. Any waiver by the Lender must be in writing and signed by the Lender to be effective. The making of a disbursement during the existence of an Event of Default shall not constitute a waiver of such Event of Default.

ARTICLE 7
RESERVED

ARTICLE 8
MISCELLANEOUS

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8.01 **Assignment**. Except as set forth herein, the Borrower may not assign this Loan Agreement or the monies due under this Loan Agreement without the Lender's prior written consent, which the Lender in its sole discretion may grant or withhold. Notwithstanding the foregoing, Borrower shall have the right to assign this Loan Agreement or the monies due under this Loan Agreement without the Lender's prior written consent to any entity to one or more limited partnerships formed by Related California and Saint Joseph Community Land Trust (or their affiliates) .

8.02 **Further Assurances**. Whenever the Lender requests, the Borrower shall execute, acknowledge and deliver such further instruments or documents that the Lender may reasonably require to further perfect its rights and remedies under this Loan Agreement, the Note and any other Loan Document and in all collateral therefor, provided that, without the consent of Borrower, no greater rights or remedies are granted to the Lender thereunder, nor shall any greater burden be imposed on Borrower, than is contained herein.

8.03 **Subordination**. There is no agreement, contract or instrument to which Borrower is a party or by which Borrower may be bound that requires the subordination in right or payment of any of Borrower's obligation subject to this Agreement to any other obligation of Borrower.

8.04 **Construction of Documents**. To the extent that there may be any inconsistency or conflict between the terms of any other Loan Document and this Loan Agreement, this Loan Agreement shall govern.

8.05 **No Waiver**. This Loan Agreement may be amended, waived or discharged only by writing signed by the party against whom enforcement of the amendment, waiver or discharge is sought. Any oral waiver, change or discharge of any provision of this Loan Agreement by any representative of a party shall be without City and of no force or effect.

8.06 **Parties Bound**. This Loan Agreement shall bind upon and inure to the benefit of each party and their permitted successors and assigns. This Loan Agreement is a contract by and between the Borrower and Lender for their mutual benefit, and no third person shall have any right, claim or interest against any party hereto by virtue of any provision hereof.

8.07 **Time of the Essence**. The parties agree that time is of the essence in this Loan Agreement.

8.08 **Severability**. If any term or provision of this Loan Agreement or the application thereof to any person or circumstances shall be invalid or unenforceable, the remainder of this Loan Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Loan Agreement shall

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be valid and be enforced to the fullest extent permitted by law.

8.09 **Choice of Law**. This Loan Agreement and the rights and obligations of the Lender and the Borrower under this Loan Agreement and under all documentation executed incident to the Loan Agreement shall be construed in accordance with, and governed by the law of, the State of California, including its statutes of limitation but excluding its choice of law rules. Borrower hereby consents and submits to personal jurisdiction in any state or federal court located within the State of California.

8.10 **Notices**. All notices, requests, demands, approvals, or other communications given hereunder or in connection with this Loan Agreement shall be in writing and shall be deemed given when delivered by hand or sent by registered or certified mail, return receipt requested, or nationally recognized overnight courier service, addressed as follows; **provided that failure to deliver additional copies shall not invalidate the notice:**

If to Lender:

City of South Lake Tahoe
1901 Lisa Maloff Way,
South Lake Tahoe, CA 96150
Attention: Joseph D. Irvin, City Manager

With a copy to:

City Attorney
City of South Lake Tahoe
1901 Lisa Maloff Way, Suite 300
South Lake Tahoe, CA 96150

If to Borrower:

c/o The Related Companies of California LLC
44 Montgomery Street, Suite 1300
San Francisco, California 94104

And to:

Bocarsly, Emden, Cowan, Esmail and Arndt, LLP
633 West Fifth Street, 64th Floor
Los Angeles, CA 90071
Attn: Lance Bocarsly

And to:

c/o St. Joseph Community Land Trust
1041 Lyons Avenue
South Lake Tahoe, CA 96150

8.11 **Headings and Titles**. The headings and titles of the articles, sections, and subsections used in this Loan Agreement are for convenience purposes only and shall not be used to interpret any of the provisions of this Loan Agreement.

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8.12 **Interpretive Provisions**. "**Discretion**," "**sole discretion**," "**option**," "**election**" or words of similar import in these Loan Documents denote the Lender's privilege to act in furtherance of the Lender's interest to preserve the value of the collateral as security for, and otherwise to further repayment and performance of, all obligations without obligation or liability to the Borrower. **"Reasonable judgment"** in the Loan Documents denotes an objective standard obligating the Lender in good faith to act in a manner that is consistent with the usual and customary practices of public lenders in the metropolitan area.

8.13 **Amendments**. No part of this Loan Agreement or any other Loan Document may be amended unless there is a written instrument executed by the party to be charged. Lender agrees that if in the future Borrower requests an additional predevelopment loan to the Project, and Lender, in its sole and absolute discretion agrees, Borrower will be permitted to assign the same Predevelopment Property to the Lender as collateral for the additional loan and will not be required to provide further collateral.

8.14 **Exhibits**. All Exhibits annexed to this Loan Agreement are incorporated herein as if fully set forth.

8.15 **Recitals**. The recitals and/or whereas clauses are hereby incorporated as part of this Loan Agreement.

8.16 **Counterparts**. This Loan Agreement may be executed in several counterparts, each of which shall be fully effective as an original and all of which shall together constitute this Loan Agreement.

8.17 **Entire Agreement**. This Loan Agreement, the Exhibits hereto, and agreements referenced herein, embody the entire agreement and understanding between the Lender and the Borrower relating to the Predevelopment Loan and supersede all and any prior verbal or written agreements by and among the parties unless specifically referenced in this Loan Agreement.

8.18 **Effective Date**. Upon execution, this Loan Agreement shall be effective upon the date indicated in the first paragraph hereof.

8.19 **Force Majeure.** If the Borrower is delayed in performing any covenant hereunder (other than the payment of money to Lender) due to causes beyond the control and without intentional misconduct or negligence of the Borrower, then the time for performing the applicable covenant shall be extended for a period of time corresponding to the period of delay, with a reasonable adjustment to any applicable performance schedule affected by the delay. Such causes shall comprise "**Force Majeure Events**".

8.20 **Lender Consent**. Whenever this Agreement calls for City approval, consent, or waiver, the written approval, consent, or waiver of the City Manager of the City shall constitute the approval, consent, or waiver of the City, without further authorization required from the City Council. The City hereby authorizes the City

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Manager to deliver such approvals or consents as are required by this Agreement, or to waive requirements under this Agreement, on behalf of the City. Any consents or approvals required under this Agreement shall not be unreasonably withheld or made, except where it is specifically provided that a sole discretion standard applies. The City Manager is also hereby authorized to approve, on behalf of the City, requests by Borrower for reasonable extensions of time deadlines set forth in this Agreement. The City shall not unreasonably delay in reviewing and approving or disapproving any proposal by Borrower made in connection with this Agreement.

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IN WITNESS WHEREOF, the Lender and Borrower have each duly executed, or caused to be duly executed, this Loan Agreement as of the date first written below.

LENDER:

CITY OF SOUTH LAKE TAHOE, a municipal corporation

By: _____
Tamara Wallace, Mayor

APPROVED AS TO FORM:

By: Heather Stroud
Heather Stroud, City Attorney

ATTEST:

By: _____
Susan Blankenship, City Clerk

BORROWER:

SUGAR PINE HOUSING, LLC, a California limited liability company

By: Ann Silverberg
Ann Silverberg, Vice President

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EXHIBIT 1

DEVELOPMENT PROPERTY

EXHIBIT 1

DEVELOPMENT PROPERTY

1860 Lake Tahoe Boulevard South Lake Tahoe, CA 96150

The land referred to is situated in the County of El Dorado, City of South Lake Tahoe, State of California, and is described as follows:
Lot 5, as shown on the Official Map of Tahoe Valley Center Unit No. 3, filed in the Office of the County Recorder of said County, on November 21, 1962 in Map Book C, Map No. 109.

EXCEPTING THEREFROM, that portion described as follows:

BEGINNING at a 1-1/2 inch capped iron pipe on the Westerly line of Tata Lane also being a point on the East line of said Lot 5, from which the most Easterly corner of Lot 5 bears South 31° 22' 30" East 584.76 feet; thence from the point of beginning along said East line North 31° 22' 30" West 106.68 feet, a similar pipe; thence along a curve to the left with a radius of 20 feet the chord of which bears North 79° 08' 45" West 29.62 feet, a similar pipe; thence along the Northwesterly line of said Lot 5, South 53° 05' West 186.68 feet, a similar pipe; thence leaving said line South 31° 22' 30" East 208.71 feet, a similar pipe; thence North 53° 05' East 208.71 feet to the point of beginning.

ALSO EXCEPTING THEREFROM, that portion described as follows:

BEGINNING at the most Easterly corner of the parcel of land herein described, a 3/4 inch capped iron pipe set on the Northeasterly line of said Lot 5 from which the most Easterly corner of said Lot 5 bears South 31° 22' 30" East 353.67 feet; thence from point of beginning and leaving said line South 53° 05' West 208.71 feet to a similar pipe; thence North 31° 22' 30" West 231.09 feet to a one and one half inch capped iron pipe; thence North 53° 05' East 208.71 feet to a similar pipe set on the Southwesterly line of Tata Lane; thence along said line South 31° 22' 30" East 231.09 feet to the point of beginning.

ALSO EXCEPTING THEREFROM, that portion described as follows:

BEGINNING at the most Easterly corner of the parcel herein described, a point on the Northeasterly boundary of said Lot 5, from which the most Easterly corner of said Lot 5 bears South 31° 22' 30" East, 200.00 feet; thence from point of beginning, South 63° 42' West, 208.54 feet; thence North 31° 22' 30" West, 115.07 feet, a 3/4 inch capped iron pipe; thence North 53° 05' East, 208 71 feet, a similar pipe on the Northeasterly boundary

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of said Lot 5; thence along said boundary, South 31° 22' 30" East, 153.67 feet to the point of beginning.

APN: 032-291-028-000

1029 Tata Lane South Lake Tahoe, CA 96150

The land referred to is situated in the County of El Dorado, City of South Lake Tahoe, State of California, and is described as follows:

All that portion of Lot 4, of Tahoe Valley Center Unit No. 3, filed November 11, 1962, in Map Book C, Map No. 109, described as follows:

Parcel 2, as said parcel is designated and delineated on that certain Parcel Map entitled "Portion of Lot 4, of the Tahoe Valley Center Unit No. 3", filed November 10, 1972, in the Office of the County Recorder of said County in Book 2 of Parcel Maps at Page 52.

APN.: 032-291-031-000

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EXHIBIT 2

PREDEVELOPMENT SCHEDULE

Phases 1A/1B

- July 2022 – Phase 1B 9% Application
- September 2022 – Phase 1A 4% Application
- September/October 2022 Phase 1B 9% Award
- December 2022 – Phase 1A 4% Award
- March 2023 – Phase 1B 9% Closing Deadline; Phase 1B Construction Start
- June 2023 – Phase 1A Closing Deadline (Target Closing March 2023 to align with Phase 1B closing deadline and Tahoe construction season start)
- September 2024 – Phase 1A/1B Target Completion

Phases 2A/2B

- July 2023 – Phase 2B 9% Application
- September 2023 – Phase 2A 4% Application
- September/October 2023 – Phase 2B 9% Award
- December 2023 – Phase 2A 4% Award
- March 2024 – Phase 2B 9% Closing Deadline; Phase 2B Construction Start
- June 2024 – Phase 2A Closing Deadline (Target Closing March 2024 to align with Phase 2B closing deadline and Tahoe construction season start)
- September 2025 – Phase 2A/2B Target Completion

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EXHIBIT 3

PREDEVELOPMENT BUDGET

Predevelopment Deliverable	Cost/Value
Architecture Plans and Drawings	$700,000
Survey	$13,000
Arborist Report	$5,500
Traffic and Parking Study	$30,956
Civil Engineer Reports and Studies	$59,000
Landscape Architecture Plans and Studies	$100,600
TRPA/Environmental Analysis and Project Description	$40,000
Geotechnical Study	$50,000
Appraisal and Market Study	$20,000
Total	**$1,019,056**

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EXHIBIT 4

CERTIFICATION OF REQUEST FOR PAYMENT OF PREDEVELOPMENT COSTS

Along with each request to Lender for funds relating to Predevelopment Costs under the Predevelopment Loan, the Borrower shall furnish the following certification or the advance shall not be made. All terms used herein shall have the meaning given to them in the Predevelopment Loan Agreement.

I hereby certify, to the best of my knowledge and belief that:

(a) The amounts requested are only for performance in accordance with the terms of the Loan Agreement, the Predevelopment Budget, and the Predevelopment Schedule,. All amounts included in this request for disbursement are outlined in the summary chart as required by Section 5.02(b) of the Loan Agreement and in the form attached hereto at Attachment 1.

(b) All amounts previously paid by Lender and Borrower on Predevelopment Costs for Predevelopment Work, including the each Parties' share of the costs, are outlined in the summary chart as required by Section 5.02(b) of the Loan Agreement and in the form attached hereto at Attachment 1.

(c) Certain payments to Architect or other Contractor(s) have been made by Borrower, and Borrower is requesting reimbursement for such costs in the amount of $_____. Evidence of payment of such costs, including Contractor Certifications as described herein, is included with the request for disbursement accompanying this Certification. Borrower has delivered a Contractor Certification in the form attached hereto at Attachment 2, confirming that Contractor has been paid in full for services performed as of the date of the Contractor Certification.

(d) This request for funds does not include any amounts that the Borrower intends to withhold or retain from a Contractor.

[SIGNATURE PAGE FOLLOWS]

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By: _____
Name:
Title:

Date:

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EXHIBIT 5

INSURANCE REQUIREMENTS

(a) Commercial General Liability. Borrower shall procure and maintain commercial general liability on an occurrence form with limits not less than $1,000,000 per occurrence and $2,000,000 aggregate for bodily injury and property damage liability naming the State of California, its officers, agents and employees as additional insured. The certificate of insurance and endorsements shall be delivered to the Development Services Director. Said certificate of insurance and endorsements shall be issued by an insurance company with a rating of not less than A-VII in Best's Insurance Guide. Lender reserves the right to review and reasonably adjust insurance requirements as necessary during the term of this Agreement.

(b) Workers' Compensation and Employers' Liability. Borrower shall maintain statutory workers' compensation and employer's liability coverage for all its employees who will be engaged in the performance of the Permitted Activities, including special coverage extensions where applicable, with employer's liability limits of ONE MILLION AND NO/100 DOLLARS ($1,000,000.00). The policy shall contain a waiver of subrogation in favor of the City.

(c) Automobile Liability. Borrower shall maintain motor vehicle liability with limits not less than $1,000,000 combined single limit per accident. Such insurance shall cover liability arising out of a motor vehicle including owned, hired and non-owned motor vehicles. The same additional insured designation and endorsement required for general liability is to be provided for this coverage.

(d) General Requirements. Borrower shall ensure that the following general requirements are met:

(i) Insurance companies must be acceptable to the City Attorney.

(ii) The certificates of insurance shall provide that the insurer will not cancel the insured's coverage without thirty (30) days prior written notice to Lender.

(iii) All required insurance shall be in effect at all times during the term of this Agreement, all extensions thereof, holdover periods or any other occupancy of the Property by Borrower.

(iv) If insurance expires during the term of the Agreement, a new certificate must be received by Lender within thirty (30) days of the expiration date of the existing policy. This new insurance must still meet the terms of this Agreement.

(v) Borrower shall notify the Lender within five business days of Borrower's receipt of any notice of cancellation or non-renewal of any insurance required by this Agreement.

(vi) Borrower is responsible for any deductible or self-insured retention contained within the insurance program.

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(vii) In the event Borrower fails to keep in effect at all times the required insurance coverages, the Lender may, in addition to any other remedies it may have, declare an Event of Default and terminate this Agreement upon the occurrence of such event.

(viii) Any insurance required to be carried shall be primary, and not excess, to any other insurance carried by Lender, and without any contribution by Lender.

(ix) If Borrower is self-insured in whole or in part as to any of the above described types and levels of coverage, Borrower shall provide Lender with written acknowledgment of this fact at the time of the execution of this Agreement. Lender may require financial information to justify Borrower's self-insured status. If, at any time after the execution of this Agreement, Borrower abandons its self-insured status, Borrower shall immediately notify Lender of this fact and shall comply with all of the terms and conditions of this Insurance clause pertaining to policies of insurance in regard to those types and levels of insurance.

(x) It is agreed that Lender shall not be liable for the payment of any premiums or assessments on the required insurance coverage.

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ASSIGNMENT OF PROJECT DOCUMENTS
SUGAR PINE VILLAGE

THIS **ASSIGNMENT OF PROJECT DOCUMENTS** (the "**Assignment**") is made as of July 22, 2021 by SUGAR PINE HOUSING, LLC, a a California limited liability company (the "**Borrower**") in favor of the CITY OF SOUTH LAKE TAHOE in its capacity as Housing Successor to the South Tahoe Redevelopment Agency, a redevelopment agency organized and existing under the Laws of the State of California (the "**City**" or "**Lender**").

WHEREAS, pursuant to terms more specifically described in a loan agreement between Lender and Borrower of even date herewith (the "**Loan Agreement**"), Lender intends to lend to Borrower up to Five Hundred Sixty-Six Thousand Six Hundred Twenty-Nine and 00/100 Dollars ($566,629.00) (the "**Predevelopment Loan**") to cover City-approved, and budgeted predevelopment costs (the "**Predevelopment Work**") and related to Sugar Pine Village (the "**Project**");

WHEREAS, the execution and delivery of this Assignment is a condition precedent to the performance by Lender of its obligations under the Loan Agreement;

NOW, THEREFORE, in consideration of the recitals set forth above and incorporated herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower agrees as follows:

1. Unless expressly defined herein, all capitalized terms used herein shall have the meanings ascribed to such terms in the Loan Agreement.

2. As security for the Predevelopment Loan, Borrower hereby grants, transfers and assigns to Lender, all the right, title and interest of Borrower in any and all other contracts, agreements, plans, licenses, permits or other items, whether now or hereafter executed, granted, received, acquired or issued to or by Borrower in connection with the Predevelopment Work and paid for using proceeds of the Predevelopment Loan (all of the foregoing being hereinafter sometimes referred to collectively as the "**Project Documents**").

3. This Assignment is given for the purpose of securing the payment of all sums, now or at any time due Lender under any of the Loan Documents and any extensions, modifications, amendments and renewals thereof, and the performance and discharge of the obligations, covenants, conditions and agreements of Borrower contained in any of the Loan Documents. Borrower hereby consents to the Lender filing one (or more) financing statements, from time to time, with the California Secretary of State to evidence the assignment of the Project Documents. Lender does not assume any of Borrower obligations or duties under any Project Documents, including, but not limited to, the obligation to pay for the preparation of any Project Documents unless and until the Lender exercises its rights pursuant to this Assignment.

4. Borrower hereby irrevocably appoints Lender as its attorney-in-fact, which power is coupled with an interest, so that Lender shall have the right to demand, receive, and

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enforce any and all of Borrower's rights with respect to the Project Documents, and to perform any and all acts in the name of Borrower or in the name of Lender with the same force and effect as if performed by Borrower in the absence of this Assignment, upon the occurrence and during the continuance of an event which, with notice or the passage of time or both, would constitute an Event of Default under the Loan Documents. Until such occurrence and upon Borrower's cure of any Event of Default permitted by the Loan Documents, Borrower shall be entitled to exercise all rights pertaining to the Project Documents.

4. Borrower agrees as follows:

(a) Borrower will faithfully abide by, perform and discharge each and every obligation, covenant, condition and agreement of the Project Documents to be performed by Borrower and in accordance with the exercise of prudent business judgment, to enforce performance by the other parties thereto of each and every obligation, covenant, condition and agreement to be performed by each such other party.

(b) During the continuance of an Event of Default under the Loan Documents, Lender may use Project Documents for any lawful purpose without restriction except (if any) as may be provided in the Loan Agreement or the documents evidencing the Project Documents.

(c) During the continuance of an Event of Default under the Loan Documents, Lender may, at its option, without notice and without regard to the adequacy of security for the indebtedness hereby secured, either in person or by agent, with or without bringing any action or proceeding, or by a receiver to be appointed by a court at any time hereafter, enforce for its own benefit any one or all of the Project Documents. The exercise of any rights under this Assignment shall not be deemed to cure or waive any default under any of the Loan Documents or waive, modify or affect any notice of default under any of the Loan Documents or invalidate any act done by Lender pursuant to or following such notice.

(d) Each of the parties to any of the Project Documents other than Borrower, upon written notice from Lender of the continuance of an Event of Default under the Loan Documents, shall be and hereby is authorized by Borrower to perform their respective agreements for the benefit of Lender in accordance with the terms and conditions thereof without any obligation to determine whether or not such an Event of Default under the Loan Documents has in fact occurred and continues.

5. Borrower hereby covenants and represents to Lender that: (a) Borrower has not previously assigned, sold, pledged, transferred, mortgaged, hypothecated or otherwise encumbered the Project Documents or any of them or its right, title and interest therein; (b) Borrower shall not assign, sell, pledge, transfer, mortgage, hypothecate or otherwise encumber its interests in the Project Documents or any of them except that Borrower may do so in connection with the financing of the Project (or Phase thereof) in connection with a partial or complete termination of this Assignment; (c) Borrower has not performed any act that might prevent Borrower from performing its undertakings

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hereunder or that might prevent Lender from operating under or enforcing any of the terms and conditions hereof or that would limit Lender in such operations or enforcement; (d) Borrower is not in default under any of the Project Documents, and to the best knowledge of Borrower, no other party to the respective Project Documents is in default thereunder; (e) except as provided in the Loan Agreement (if any), no amendments to any material terms of the Project Documents will be made without the prior written consent of Lender, which consent shall not be unreasonably withheld, delayed or conditioned; and (f) upon delivery of any of the Project Documents, Borrower will deliver a copy of such Project Documents (or the original at the Lender's request) to Lender and will require each of the parties thereto as Lender may designate to execute and deliver to Lender a consent to this Assignment.

6. All notices, demands or documents that are required or permitted to be given or served hereunder shall be in writing and shall be deemed sufficiently given when delivered or mailed in the manner set forth in the Loan Agreement.

7. Any provision in the Loan Agreement that pertains to this Assignment shall be deemed to be incorporated herein as if such provision were fully set forth in this Assignment. In the event of any conflict between the terms of this Assignment and the terms of the Loan Agreement, the terms of the Loan Agreement shall prevail. A provision in this Assignment shall not be deemed to be inconsistent with the Loan Agreement by reason of the fact that no provision in the Loan Agreement covers such provision in this Assignment.

8. This Assignment is made for collateral purposes only (i.e., as concurrent security for the obligations evidenced in the Loan Documents), and the duties and obligations of Borrower under this Assignment shall terminate when all sums due Lender under the Loan Documents are paid in full and all obligations, covenants, conditions and agreements of Borrower contained in the Loan Documents are performed and discharged.

9. This Assignment shall be governed by the laws of the State of California. To the greatest extent permitted by law, Borrower hereby waives any and all rights to require marshaling of assets by Lender.

10. It is expressly intended, understood and agreed that this Assignment and the other Loan Documents are made and entered into for the sole protection and benefit of Borrower and Lender and their respective successors and assigns (but in the case of assigns of Borrower, only to the extent of assignments thereof to affiliates of Borrower which are to undertake the development and financing of the Project as permitted in the Loan Agreement); that no other person or persons shall have any right at any time to action hereon or rights to the proceeds of the loan evidenced and secured by the Loan Documents; that such loan proceeds do not constitute a trust fund for the benefit of any third party; that no third party shall under any circumstances be entitled to any equitable lien on any such undisbursed loan proceeds at any time and that Lender shall have a lien

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upon and right to direct application of any such undisbursed loan proceeds as provided in the Loan Documents.

11. The relationship between Lender and Borrower is solely that of a lender and borrower, and nothing contained herein or in any of the Loan Documents shall in any manner be construed as making the parties hereto partners, joint venturers or any other relationship other than lender and borrower.

12. Borrower and Lender intend and believe that each provision in this Assignment comports with all applicable local, state or federal laws and judicial decisions. However, if any provision or provisions or if any portion of any provision or provisions in this Assignment is found by a court of law to be in violation of any applicable local, state or federal ordinance, statute, law, administrative or judicial decision or public policy, and if such court should declare such portion, provision or provisions of this Assignment to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent both of Borrower and Lender that such portion, provision or provisions shall be given force to the fullest possible extent that they are legal, valid and enforceable, that the remainder of this Assignment shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were not contained therein and that the rights, obligations and interests of Borrower and Lender under the remainder of this Assignment shall continue in full force and effect.

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IN WITNESS WHEREOF, Borrower has duly executed this Assignment on the day and year first above written.

SUGAR PINE HOUSING, LLC, a California limited liability company

By: _____
Ann Silverberg, Vice President

DocuSign Envelope ID: 4209C2BB-5A4F-4577-98DF-7CA7252C6B4C

Schedule 1

Form of Contractor's Consent (including Architect)

CONSENT AND AGREEMENT OF CONTRACTOR

The undersigned Contractor hereby acknowledges and consents to the assignment to the **City of South Lake Tahoe**, a municipal corporation, (the "**City**") of its contract with _[PHASE-RELATED OWNER ENTITY]_, entitled "_____ ____," dated _____ ____, 201_ (the "**Contract**"), pursuant to that certain Assignment of Project Documents (the "**Assignment**") that serves as security for a loan from the City ("**Lender**") to _[PHASE-RELATED OWNER ENTITY]_ ("**Borrower**"). Contractor agrees to recognize, honor and be bound by the terms, provisions and conditions of the Assignment.

1. The Contractor agrees:

    a. to furnish to Lender copies of all written notices of default given by Contractor to Borrower with respect to any failure of Borrower to perform under the Contract, and, anything in the Contract to the contrary notwithstanding, Borrower shall never be treated as being in breach of its obligations under the Contract unless and until notice of the claimed breach has been given to Lender and Lender has been given a reasonable opportunity to cure any such breach after receipt of said notice from the Contractor;

    b. to accept any such performance by Lender as performance by the Borrower; and

    c. so long as Lender commences to cure or cause to be cured any such breach, and the cure is carried on with due diligence (or in the case of a breach of Borrower's payment obligations to the Contractor, so long as Lender pays or causes to be paid any sums payable from time to time by Borrower to Contractor under the Contract within a reasonable time after the same become due), then Contractor will continue to meet its obligations fully under the Contract and will not terminate the Contract, suspend work thereunder or place a lien or encumbrance on the Project.

2. The Contractor acknowledges and agrees that Lender shall have no obligation to commence or continue the cure of any such breach or to pay or perform any obligation of Borrower to the Contractor except to the extent provided in the foregoing Assignment.

3. The Contractor waives all recourse against Lender for all claims, whether

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for amounts due or otherwise, which it may have against Borrower first accruing or arising prior to any Event of Default under the Borrower's Loan Documents with Lender.

4. The Contractor hereby expressly waives all provisions in the Contract that would impair, hinder or prevent the making of the Assignment by Borrower or the enforcement thereof by Lender.

5. The Contractor hereby represents and warrants to Lender that the Contract is in full force and effect on the date hereof and has not been amended or modified and that there are no uncured breaches thereof by any party thereto.

6. The Contractor further agrees that:

    a. Without the prior written approval of Lender, the Contractor will not enter into any agreement terminating, amending or modifying the terms, provisions or conditions of the Contract in any material respect;

    b. Without the prior written approval of Lender, the Contractor will not transfer or assign the Contract;

    c. Contractor will deliver simultaneously to Lender copies of all change order requests delivered to Borrower;

    d. Upon any Event of Default shall occur under any of the Loan Documents between Borrower and Lender, Lender shall have an absolute right to use and copy all drawings, plans, work products, including all copyrights and other rights relating thereto, and/or specifications and other materials prepared by or for the Contractor with respect to the Project; and

    e. Upon Lender's request, the Contractor will provide Lender a schedule showing all amounts earned by the Contractor under the Contract.

7. All notices, requests, demands, approvals, or other communications given hereunder or in connection with this Agreement shall be in writing and shall be deemed given when delivered by hand or sent by registered or certified mail, return receipt requested, addressed as follows:

If to Contractor:

[*INSERT NAME AND ADDRESS*]

If to Lender: City of South Lake Tahoe

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1901 Lisa Maloff Way,
South Lake Tahoe, CA 96150
Attention: Joseph D. Irvin, City Manager

With a copy to: City Attorney
City of South Lake Tahoe
1901 Lisa Maloff Way, Suite 300
South Lake Tahoe, CA 96150

A copy of all notices under this Agreement shall also be delivered to the Borrower.

If to Borrower: [PHASE-RELATED OWNER ENTITY]

8. This Consent and Agreement of Consultant shall bind the Consultant and its representatives, successors and assigns, and shall inure to the benefit of Lender and Lender's successors and assigns, including, without limitation, any subsequent holder of the Note.

9. All capitalized terms used herein shall have the meanings ascribed such terms in the Loan Agreement unless otherwise expressly defined herein.

Executed as an instrument under seal this ____ day of _____, 2021.

CONSULTANT:

[NAME OF CONSULTANT]

By: _____
Name: _____
Title: _____

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: June 7, 2022
Agenda Item #: 17

Agenda Item: Revised Resolution for the Grant Application to the State Department of Parks and Recreation Rural Recreation and Tourism Program Towards Construction of the City of South Lake Tahoe Recreation and Aquatics Center

Executive Summary: On June 15, 2021 City Council approved a resolution to submit an application to the State Department of Parks and Recreation through Proposition 68 Rural Recreation and Tourism Program in the amount of $3,000,000 towards construction costs of the new Recreation and Aquatics Center. On January 20, 2022 the application was submitted. On May 24, 2022 staff received an email from the Department of Parks and Recreation stating our application is under review and requires a few revisions or additional documentation. One of the revisions is an updated Resolution naming the proposed project in the Resolution. This item is before City Council to authorize the revised formal resolution originally approved on June 15, 2021 to include the proposed project name in the title of the Resolution.

Requested Action / Suggested Motions: Pass a Revised Resolution approving the grant application to the State Department of Parks and Recreation Rural Recreation and Tourism Program for $3,000,000 towards construction of the City of South Lake Tahoe Recreation and Aquatics Center.
Responsible Staff Member: Lori Marino, Principal Management Analyst

Responsible Staff Member: Lori Marino, Principal Management Analyst (530) 542-7410

Reviewed and Approved By:
Olga Tikhomirova, Director of Finance
Susan Blankenship, City Clerk
Heather Stroud, City Attorney

Attachments:

01-Staff Report - Revised Resolution Recreation Center Grant Funds.docx
02-Resolution - Revised Resolution Recreation Center Grant Funds.docx
03- Original Resolution 2021-047 RRT.pdf

City of South Lake Tahoe
Report to **City Council**

Meeting Date: June 07, 2022

Title: Revised Resolution for the Grant Application to the State Department of Parks and Recreation Rural Recreation and Tourism Program Grant Funds Towards Construction of the South Lake Tahoe Recreation and Aquatics Center.

Location: 56 Acres Property / 1000 Rufus Allen Blvd.

Responsible Staff Member: Lori Marino, Principal Management Analyst (530) 542- 7410

Background:

On June 15, 2021 City Council approved a resolution to submit an application to the State Department of Parks and Recreation through Proposition 68 Rural Recreation and Tourism Program in the amount of $3,000,000 towards construction costs of the new Recreation and Aquatics Center. On January 20, 2022 the application was submitted.

Issue and Discussion:

On May 24, 2022 staff received an email from the Department of Parks and Recreation stating our application is under review and requires a few revisions or additional documentation. One of the revisions is an updated Resolution naming the proposed project in the Resolution. This item is before City Council to authorize the revised formal resolution originally approved on June 15, 2021 to include the proposed project name in the title of the Resolution. Staff also submitted the final CEQA Notice of Determination, and final approved 56-Acre Agreement for Development, Operation, and Maintenance between the City and El Dorado County, along with updated Cost Estimate Form and Project Timeline Form. After a site visit by the State on June 2, 2022 and submittal of this revised Resolution, the State will continue the application review and consideration for funding.

Financial Implications:

If grant funds are awarded, the City will be better positioned to reduce the bond amount originally anticipated for construction costs thereby better positioning the City to leverage Measure P funds for future recreation projects. There are no additional match requirements necessary for this application, as the cost of the project far exceeds the grant request.

Environmental Considerations:

On January 18, 2022, the City Council adopted the Initial Study/Mitigated Negative Declaration (IS/MND) for the 56 Acres Master Plan and South Lake Tahoe Recreation and Aquatics Center

Project, and determined that under the California Environmental Quality Act (CEQA), the IS/MND adequately addresses the environmental impacts of the proposed project and no further environmental analysis is required.

Policy Implications:

Per Financial Management- Grant Funding and Compliance Policy approved by City Council on Sept. 8, 2020; section 2.3 City Council Approval to Apply: City Council approval to apply is required for ALL Grant Applications. A detailed staff report and a resolution (if required) should be brought forth to City Council for Council approval/adoption.

Resolution 2022-XXX

Adopted by the City of South Lake Tahoe
City Council

June 07, 2022

Approving the application to the State Department of Parks and Recreation Rural Recreation and Tourism Program Grant Funds towards construction of the new City of South Lake Tahoe Recreation and Aquatics Center
(Replacing Resolution 2021-047)

BACKGROUND

A. The State Department of Parks and Recreation has been delegated the responsibility by the Legislature of the State of California for the administration of the Rural Recreation and Tourism Grant Program, setting up necessary procedures governing the application(s).

B. Procedures established by the State Department of Parks and Recreation require the Applicant's City Council to certify by resolution the approval of the application before submission of said application to the State.

C. The successful applicant will enter into a contract with the State of California to complete the Grant Scope project which is funding towards the construction of the new City of South Lake Tahoe Recreation and Aquatics Center.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Approves the filing of an application for the construction of the new City of South Lake Tahoe Recreation and Aquatics Center through the Rural Recreation and Tourism Program Grant Funds, and:
2. Certifies that said Applicant has or will have available, prior to commencement of any work on the project included in this application, the sufficient funds to complete the project.
3. Certifies that if the project is awarded, the Applicant has or will have sufficient funds to operate and maintain the project.
4. Certifies that the Applicant has reviewed understands and agrees to the General Provisions contained in the contract shown in the Grant Administration Guide.
5. Delegates the authority to the City Manager, or designee to conduct all negotiations, sign and submit all documents, including, but not limited to applications, agreement, amendments, and payment requests, which may be necessary for the completion of the grant scope.

6. Agrees to comply with all applicable federal, state and local laws, ordinances, rules, regulations, and guidelines.
7. Will consider promoting inclusion per Public Resource Code §80001(b)(8 A-G).

Adopted by the City of South Lake Tahoe City Council on June 07, 2022 by the following vote:

Yes:

No:

Absent:

Abstain:

_____ Date: _____

Devin Middlebrook, Mayor

Attest:

_____

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

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Resolution 2021-047

Adopted by the City of South Lake Tahoe City Council

June 15, 2021

Approving the application for the State Department of Parks and Recreation Rural Recreation and Tourism Program Grant Funds

BACKGROUND

A. The State Department of Parks and Recreation has been delegated the responsibility by the Legislature of the State of California for the administration of the Rural Recreation and Tourism Grant Program, setting up necessary procedures governing the application(s).

B. Procedures established by the State Department of Parks and Recreation require the Applicant's City Council to certify by resolution the approval of the application before submission of said application to the State.

C. The successful applicant will enter into a contract with the State of California to complete the Grant Scope project.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of South Lake Tahoe Approves the filing of project application for the Rural Recreation and Tourism Program Grant Funds, and:

1. Certifies that said Applicant has or will have available, prior to commencement of any work on the project included in this application, the sufficient funds to complete the project.
2. Certifies that if the project is awarded, the Applicant has or will have sufficient funds to operate and maintain the project.
3. Certifies that the Applicant has reviewed understands and agrees to the General Provisions contained in the contract shown in the Grant Administration Guide.
4. Delegates the authority to the City Manager, or designee to conduct all negotiations, sign and submit all documents, including, but not limited to applications, agreement, amendments, and payment requests, which may be necessary for the completion of the grant scope.
5. Agrees to comply with all applicable federal, state and local laws, ordinances, rules, regulations, and guidelines.
6. Will consider promoting inclusion per Public Resource Code §80001(b)(8 A-G).

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Passed & Adopted by the City of South Lake Tahoe City Council on June 15, 2021 by the following vote:

Yes: Bass, Middlebrook and Wallace

Recused: Creegan and Friedrich

_____ Date: 6/16/2021

Tamara Wallace, Mayor

Attest:

_____

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: June 7, 2022
Agenda Item #: 18

Agenda Item: Tahoe Resource Conservation District, Tahoe Network of Fire Adapted Communities Sub-Recipient Grant Application

Executive Summary: The TRCD has again approached the city to be a sub-recipient for the 2022 season to assist the city with our defensible space program. The TRCD requires submittal of a sub-recipient grant application for approval to initiate a grant award. This is non-competitive funding. Staff is seeking City Council approval to submit a grant application in the amount of $101,693.58 to the TRCD to hire three part-time/ grant funded, Defensible Space Inspectors for a term of seven months, and authorize the City Manager or designee to sign and submit all documents, including but not limited to applications, agreement amendments, payment requests, and necessary documents for the completion of the grant scope.

Requested Action / Suggested Motions: Pass a Resolution authorizing submittal of a sub-recipient grant application to the Tahoe Recourse Conservation District in the amount of $101,693.58 for the hiring of three part-time/grant funded, Defensible Space Inspectors for a term of seven months.
Responsible Staff Member: Jay Manning, Battalion Chief and Lori Marino, Principal Management Analyst

Responsible Staff Member: Jay Manning, Battalion Chief (530) 542-6164, and Lori Marino, Principal Management Analyst (530) 542-7410

Reviewed and Approved By:
Susan Blankenship, City Clerk
Olga Tikhomirova, Director of Finance
Heather Stroud, City Attorney

Attachments:

01-Staff Report TRCD Defensible Space Inspector Funding.docx
02-Resolution TRCD Defensible Space Inspector Funding.docx

City of South Lake Tahoe
Report to **City Council**

Meeting Date: June 7, 2022

Title: Tahoe Recourse Conservation District, Tahoe Network of Fire Adapted Communities Sub-Recipient Grant Application

Location: Citywide

Responsible Staff Members: Jay Manning, Battalion Chief (530) 542-6164, and Lori Marino, Principal Management Analyst (530) 542-7410

Background: Tahoe Resource Conservation District (TRCD) was awarded a grant in the amount of $5,826,125.00 from the Bureau of Land Management, through round 16 of the Southern Nevada Public Land Management Act (SNPLMA) for fire fuels reductions and similar services as a collaborative effort within the Tahoe Network of Fire Adapted Communities (TNFAC).

In February 2021, TRCD approached SLTFR regarding funding available as a sub-recipient through this round 16 SNPLMA funding to assist in the City's efforts within the TNFAC. The funding approved in 2021 to the City, funded the hiring of two, temporary, part-time Defensible Space Inspectors, whose salaries were paid from the grant funding. Funding created a Defensible Space Inspection Program for the City of South Lake Tahoe that allowed us to inspect 2,279 properties for defensible space of which 1,034 were compliant and interacted 88 times with residents sharing information about proper defensible space around homes through this unique grant opportunity.

The TRCD has again approached the city to be a sub-recipient for the 2022 season to assist the city with our defensible space program. The TRCD requires submittal of a sub-recipient grant application for approval to initiate a grant award. This is non-competitive funding. Staff is seeking City Council approval to submit a grant application in the amount of $101,693.58 to the TRCD to hire three temporary, part-time/ grant funded, Defensible Space Inspectors for a term of seven months, and authorize the City Manager, or Fire Chief to sign and submit all documents, including but not limited to applications, agreement amendments, payment requests, and necessary documents for the completion of the grant scope.

Issue and Discussion: South Lake Tahoe Fire Rescue intends to utilize three Defensible Space Inspectors to carry out TNFAC operations within the City of South Lake Tahoe city limits. During inspections, the Defensible Space Inspectors will provide information on defensible space compliance, free curbside chipping as well as engage

and identify neighborhood leaders and look to prioritize community assistance funds to the community. They will also follow up with re-inspections of properties to confirm and track compliance across parcels.
South Lake Tahoe Fire Rescue will be identifying target hazard areas annually where they plan to inspect whole neighborhoods within the city. SLTFR will be working closely with the California Tahoe Conservancy and look to align and prioritize work with their staff.

SLTFR Defensible Space Inspectors will coordinate outreach and education to target neighborhood leaders and establish Fire Adapted Communities within the targeted neighborhoods within the community. South Lake Tahoe Fire Rescue will also be encouraging these FAC's to become recognized FIREWISE communities as well.

SLTFR is only requesting a seven-month grant at this time to assist the TRCD with remaining grant funds available for the final seven months of the grant period. The TRCD has been notified that the SNPLMA round 18 funding for the next five years has been awarded and will begin funding in March of 2023. City staff will be bringing back this new grant next year for a multi-year award to continue the defensible space inspection efforts within the city.

Financial Implications: Application submitted will be in an amount of $101,693.58 to fund the following costs:
Salaries: $74,775.39
Benefits (13%): $11,173.32
Mileage: $1,500.00
Supplies: $5,000.00
TRCD Grant Admin Cost: $9,244.87
Funds will be reimbursed in arrears on a quarterly basis.

Upon award, funds should be appropriated into the Fiscal Year 2021-22 budget as follows:
Account# 100 02240
Revenue 33320: TRCD $92,448.71 (grant amount less TRCD Grant Admin cost)
Expense 41020: Temporary/Part time $74,775.39
41XXX: PR Benefits $11,173.32
Add other costs $6,500.00

Environmental Considerations: Defensible space provides a fuel buffer for structures and other flammable fuels as well as

provides firefighters access from which to defend a threatened area. The proposed action of applying for the grant funds is not a "project" under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15378(b)(2) because it is a continuing administrative or maintenance activity such as purchases for supplies and personnel-related actions.

Policy Implications: Per Financial Management- Grant Funding and Compliance Policy approved by City Council on Sept. 8, 2020; section 2.3 City Council Approval to Apply: City Council approval to apply is required for ALL Grant Applications. A detailed staff report and a resolution (if required) should be brought forth to City Council for Council approval/adoption.

Resolution 2022-XXX

Adopted by the City of South Lake Tahoe
City Council

June 07, 2022

TRCD Tahoe Network of Fire Adapted Communities Sub-Recipient Grant Application

BACKGROUND

A. Tahoe Resource Conservation District (TRCD) was awarded a grant in the amount of $5,826,125.00 from the Bureau of Land Management, through round 16 of the Southern Nevada Public Land Management Act (SNPLMA) for fire fuels reductions and similar services as a collaborative effort within the Tahoe Network of Fire Adapted Communities (TNFAC).

B. The TRCD has available funding to pass-through to South Tahoe Fire Rescue as a Sub-recipient to fund the hiring of three, temporary, part-time Defensible Space Inspectors, whose salaries will be paid from the grant funding.

C. The South Tahoe Fire Rescue will enter into an agreement with the Tahoe Resource Conservation District to carry out City of South Lake Tahoe, Defensible Space Inspection Program.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Approves the filing of an application in the amount of $101,693.58 for “Defensible Space Inspection Program”
2. Certifies that the City of South Lake Tahoe has or will have sufficient funds to operate and maintain the project.
3. Certifies that if approved, funds under the jurisdiction of The City of South Lake Tahoe are available to begin the project.
4. Certifies that said applicant will expend grant funds in accordance with Grant Sub-Recipient Agreement Between Tahoe Resource Conservation District and the City of South Lake Tahoe.
5. Appoints City Manager or a designee to conduct all negotiations, execute and submit all documents including, but not limited to applications, agreements, amendments, payment requests and so on, which may be necessary for the completion of the aforementioned project.
6. Accepts the grant funds and authorize the Finance Director to appropriate the funds into the Fiscal Year 2021-2022 budget as described in the staff report.

Adopted by the City of South Lake Tahoe City Council on June 07, 2022 by the following vote:

Yes:
No:
Absent:
Abstain:

_____ Date:_____
Mayor Devin Middlebrook

Attest:

_____
Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: June 7, 2022
Agenda Item #: 19

Agenda Item: Acceptance of Grant Award from CalRecycle for SB 1383 Local Assistance Grant Program

Executive Summary: CalRecycle has offered noncompetitive grants to municipalities in support of Senate Bill 1383 "Short Lived Climate Pollutants" compliance through their SB 1383 Local Assistance Grant Program. The funds will be used for staff in working with commercial food waste generators on diversion efforts, and necessary outreach and education pertaining to the new mandate. The City applied for $31,700 grant and was offered an award of $34,005.

Requested Action / Suggested Motions: Pass a Resolution accepting a grant award in the amount of $34,005 from CalRecycle's SB 1383 Local Assistance Grant Program to be used towards sustainability education, outreach and related personnel costs.
Responsible Staff Member: Sara Letton, Sustainability Coordinator

Responsible Staff Member: Sara Letton, Sustainability Coordinator, 530-542-6175

Reviewed and Approved By:
Susan Blankenship, City Clerk
Olga Tikhomirova, Finance Director
Heather Stroud, City Attorney

Attachments:

01-Staff Report CalRecycle Grant Acceptance.docx
02-Resolution CalRecycle Grant Final Acceptance.docx

City of South Lake Tahoe
Report to **City Council**

Meeting Date: June 7, 2022

Title: Acceptance of Grant Award from CalRecycle for SB 1383 Local Assistance Grant Program

Location: Citywide

Responsible Staff Member: Sara Letton, Sustainability Coordinator, 530-542-6175

Background: In September 2016, Governor Edmund Brown Jr. set methane emissions reduction targets for California (SB 1383 Lara, Chapter 395, Statutes of 2016) in a statewide effort to reduce emissions of short-lived climate pollutants (SLCP). SB 1383 sets targets to reduce organic waste disposal by 50 percent by 2020 and 75 percent by 2025. at the law also includes a target to recover at least 20 percent of currently disposed of surplus food by 2025 for human consumption.

The Department of Resources Recycling and Recovery (CalRecycle) is administering a one-time grant program meant to provide aid in the implementation of regulations adopted by CalRecycle pursuant to SB 1383 and SB170 Budget Act of 2021. This non-competitive grant program provides $57,000,000 of funding to local jurisdictions to assist with the implementation of regulatory requirements associated with SB 1383, including but not limited to:

- Capacity Planning
- Collection
- Edible Food Recovery
- Education and outreach (for organic waste & edible food recovery requirements)
- Enforcement and Inspection
- Program Evaluation/Gap Analysis
- Procurement Requirements
- Record Keeping

Issue and Discussion: The City of South Lake Tahoe is eligible for the CalRecycle grant because we have adopted an enforceable ordinance implementing SB 1383 (City Council Ord. No. 2021-1157). The grant amount is based on agency population. The City is initially told we were eligible to receive $31,700 and we were recently notified that we were eligible for $34,005. There is no requirement for matching funds. The grant originally grant application was submitted by February 1, and a Resolution supporting the application was submitted by March 1, 2022.

Staff met with staff from South Tahoe Refuse to determine the best use of the grant funds. The City intends to use these grant funds towards education and outreach and related personnel costs. Education and outreach will focus on commercial generators of organic waste and on visitors to our City, as both groups have been identified as needing more assistance with the new

requirements than residential generators. Personnel responsible for this program will include our Sustainability Coordinator, with support from Park Rangers (formerly Youth Ambassadors), a seasonal program that the City initiated in Summer 2021 and plans to continue this year. The Park Ranger program is a collaboration with Lake Tahoe Community College and South Tahoe High School to provide job opportunities to local youth with a focus on interacting with park users in heavily used recreational sites within the City to encourage good stewardship of our natural surroundings, including proper trash disposal.

The City of South Lake Tahoe received a high-elevation waiver from the requirement to separate and recover food waste and food-soiled paper starting January 1, 2022. However, this grant can assist with the overall program goal and public education.

Financial Implications: There are no matching grant fund requirements. If awarded, funds should be appropriated into the FY 2021/2022 budget, account 100-01967 Sustainable South Lake Tahoe, as follows:

Cal Recycle Revenue 33243: $34,005

Sustainability Expenses 44039: $6,700

Operating Transfer out for Staff Time Reimbursement 50001: $27,305

Environmental Considerations: The appropriation of funds for the above-mentioned projects is not a project requiring review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15378(b)(4) (creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment).

Policy Implications: The grant application will support the City's solid waste management efforts and support the SB 1383 organics diversion program.

Resolution 2022-XXX

Adopted by the City of South Lake Tahoe

City Council

June 7, 2022

Authorizing Acceptance of Grant Award from CalRecycle for Senate Bill 1383 Local Assistance Grant Program

BACKGROUND

A. Public Resources Code sections 48000 et seq., 14581, and 42023.1(g), authorize the Department of Resources Recycling and Recovery (CalRecycle) to administer various grant and payment programs in furtherance of the State of California's (state) efforts to reduce, recycle and reuse solid waste generated in the state thereby preserving landfill capacity and protecting public health and safety and the environment.

B. In furtherance of this authority, CalRecycle is required to establish procedures governing the administration of the payment programs and administration of the application, awarding, and management of the grant programs.

C. CalRecycle's procedures for administering payment and grant programs require, among other things, an applicant's governing body to declare by resolution certain authorizations related to the administration of CalRecycle grants and payment programs.

D. CalRecycle has released a Notice of Funds Available for a one-time grant program to provide aid to local jurisdictions in implementing regulations adopted by CalRecycle under Senate Bill (SB) 1383 regarding organic waste.

E. The City of South Lake Tahoe is eligible for the first round of funding under this grant because the City Council adopted an enforceable ordinance to implement SB 1383 (City Council Ord. No. 2021-1157), which became effective on January 1, 2022.

F. CalRecycle offered to award the grant in excess of the original estimate described in the February 1, 2022 resolution to Council authorizing ratification of the grant application, increasing the offer from $31,700 to $34,005.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Authorizes acceptance of the award from CalRecycle for SB 1383 local assistance grant funding in the amount of $34,005, with no local match required.

2. Authorizes and empowers City Manager or designee to execute in the name of the City of South Lake Tahoe all documents, including but not limited to, applications, agreements, amendments, and requests for payment, necessary to secure funds and implement the approved grant.

3. Authorizes a budget amendment for the CalRecycle grant of $34,005 with funds to be appropriated into the FY 2021/2022 budget account 100-01967 Sustainable South Lake Tahoe, as follows:

Cal Recycle Revenue 33243:	$34,005
Sustainability Expenses 44039:	$6,700
Operating Transfer Out for Staff Time Reimbursement 50001:	$27,305

Adopted by the City of South Lake Tahoe City County on June 7, 2022, by the following vote:

Yes:
No:
Absent:

_____ Date: _____

Devin Middlebrook, Mayor

Attest:

_____

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: June 7, 2022
Agenda Item #: 20

Agenda Item: Sugar Pine Village Building Permit Fee Reduction

Executive Summary: The Sugar Pine Village project is a proposed 248-unit affordable housing project, with onsite community service facilities on 11.6 acres of land owned located at 1888 Lake Tahoe Blvd and 1029 Tata Lane. The project developer is Related Companies of California, LLC. Since June 2020, the City of South Lake Tahoe has been an active partner in the development of the project. City has contributed $1,194,255 in Redevelopment Agency and HOME program income, a $1,250,000 loan for the purchase of land coverage, and partnered with the developer on multiple grant applications totaling $45,555,370. The developer is proposing to utilize factory built modular construction for the residential units and is requesting a reduction in building permit fees, justified by the reduced number of required onsite inspections and workload for City inspection staff. The recommended reduction is equal to 20 percent of the building permit fees associated with the modular construction valuation.

Requested Action / Suggested Motions: Pass a Resolution approving a 20 percent reduction in building permit fees for the Sugar Pine Village affordable housing project.
Responsible Staff Member: Hilary Roverud, Director of Development Services

Responsible Staff Member: Hilary Roverud, Director of Development Services (530) 542-6024

Reviewed and Approved By:
Susan Blankenship, City Clerk
Olga Tikhomirova, Director of Finance
Heather Stroud, City Attorney

Attachments:

01-Staff Report - Sugar Pine Village Fee Reduction.docx
02-Resolution - Sugar Pine Village Fee Reduction.docx

City of South Lake Tahoe
Report to **City Council**

Meeting Date: June 7, 2022

Title: **Sugar Pine Village building permit fee reduction**

Location: 1888 Lake Tahoe Blvd and 1029 Tata Lane

Responsible Staff Member: Hilary Roverud, Director of Development Services

Background: The Sugar Pine Village project is a proposed 248-unit affordable housing project, with onsite community service facilities on 11.6 acres of land owned by the State of California and managed by the California Tahoe Conservancy (Conservancy). This project is a result of the Governor's Executive Order N-06-19, which directed the California Department of General Services (DGS) to identify excess state properties as potential affordable housing development sites. In July 2020, the Conservancy announced the State had selected Related Companies of California LLC in partnership with the St. Joseph Community Land Trust to construct and manage the Sugar Pine Village project.

Since June 2020, the City of South Lake Tahoe has been an active partner in the development of the project. As a first step of financial commitment, the City Council at its November 17th, 2020 meeting authorized a $566,629 loan for predevelopment costs (Resolution 2020-109) and a $1,250,000 loan to purchase banked land coverage at the airport (Resolution 2020-110). The loans were funded by Program Income from repayments of loans from the Redevelopment Agency (RDA) Low- and Moderate-Income Housing Fund and the City's undesignated reserve fund, respectively. At its October 19, 2021 meeting the City Council also approved a $627,626 loan of HOME Program Income (Resolution 2021-081). This brings the City's total commitment toward the project to $2,444,255.

In addition to direct City commitments, the City has partnered with Related Development to secure $17,359,470 in Affordable Housing and Sustainable Communities (AHSC) grant funds and $5,000,000 in Permanent Local Housing Allocation (PLHA) grant funding.

Related California has also secured $20,000,000 in Multifamily Housing Program (MHP) funding and $3,195,900 in Infill Infrastructure Grant (IIG) funding so far in the financing phase of the project.

To date, approximately $40,000,000 in tax credits and grant applications have been applied for and secured using the City's initial approximate $1.8 million commitment as a local match.

Related California is phasing the financing and construction of the project into four phases. Phase 1A includes 68 residential units and a community building, Phase 1B 60 units, Phase 2A 60 units and Phase 2B 60 units. The table below summarizes the financing strategy for the first three phases and shows how the City contributions pair with other funding sources.

Sugar Pine Village
City Leveraged Funding

Source	Phase 1A	Phase 1B	Phase 2A	Total
City RDA Loan	566,629	-	-	566,629
City Coverage Loan	254,487		995,513	1,250,000
HOME PI Loan		625,000		625,000
Total City Funds	821,116	625,000	995,513	2,441,629
Federal Tax Credit Equity	17,651,379	21,744,524	15,716,202	55,112,105
State Tax Credit Equity	5,722,864	-	7,672,662	13,395,526
State MHP	12,127,500	7,448,016	-	19,575,516
State AHSC	-	-	10,551,967	10,551,967
State IIG	3,195,900	-	-	3,195,900
State PLHA	4,750,000	-	-	4,750,000
State HOME	-	5,162,446	-	5,162,446
State LGMG	4,000,000		6,000,000	10,000,000
Total Leveraged Funds	47,447,643	34,354,986	39,940,831	121,743,460

Committed	Applied For	Identified	N/A

Issue and Discussion: Sugar Pine Housing Partners, L.P. submitted a building permit application and construction plans for Phase 1a to the City on April 1, 2022. The City completed the plan review (Building, Planning, Fire, and Public Works) and provided corrections to the Sugar Pine design team on April 22nd. A revised set of plans was submitted by Sugar Pine Housing Partners, L.P. on May 9th and is currently (at this time of this report) under review. City staff is working with the Sugar Pine design team to ensure that construction plans and supplemental documentation is adequate for issuance of a building permit prior to the close of financing (June 13th).

Sugar Pine Housing Partners, L.P. is proposing to utilize factory built modular construction for the residential units. The majority of modular unit components are inspected during construction at the factory and certified by the Department of Housing and Community Development before they are transported to the construction site, which reduces the number of inspections required by the local jurisdiction. In addition, with several modular units being installed in a day during construction several inspections will be required throughout the day. To avoid delay in construction due to City staff inspection capacity, the applicant will be contracting with a third-party special inspector (deputy inspectors), approved by the City Building Official, to conduct those inspections. Local jurisdiction inspection is still required for all construction that takes place outside of the modular units and for their installation (i.e. site work, foundation, underground utilities, fire lines, weatherproofing, common areas, roofing, accessibility, etc.).

Building permit fees are calculated as 2% of a project construction valuation. For Phase 1a building permit fees are estimated to total approximately $620,000. This does not include fees collected by the City on behalf of the school district and state agencies. Due to reduced inspections required by the local jurisdiction, staff is recommending a reduction in building

permit fees for all phases of the project equal to 20% of the project valuation associated with the modular units. This reduction in fees is approximately $55,020 for Phase 1a and $49,075 for each subsequent phase for a total of approximately $202,245. Although inspection workload will be reduced due to the modular component of the project, a project of this size still requires significant City resources for plan review and inspection services. A resolution approving the reduction in building permit fees is included as Attachment 02.

Financial Implications: The attached resolutions, if adopted, would result in a reduction in building permit revenue by approximately $202,245. These funds would be considered local contribution to the Sugar Pine Village project and leveraged to obtain additional state and federal funding.

Environmental Considerations: For projects that satisfy criteria specified by SB 35, the guidelines issued by HCD specify that the California Environmental Quality Act (CEQA) does not apply to actions taken by a local government to provide financial assistance to a development that receives streamlined approval and that is to be used for housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code.

Policy Implications: The recommended actions are consistent with the City Strategic Plan which identifies supporting the Sugar Pine Village Project as Action Item 1.3.2.

The recommended action is also consistent with the following adopted policies and programs:

<u>City General Plan Housing Element</u>

Policy 1-1 The City shall adopt programs, ordinances, incentives, land use plans and other regulatory mechanisms that provide opportunities for the private sector to address the housing needs of citizens of all economic levels.

Policy 2-2 The City shall enable opportunities for deed-restricted affordable ownership housing to ensure long-term affordability.

Policy 2-5 The City shall recognize that it will become difficult to attract employees if they cannot afford to purchase or rent housing in South Lake Tahoe. The City shall encourage and support programs and activities that create a robust local economy that provides residents with good paying employment and the means to purchase and/or rent housing in the city.

Program 2-1 PURSUE STATE AND FEDERAL FUNDS
To support the creation of quality, affordable housing options for extremely low-, very low-, and low-income households, the City shall seek and when appropriate and feasible pursue grant opportunities for state and federal funds.

Program 2-6 ANALYSIS OF FEDERAL AND STATE LANDS
The City shall continue discussing the potential for developing quality workforce and affordable housing on non-environmentally sensitive lands owned by the California Tahoe Conservancy (CTC) and the United States Forest Service (USFS). The City shall ensure that important natural resources are protected and only pursue surplus lands that these agencies have

determined do not have a clear and compatible conservation or recreation purpose consistent with agency goals.

Tahoe Valley Area Plan

Policy H-1.1 – Housing Options
Provide for a range of housing options that include affordable, moderate-income, and workforce housing so that people can live and work in the City.

Policy H-1.5 – Redirection of Development
Direct high density residential development to areas of Tahoe Valley that are within walking distance of public transit and services.

Policy H-1.7 – Tahoe Livable Communities Program
Collaborate and support efforts of the California Tahoe Conservancy to remove blighted properties and repurpose associated development commodities. Encourage the use of residential commodities for affordable housing in Tahoe Valley area.

Policy H-2.1 – General
Encourage the creation of residential uses to support and add vitality to commercial and public service projects in the Tahoe Valley area.

Resolution 2022-XXX

Adopted by the City of South Lake Tahoe

City Council

June 7, 2022

Approving a reduction in building permit fees for the Sugar Pine Village affordable housing project

BACKGROUND

A. The City General Plan Housing Element (2014) identified a general disparity between wages and the cost of housing in South Lake Tahoe. There is a need for new housing construction to serve low, very low, and extremely low income residents due to 36.1 percent of City residents in these income categories having a cost burden greater than 30 percent and 19.8 percent having a cost burden greater than 50 percent between 2006 and 2010.

B. To address the shortage of housing for Californians, Governor Newsom ordered the Department of General Services (DGS) and the Department of Housing and Community Development (HCD) to identify and prioritize excess state-owned property and aggressively pursue sustainable, innovative, cost-effective housing projects (Executive Order N-06-19).

C. Through a competitive Request for Proposal process, the State of California has selected the Related California and Saint Joseph Community Land Trust team to develop the Sugar Pine Village project ("Project") located at 1860 Lake Tahoe Blvd and 1029 Tata Lane in South Lake Tahoe. The Project will include 248 rental units available to low and very low income households.

D. Related California is a real estate firm with 30 years of experience delivering affordable housing, mixed-income housing, and mixed-use developments across California. The company has more than 16,000 residences completed or under construction, 13,000 of which are affordable for either low or very low income households.

E. Related California has provided a financing strategy for the development of the Sugar Pine Village, a 248 unit housing project affordable to low and very low income households, which includes a combination of tax credit equity, private loan financing, local government contributions and state and federal housing program sources.

F. Related California has made a request on behalf of the project team, for a reduction in building permit fees as a local contribution to the Project. Local contributions reduce project costs and are used to leverage funding from other sources.

G. Related California is proposing to utilize factory built modular construction for the residential units which reduces the number of required onsite inspections.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Affirms that the above recitals are true and correct,
2. Approves the reduction in building permit fees for the Sugar Pine Village affordable housing project equal to 20% of total building permit fees associated with the construction valuation of the modular units.

Adopted by the City of South Lake Tahoe City Council on June 7, 2022 by the following vote:
Yes:
No:
Absent:
Abstain:

_____ Date:_____

Devin Middlebrook, Mayor

Attest:

_____

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: June 7, 2022
Agenda Item #: 21

Agenda Item: Discussion of Single-Use Plastics Regulations

Executive Summary: Single-use plastics are a significant source of waste and pollution and can have environmental impacts including on water quality. Consistent with the 2021-2026 Strategic Plan, City Council is asked to provide direction on possible actions to increase regulation of single-use plastics, including: (1) increasing outreach and enforcement on existing City regulations; (2) adopting an ordinance to take on a City enforcement role in the new state law on single-use foodware; (3) amending the City's current Polystyrene and Plastic Food Packaging Ordinance to make it more stringent; and/or (4) adopting an ordinance to prohibit the sale of certain single-use plastic items, such as utensils and beverage bottles.

Requested Action / Suggested Motions: Receive report and provide direction to staff on potential actions.
Responsible Staff Member: Heather Stroud, City Attorney

Responsible Staff Member: Heather Stroud, City Attorney (530) 542-6046

Reviewed and Approved By:
Susan Blankenship, City Clerk
Olga Tikhomirova, Finance Director

Attachments:

01 - Staff Report on Single Use Plastics.docx
02 - Letter from League to Save Lake Tahoe.pdf
03 - Single-Use Plastics Presentation.pptx

City of South Lake Tahoe
Report to **City Council**

Meeting Date: June 7, 2022

Title: Discussion of Single-Use Plastic Regulations

Location: Citywide

Responsible Staff Member: Heather L. Stroud, City Attorney (530) 542-6046

Background: Single-use plastics are a significant source of waste and pollution because of the sheer volume of these products produced and used by consumers and the long amount of time they exist in the environment after their short useful life ends. Single-use plastics are generally defined as goods made primarily from petrochemicals that are meant to be disposed of right after use. These include items such as plastic straws, coffee stir sticks, shopping bags, beverage bottles, and packaging. Discarded plastics are particularly damaging to water quality because they don't really break down or decompose; they just break apart eventually into microplastics that end up washed downstream into waterbodies.

The City's location in the Lake Tahoe Basin makes us stewards of this internationally treasured resource. The City Council has recognized waste management and stewardship as priority Goal 3.4 in the 2021-2026 Strategic Plan, which includes Action Item 4, to "evaluate the option to ban certain single-use plastics, especially water bottles."

The City has already taken significant steps in regulating single-use plastics:

- In 2013, the City Council became one of the first cities in California to regulate single-use plastic bags, by adopting Ordinance No. 1061.

- In 2018, the City Council adopted the Polystyrene and Plastic Food Packaging Ordinance, codified at South Lake Tahoe City Code chapter 4.175. This ordinance prohibits "food providers" from providing plastic utensils, straws, or stirrers except upon request, and from providing polystyrene food containers. It also prohibits vendors from selling polystyrene products including coolers, cups, bowls, plates, and packing peanuts, and prohibits the use of polystyrene at City facilities and special events.

- In 2021, the City Council repealed its single-use plastic bag regulations to instead follow state law adopted in 2016, which is applicable to more types of establishments.

Additionally, the California Legislature has been active in regulating single-use plastics in recent years:

- In 2016, the state implemented a single-use plastic bag ban, codified in Public Resources Code sections 42280-42288. This law prohibits most grocery stores, large retail stores with a pharmacy, and convenience stores that sell food and alcoholic beverages from providing their customers with bags designed for a single use only, unless those bags are made with recycled paper. These stores may provide customers with certified reusable grocery bags and must charge at least 10 cents for each reusable plastic or recycled paper bag. Cities may enforce the state law with civil penalties up to $1,000 per day. As mentioned above, the City follows this law.

- In 2021, the Legislature passed the Single-Use Foodware Accessories and Condiments law, codified at Public Resources Code sections 42270-42273, which became effective on January 1, 2022. This law prohibits a "food facility" from providing single-use plastic items except on request. This covers items such as utensils, straws, stirrers, and condiment cups and packets. This law requires cities to designate an enforcement agency with $25 fines for each day in violation, up to $300 per year. The law includes a savings clause that allows cities to adopt stricter regulations.

- Senate Bill 54, titled the Plastic Pollution Producer Responsibility Act, was first introduced in 2020 and is pending in the Legislature. This bill would prohibit the sale, distribution, or importing into California any single-use, non-recyclable or non-compostable disposable packaging and food ware service products manufactured after January 1, 2032.

In September 2021, the League to Save Lake Tahoe sent a letter to the City proposing a ban on single-use plastic water bottles with examples from other cities, which is attached to this agenda item for reference.

Issue and Discussion: Consistent with Strategic Plan Action Item 4, this item is being brought forward to discussion to get direction from City Council on desired further actions.

Staff, with the assistance South Tahoe High School Senior Darby Creegan (as part of her senior project) have identified the following potential actions for City Council discussion, in order from least to most resource-intensive to implement:

- Increase outreach and enforcement on existing City regulations. The League to Save Lake Tahoe has assisted with outreach efforts in the past.

- Adopt ordinance to take on City enforcement role for state Single-Use Foodware Accessories and Condiments law.

- Adopt ordinance to prohibit single-use plastics, including water bottles, at City facilities and special events.

- Modify Polystyrene and Plastic Food Packaging Ordinance to make it more stringent. Possibilities include: removing exceptions for hardship and raw food packaging; prohibiting single-use plastics at food providers even when requested; and/or include plastic beverage bottles in the ban applicable to food providers.

- Adopt ordinance to prohibit sale of certain single-use plastic items, such as utensils and beverage bottles.

Financial Implications: None.

Environmental Considerations: Providing direction to staff on possible future regulations is not a “project” subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15307 (actions by regulatory agencies for protection of natural resources) and 15308 (actions by regulatory agencies for protection of the environment).

Policy Implications: This item advances progress on Strategic Plan Goal 3.4, Waste Management and Stewardship, Action Item 4 “Evaluate the option to ban certain single-use plastics, especially water bottles.”

To: City of South Lake Tahoe - City Manager, City Attorney, Mayor Pro Tem
From: League to Save Lake Tahoe, 100% Renewable Committee, and Sierra Nevada Alliance
Re: Proposal to implement City Strategic Plan Goal 3.4 with a municipal ban of plastic water bottles

Proposal

Prohibit the use of City funds to purchase single-use plastic water bottles and prohibit the sale of plastic water bottles on City property and by City-permitted vendors and lessees. Exemptions would be made for emergency situations. Compliance would be the same as existing plastic bag, polystyrene, and single-use utensil and straw ordinances. Increasing the number and visibility of public water bottle filling stations is a key aspect of this proposal that our coalition will work with the City and private partners in implementing.

Purpose and Need

The City of South Lake Tahoe's vision identifies the need to emphasize environmental sustainability. Some of the largest impacts to our environment come from the improper disposal of single-use products, especially petroleum-based materials. The City has demonstrated leadership in addressing this issue by banning single-use plastic bags in 2015, before the statewide ban, and passing an ordinance banning polystyrene products and requiring single-use utensils and plastic straws by request only in 2018. The City has also continued to work with the League and other groups to reach out to and educate residents and visitors about the ordinances and the need to work together to reduce trash in the environment.

Plastic bottles are now one of the top five types of litter found in Tahoe and the South Shore. Since 2014, League volunteers and community members have removed 10,864 plastic bottles picked up at cleanups, and 18,392 plastic bottle caps. Plastics left in the environment do not biodegrade, rather photodegrade and break to smaller and smaller pieces in the sun, which lead to microplastics which are now present in Lake Tahoe. Plastics in the broken down state are harmful as they leach toxic chemicals and look like food to wildlife. During cleanups, volunteers have reported wildlife scat entangled with plastic.

Americans currently buy half a billion bottles of water every week, enough to circle the globe twice. We consume more bottles of water than any other nation. Every single second, 1,000 people open a bottle of water in the U.S. An estimated 85% of water bottles purchased end up in landfills or the environment each year. A plastic bottle takes centuries to decompose.

Each plastic water bottle uses an average of 25% of the bottle capacity filled with petroleum just to produce the bottle. It takes three times the volume of a water bottle to get one single bottle to the consumer. Aside from their manufacture, single-use bottles have significant environmental impacts throughout their lifecycle. The bottles require significant energy to transport and dispose of.

Tahoe Tap is world renowned and award-winning for its quality and taste. Many people drink bottled water because they believe it to be of a higher quality, cleaner and better-tasting, but that perception is not necessarily accurate, especially in Tahoe. The EPA regulates tap water and requires multiple daily tests while the FDA regulates bottled water and only requires weekly testing, and the results are not shared with the EPA or the public. Bottled water also costs the consumer 1,000 times more than tap water.

Along with continued and accelerated outreach and education, we are asking the City to adopt an additional ordinance to help reduce litter at its source and lead by good example for our community members and visitors. In conjunction with the ban, joint outreach and a collaborative effort in reducing overall plastic water bottle litter, a real and meaningful reduction in water bottle litter would be projected.

Helping Achieve Existing City Goals and Priorities

The City successfully worked to achieve its policies and priorities around litter reduction through the plastic bag and polystyrene ordinances. The proposed plastic bottle ordinance would align with the City of South Lake Tahoe Vision, help implement the 2021 Action Plan and contribute toward the waste-reduction strategies in the CAP, as highlighted below.

City of South Lake Tahoe Vision

In South Lake Tahoe, we will fulfill our duty as stewards of this amazing place in which we live and work by providing services with an emphasis on fiscal and environmental sustainability; opportunities for economic prosperity; accessible and modern public facilities; inclusive of art, culture, and heritage to inspire a connection to a sense of place and a shared future in South Lake Tahoe.

2021 Action Plan – City of South Lake Tahoe, CA

Strategic Priority 1: Built Environment.

Outcome: Minimize the impact our built environment has on Lake Tahoe, including stormwater pollution, litter, and wildfire threats.

Goal: 3.4 Waste Management and Environmental Stewardship - Develop a culture of stewardship and caretaking by residents and visitors and coordinate with regional partners to reduce the amount of litter impacting the environment. Reduce the source of litter by increasing availability of trash cans in public, **banning single use plastics**, installing water bottle filling stations, and bear boxes in the community. Reduce the amount of waste reaching the landfill through recycling and other programs.

Action Plan: 1) Develop a "Tahoe Way" marketing and awareness campaign of protecting the environment that highlights personal action, business stewardship, and environmental justice.

Action step: Ensure sustainable services through regular review, monitoring, innovation and improvement.

Action step: Work with our partners at the Sierra Nevada Alliance to ensure proper implementation of our Climate Action Plan and ensure we are up to date on best practices.

Goal 4.2: Support Development of a Regenerative Tourism Model includes "Develop better management tools and resources to reduce negative impacts such as traffic, crowding, litter, increased wildfire risk, lake degradation and COVID-19 recovery efforts."

2020 Climate Action Plan (CAP) - City of South Lake Tahoe, CA
Strategy 13: Waste (WA) - Collaborate with Relevant Agencies to Create Energy from Waste Processes to Reduce GHG Emissions

WA-3: Implement waste and climate change education programs - Create marketing campaigns and local advertisements to increase a culture of sustainability. Help to create and publicize a waste reduction pledge from community partners that interact with visitors. Support the creation of local life cycle analyses, specifically of recycling plastics vs. landfilling plastics, to better inform residents of the lowest carbon option. Create educational materials for tourism agencies to promote proper waste disposal.

Examples of Ordinances

In 2007, San Francisco became the first U.S. city to end municipal spending (municipal ban) on bottled water, paving the way for cities, parks and universities around the country to think outside the bottle. In 2013, the town of Concord became the first municipality in the nation to ban the commercial (commercial ban) sale of single-serving water bottles smaller than 1 liter. Today, several municipalities and dozens of universities have bottled-water-free policies that are in different stages of implementation.

San Francisco, CA

- City information page and ordinance.

In 2014 , San Francisco adopted an ordinance restricting the sale or distribution on City property of drinking water in plastic bottles of 21 ounces or less and barring the use of City funds to purchase bottled water. It applies to events (over 100 people), permitted vendors and lessees on City property, as well as City departments themselves. It was phased in over four years. Foot races and other participant sporting events are excluded.

In conjunction with what is being asked of others, the San Francisco legislation requires the City government to act, as well to increase access to public water. It requires that drinking fountains, filling stations, and/or event water hook-ups be installed when appropriate where there is a capital project in a heavily used public park or plaza. In the absence of capital projects, the proposal asks the City to investigate solutions that would allow events to hook up to the municipal water infrastructure.

Washington University in St. Louis

- Overview and 2015 update

In 2009, WashU became the first North American university to ban the sale of bottled water on its West, North, and Danforth campuses. Since the ban went into effect, the sale of all bottled beverages has decreased by nearly 40%, a reduction of over 567,000 plastic bottles annually. The campus put efforts into expanding access to water bottle filling stations, ensuring first year students are aware of the ban prior to arrival on campus, providing reusable water bottles during freshman move-in, and providing signage across campus.

Concord, Massachusetts

- Ordinance (bylaws)

In 2013, the town of Concord became the first municipality in the nation to ban the commercial sale of single-serving water bottles smaller than 1 liter. The Bylaws state: “It shall be unlawful to sell non-sparkling, unflavored drinking water in single-serving polyethylene terephthalate (PET) bottles of 1 liter or less in the Town of Concord on or after January 1, 2013.”

Barnstable County, Cape Cod

- Information

In 2019, a community group initiated the Municipal Plastic Bottle Ban, which focused on eliminating non-emergency single-use plastic bottle purchase by town governments and sale of beverages in single-use plastic containers on town property across all towns in Barnstable County, Cape Cod. As of year-end 2019, the Municipal Plastic Bottle Ban was adopted by 11 of the 15 towns that comprise Barnstable County.

This effort also includes a Commercial Single-use Plastic Water Bottle Ban which is a citizen action effort to reduce plastic consumption. The Commercial Ban will eliminate the commercial sale of non-carbonated, unflavored water in single-use plastic water bottles. The Commercial Ban was adopted by seven towns: Brewster, Eastham, Falmouth, Harwich, Orleans, Provincetown and Wellfleet at 2020 fall town meetings.

We look forward to working with you to develop a full proposal and implement this action.

Presentation to City Council

June 7, 2022

Single-use Plastic Regulations

HEATHER L. STROUD, CITY ATTORNEY
DARBY CREEGAN, STUDENT, SOUTH TAHOE HIGH SCHOOL

CITY OF
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Introduction

(1) Senior Project at STHS

(2) Darby Creegan's Senior Project - Ordinance

(3) Existing law and options for additional regulation

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Why regulate single-use plastics?

- Microplastics found in Lake Tahoe and information in the League to Save Lake Tahoe's report
- Negative impact of plastic and other trash on the biodiversity and overall health of the Tahoe Basin
- Youth interest in reducing the magnitude of this problem and in preservation of the environment for future generations

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Examples of plastics

Single-use plastics

Microplastics

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Existing City Regulations

- Polystyrene and Plastic Food Packaging Ordinance – SLTCC Ch. 4.175
  - Prohibits "food providers" from providing plastic utensils, straws, or stirrers except upon request, and from providing polystyrene food containers
  - Prohibits vendors from selling polystyrene products (including coolers, cups, bowls, plates, packing peanuts)
  - Prohibits use of polystyrene at city facilities and special events

- Single-Use Plastic Bag ban
  - 2021: repealed City ordinance for consistency with state law

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Existing State Laws

Single-Use Plastic Bag Ban – Pub. Res. Code §§ 42280-42288

- Prohibits most grocery stores, large retail stores with a pharmacy, and convenience stores that sell food and alcoholic beverages from providing their customers with bags designed for a single use only, unless those bags are made with recycled paper.
- Recycled paper bags or certified reusable grocery bags only
- 10 cents for each bag
- Cities can enforce with civil penalties up to $1000 per day

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Existing State Laws (cont.)

Single-Use Foodware Accessories and Condiments - Pub. Res. Code §§ 42270-42273

- New law passed in 2021, effective 1/1/22
- Prohibits “food facility” from providing single-use plastic items except on request (includes utensils, straws, stirrers, condiment cups/packets)
- Requires cities to designate an enforcement agency with $25 fines for each day in violation up to $300/year
- Includes savings provision allowing cities to adopt stricter regulations

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Pending State Law

SB 54: Plastic Pollution Producer Responsibility Act

- Would apply to producers of single-use disposable packaging and food service products
- No selling, distributing, or importing into CA products manufactured after 1/1/32, unless recyclable or compostable

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Options for Further City Action

- Increase outreach/enforcement of City regulations
- Take on an enforcement role for Single-Use Foodware Accessories and Condiments law
- Prohibit single-use plastics at City facilities/events
- Amend Polystyrene and Plastic Food Packaging Ordinance
- Prohibit sale of certain single-use plastics

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City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: June 7, 2022
Agenda Item #: 22

Agenda Item: Feasibility Study for Community Choice Aggregation

Executive Summary: On August 3, 2021, Council directed staff to expedite feasibility analysis of community choice aggregation instead of waiting until 2025 as stated in our Climate Action Plan. As of December 2021, the City Council stated its aspiration to 100% renewable electricity from carbon free sources 24 hours a day, 7 days a week by 2030. Many towns in California, like ours, who want a higher proportion of renewable energy procured than what their investor owned utility offers, have opted to form or join CCAs. Staff recommends issuing an RFP to hire a consultant to evaluate both the feasibility of a CCA and other creative paths toward achieving our goals. We hope to choose a consultant this fall.

Requested Action / Suggested Motions: Pass a Motion authorizing staff to begin the Request for Proposals (RFP) process for a Community Choice Aggregation Study.
Responsible Staff Member: Sara Letton, Sustainability Coordinator

Responsible Staff Member: Sara Letton, Sustainability Coordinator (530) 542-6175

Reviewed and Approved By:
Susan Blankenship, City Clerk
Olga Tikhomirova, Finance Director
Heather Stroud, City Attorney

Attachments:
01 - Staff Report Planning RFP for CCA Feasibility v2.docx

City of South Lake Tahoe
Report to **City Council**

Meeting Date: June 7, 2022

Title: Feasibility Study for Community Choice Aggregation

Location: Citywide

Responsible Staff Member: Sara Letton, Sustainability Coordinator (530) 542-6175

Background: On August 3, 2021, City Council gave direction to staff to expedite a feasibility analysis of community choice aggregation (CCA), instead of waiting until 2025 as stated in the City's Climate Action Plan. City Council also provided direction to enter into a 5-year franchise agreement with Liberty Utilities with a 5-year option to renew contingent upon progressing the City's goals to be set forth in a Memorandum of Understanding with Liberty Utilities. With the new Sustainability Coordinator aboard, city staff are currently engaged with Liberty on the franchise agreement and MOU, and we now seek to begin the official process to move forward with the RFP for the CCA feasibility analysis.

In the wake of the Caldor Fire, community members mobilized and demanded more accountability and urgency to address our community contribution to climate change as well as concern about infrastructure resilience in the face of another major wildfire (or other) catastrophe. In response, our City Council passed Resolution 2021-104 "Resolution to Aspire Towards Citywide 100 Percent Renewable, Carbon-Free Electricity, 24/7 by 2030." This was a recognition of the urgency to take science-based action to respond to the realities posed by climate change, and it stepped up our 2017 commitment "Resolution of the South Lake Tahoe City Council Establishing Renewable Energy and Carbon Emissions Reduction Goals for South Lake Tahoe" (2017-26). The recent resolution added the aspiration to 100% renewable electricity, 24/7 carbon-free by 2030. Exploring a CCA to meet this aspirational goal is a great first step, and staff recognize that there may be other paths to achieving our goal which we would like to explore in this proposed study as well.

Some facts about CCAs: Currently, over 200 California cities/towns/counties are served by CCAs, equating to over 11,000,000 CCA customers. Peninsula Clean Energy, a CCA in the Bay Area serving 300,000 customers, published a paper describing their plan to achieve 24/7 renewable energy by 2025. El Dorado County is currently served by a CCA in Pacific Gas & Electric territory, called Pioneer Community Energy.

Issue and Discussion: Community Choice Aggregations take on the procurement of energy from an investor owned utility while the utility continues to provide distribution and billing services. The advantage of this is that it allows the CCA to achieve local goals and keep money and investments local—it provides full transparency as a local not-for-profit that does not distribute community members' money to investors outside the community. Some municipalities create or

join CCAs in order to solely find cost savings. More often, municipalities are seeking renewable energy procurement and reinvestment in community renewables and electrification incentive programs while also providing cost savings for customers. For example, CCAs are a tool for communities to “establish local energy sources and programs such as solar+storage for resilience, low-income solar, EV vehicle and infrastructure incentives, feed-in tariff, net energy metering (NEM), energy efficiency, demand response, and more” (from the CalCCA website).

Numerous factors must be considered in determining the feasibility of either joining or forming our own CCA. The many unique characteristics of our city pose challenges that have not yet been addressed/overcome by other municipalities served by the ‘Big 3’ investor owned utilities in the state. The more customers involved in a CCA, the more financially feasible a CCA can be. We will be reaching out to Alpine, El Dorado, Placer, Nevada, and Plumas to invite them to join us in this feasibility analysis. We seek to propose a broad analysis that includes analyzing feasibility of joining an existing CCA or forming one, as well as analyzing other paths to achieving 100% renewable 24/7 energy by way of creative projects such as small-scale distributed energy resources, as local as possible, within the constraints of Liberty Utilities.

Financial Implications: Staff is estimating the cost to do a complete study of the options the City has for reaching its 24/7 renewable goals, including CCA feasibility, to be $40,000 - $60,000. City staff will request cost-share from other county municipalities who would like to be studied for CCA partnership, which will lower the City’s portion of the total cost. Council will need to allocate funding for this project from undesignated funds from the 2021-2022 budget.

Staff is requesting Council’s approval to begin the RFP process and if approved staff will bring forward a request for the appropriate funding once the RFP process has been concluded.

Environmental Considerations: Subject to exemption from CEQA under 15262, as a project involving only “feasibility or planning studies for possible future actions which the agency, board, or commission has not approved, adopted or funded”, and because this is a plan that does not have a legally binding effect on later activities.

Policy Implications: This report will inform our path to achieving actions outlined in our 2020 Climate Action Plan:
Strategy 10: Renewable Energy (RE) – Increase Renewable Energy and Storage Throughout the Community.
RE – 1: Transition City to 100% renewable electricity
RE – 2: Pursue community solar and distributed energy systems

This report will achieve progress on Strategic Priority 1.5, Carbon Neutrality as this report will help determine a path toward achieving 100% renewable energy.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: June 7, 2022
Agenda Item #: 23

Agenda Item: Request from Ski Run Park, LLC, for Banked Land Coverage from the City to be Transferred to 1195 Ski Run Boulevard at No Cost

Executive Summary: On May 11, 2022 the Ski Run Park LLC submitted a request for 1,115 square feet of banked land coverage from the City to be transferred to 1195 Ski Run Boulevard (APN 027-161-030) at no cost for the purpose of constructing a new community park. The City has adopted a policy for the distribution and sale of Tahoe Regional Planning Agency development rights and land coverage maintained by the City, which authorizes the City Manager to approve or deny requests for development rights or land coverage consistent with the policy. The policy states that the sale of development rights and land coverage shall be directed towards the development of residential, commercial, mixed-use, and industrial properties in the City of South Lake Tahoe. The proposed project is a community park with a land use classification of recreational day use area. It, therefore, does not meet the adopted policy criteria for approval by the City Manager. The request for land coverage is consistent with the goals and policies of the City General Plan and Tourist Core Area Plan.

Requested Action / Suggested Motions: Pass a Resolution approving a request from Ski Run Park, LLC, for the transfer and distribution of 1,115 square feet of banked land coverage from the City to 1195 Ski Run Boulevard at no cost, for the purpose of community park construction.
Responsible Staff Member: Madison Dederick, Assistant Planner

Responsible Staff Member: Madison Dederick, Assistant Planner (530) 542-6022

Reviewed and Approved By:
Hilary Roverud, Director of Development Services
Susan Blankenship, City Clerk
Olga Tikhomirova, Director of Finance
Heather Stroud, City Attorney

Attachments:

01-Staff Report-Ski Run Park Land Coverage Request.docx
02-Resolution-Ski Run Park Land Coverage Request.docx
03 - Coverage Request.pdf

City of South Lake Tahoe
Report to **City Council**

Meeting Date: June 7, 2022

Title: Request from Ski Run Park, LLC. for Banked Land Coverage from the City to be Transferred to 1195 Ski Run Boulevard at No Cost

Location: 1195 Ski Run Boulevard (APN: 027-161-030)

Responsible Staff Member: Madison Dederick, Assistant Planner

Background

Pursuant to the Tahoe Regional Planning Agency (TRPA) Code of Ordinances, no person shall create land coverage in excess of the limitations outlined in the Code. The maximum coverage permitted is based on many factors including the type of use and location of the use being proposed. For a project located within an adopted community plan, the TRPA Code permits a transfer of land coverage up to 70 percent of the parcel or project area.

The City Council has adopted a policy (Resolution 2019-067 as amended by Resolution 2022-051) for the distribution and sale of development rights and land coverage maintained by the City, which authorizes the City Manager to approve or deny requests for development rights or land coverage consistent with the policy. The policy states that the sale of development rights and land coverage shall be directed towards the development of residential, commercial, mix-use, and industrial properties in the City of South Lake Tahoe.

On May 11, 2022 the Ski Run Park LLC submitted a request for 1,115 square feet of banked land coverage from the City to be transferred to 1195 Ski Run Boulevard (APN 027-161-030) at no cost. The proposed project is a community park with a land use classification of recreational day use area. It, therefore, does not meet the adopted policy criteria for approval by the City Manager.

Issue and Discussion

This item is before the City Council to consider a request from the project applicant to transfer 1,115 square feet of land coverage at no cost. The applicant is requesting the land coverage from the City to build a community park located at 1195 Ski Run Boulevard. Currently, the City has sufficient banked land coverage to support the request. The proposed project is located in the Tourist Core Area Plan, Tourist Center Mixed-Use Corridor (TSC-MU), and is currently under review by the Development Services Department. The proposed project is consistent with the permissible use list and with the goals and policies of the adopted area plan.

The property is subject to deed restrictions executed in 2001 and 2005 when Safeway owned the property and transferred commercial floor area to a different site. The deed restrictions require that the property be restored and maintained in “as natural a state as is possible.” Staff has inquired with TRPA staff on the permissibility of transferring land coverage to this site given these deed restrictions. TRPA staff has indicated that coverage may be transferred to the Class 5 portion of the parcel for the park project, and that a transfer application will be required.

Financial Implications

By providing the land coverage at no cost, $9,287.95 of fees per the price point established by Resolution 2022-023 ($8.33/Sq. Ft.) would not be received as revenue and dedicated to City’s Workforce Housing Fund to support the City’s Affordable Housing Initiatives.

Environmental Considerations

The request for banked land coverage from the City to be transferred to 1195 Ski Run Boulevard is part of the application to develop Ski Run Park (File # 22-004). The proposed Ski Run Park project is exempt from CEQA pursuant to Section 15304, minor alterations to land, and Section 15332, in-fill development projects.

Policy Implications

The proposed request is consistent with the adopted distribution policy and the following policy criteria:

1. The subject property is located within the City of South Lake Tahoe; and
2. The developer/applicant has a planning application on file with the Development Services Department; and
3. The proposed project provides an environmental and/or economic benefit for the community.

Resolution 2022-XXX

Adopted by the City of South Lake Tahoe
City Council

June 7, 2022

Approving the distribution of City owned land coverage to 1195 Ski Run Boulevard (APN: 027-161-030) at no cost

BACKGROUND

A. The Tahoe Regional Planning Agency (TRPA) is the land use authority and has established a development rights system to manage future development and a system to regulate the amount of land coverage in the Tahoe basin.

B. Permanent land coverage is regulated by the TRPA to protect the Lake Tahoe watershed. Parcels are limited to a specified amount of land coverage and, in some cases, may be transferred to maximize the allowable amount on a given parcel.

C. The City has TRPA development rights and land coverage accumulated from various sources (e.g., Environmental Improvement Projects, implementation of Community Plans and Area Plans, City purchase of land with attached development rights, the retirement of rights, and TRPA allocation development).

D. The City has been approached by project developers/applicants interested in securing development rights and land coverage from the City.

E. The City has independently sold or provided various TRPA development rights and land coverage to project developers/applicants based on the merits of the individual project.

F. Through the sale of TRPA development rights and land coverage the City has also provided an environmental and economic incentive to projects which otherwise would not have been economically feasible.

G. The City has received a request for 1,115 square feet of banked land coverage from the City to be transferred to 1195 Ski Run Boulevard (APN: 027-161-030) at no cost. The land coverage would be utilized for the development of a community park with a land use classification of recreational day use area.

H. The subject property is subject to deed restrictions recorded in 2001 and 2005 when Safeway owned the property and transferred commercial floor area to another site, requiring that the property be restored and maintained to “as natural a state as is possible.” TRPA staff has indicated that irrespective of these deed restrictions, land coverage may be transferred to the Class 5 portion of the parcel for the Ski Run Park project, and that a transfer application will be required.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Resolves the distribution of land coverage is consistent with the TRPA Regional Plan, TRPA Code of Ordinances, City of South Lake Tahoe General Plan and Municipal Code, and all other applicable community or area plan policies.
2. Resolves that the proposed project is consistent with the following criteria:

a. The subject property is located within the City of South Lake Tahoe; and
b. The developer/applicant has a planning application on file with the Development Services Department; and
c. The proposed project provides an environmental and/or economic benefit for the community.

3. Resolves that the distribution of development rights and land coverage shall be to the affected parcel(s), not the developer/applicant and any change to an approved project (e.g., elevations, building size or siting, land uses, or density) may result in the revocation of prior reservation and/or allocated development rights and/or land coverage. If revoked, the developer/ applicant will return to the City the allocated development rights and/or land coverage.
4. Resolves that the developer/applicant shall have one-year from the date of the approved development right/land coverage request to submit and obtain a building permit, issued through the City. If this milestone is unachievable the applicant may apply for an extension or relinquish the City granted development rights and land coverage.
5. Resolves that one, one-year extension for the retention of approved development rights/ land coverage may be granted by the City Manager, based on the project continuing to meet the distribution policy and proceeding in a diligent manner, or relinquish the City granted development rights and land coverage.
6. Resolves that the transfer of development rights/land coverage shall be completed prior to the issuance of a Certificate of Occupancy or final inspection approval.
7. Resolves that if any of the associated City Planning, Building and/or TRPA permits expire, the allocated development rights/land coverage shall be returned to the City.
8. Resolves that should the project parcel(s) change ownership the development rights may be transferred to a new owner so long as the project is constructed as approved. Any change to an approved project (e.g., elevations, building siting, interior configuration) may result in the revocation of prior reservation and/or allocated development rights and/or land coverage.
9. Resolves that when approved development rights/land coverage is banked on a sending parcel, the developer/applicant shall obtain TRPA Transfer of Development Rights approval prior to the issuance of a certificate of occupancy.
10. Approves the transfer of 1,115 square feet of land coverage banked by the City to 1195 Ski Run Boulevard (APN: 027-161-030) at no cost.

Adopted by the City of South Lake Tahoe City Council on June 7, 2022 by the following vote:

Yes:
No:
Absent:
Abstain:

_____ Date:_____

Devin Middlebrook, Mayor

Attest:

_____

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

From:	John Hitchcock
To:	Madison Dederick
Subject:	FW: Ski Run Park - Coverage Request
Date:	Monday, May 16, 2022 1:14:59 PM

fyi

From: Devin Middlebrook <dcmiddlebrook@gmail.com>
Sent: Wednesday, May 11, 2022 5:31 PM
To: John Hitchcock <jhitchcock@Cityofslt.us>
Subject: Ski Run Park - Coverage Request

John,

This email is to officially request the city for a transfer of coverage for the Ski Run Community Park.

According to the parcel tracker (https://parcels.laketahoeinfo.org/Parcel/Detail/027-161-030) there are current some existing and banked development rights on the property.

- Existing 23 sqft. of class 5 coverage
- Banked 309 sqft of class 1b coverage
- Banked 256sqft of CFA

Current project design calls for 1,447 sqft of class 5 coverage needed.

We would like to request enough coverage to finish the project. If we can use the existing and banked coverage we would need 1,115 sqft. of class 5 or more sensitive coverage. If the on site development rights can't be used, we would request all 1,447 sq.

Please let me know if you need any other details from me.

Thanks,

Devin Middlebrook
dcmiddlebrook@gmail.com
530-208-6155

This is a verified communication from the City of South Lake Tahoe. If you suspect that this message was not sent from a verified source, contact the City of South Lake Tahoe IT department at it@cityofslt.us

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: June 7, 2022
Agenda Item #: 24

Agenda Item: Appropriation of Funding for Mold Remediation and Asbestos Abatement at 1700 D Street

Executive Summary: Earlier this year, mold was discovered on building plans required to be permanently retained under our records retention schedule when Development Services initiated a Request for Proposals to scan the building plans. Upon further investigation, mold was discovered in portions of the Public Works building at 1700 D Street, where the building plans are stored, from a leak in the roof that has since been repaired. Asbestos was also discovered during the mold survey. Staff recommends passing a motion to authorize the allocation of $49,000 to be used to pay for mold remediation of the plans and affected portions of the building, as well as asbestos abatement. The funds will be used to pay several contractors: Emergency Restoration & Cleaning for their mold remediation/asbestos abatement services at 1700 D St - specifically the Development Services planning documents and document storage room, the upper storage area, and the IT closet; Adam Labs, Inc. for their air quality testing and asbestos/mold survey of the above mentioned areas; and Sierra Pacific Loss Management for their management fees - a company recommended by the City's insurance pool to help with managing the mold remediation process as they have extensive experience in this area.

Requested Action / Suggested Motions: Pass a Resolution appropriating $49,000 from General Fund Undesignated Excess Reserve for mold remediation and asbestos abatement at 1700 D Street.
Responsible Staff Members: Rebecca Penado, Risk Manager, Hilary Roverud, Development Services Director and Travis Shindelbower, Facilities Maintenance Manager

Responsible Staff Member: Rebecca Penado, Risk Manager (530) 542-6064
Hilary Roverud, Development Services Director (530) 542-6024
Travis Shindelbower, Facilities Maintenance Manager (530) 542-6088

Reviewed and Approved By:
Susan Blankenship, City Clerk
Olga Tikhomirova, Finance Director
Heather Stroud, City Attorney

Attachments:

01-Staff_Report_-_Mold_and_Asbestos_Abatement_1700_D_Street.docx
02 - Mold Report.pdf
03 - Agreement with Emergency Restoration & Cleaning.pdf
04 - Resolution Appropriating Funds for Mold and Asbestos Remediation.docx

City of South Lake Tahoe
Report to **City Council**

Meeting Date: June 7, 2022

Title: Appropriation of Funding for Mold Remediation and Asbestos Abatement at 1700 D Street

Location: 1700 D Street

Responsible Staff Member: Rebecca Penado, Risk Manager (530) 542-6064
Hilary Roverud, Development Services Director (530) 542-6024
Travis Shindelbower, Facilities Maint. Manager (530) 542-6088

Background: Development Services recently put out a Request for Proposals (RFP) to have all paper planning documents converted to digital form. Some of the companies interested in submitting a bid for the project requested permission to inspect the documents to get a better idea of the job scope. During this inspection, one of the companies identified mold on some of the documents, and told the City that decontamination and remediation of the mold would be necessary before scanning the documents. As a result, the City had air quality testing conducted in the Development Services document storage room at 1700 D St, and the documents were confirmed as having clinically significant fungal contamination. The upper storage area and IT closet were also identified as areas of concern by Facilities Maintenance, due to a recently repaired roof leak, and were tested as well; the testing found clinically significant fungal air contamination in this area as well. During the mold survey, asbestos was also found in the building. As a result, limited remediation of the above-mentioned areas is necessary. This judgment is based on laboratory confirmation of clinically significant fungal air contamination, visible mold, and water damage on the sheet rock ceiling located in the upstairs loft storage/IT closet and on the documents located in the downstairs Development Services document storage room.

Per the City's procurement policy, three quotes for the scope of work needed were obtained. The quote with the lowest financial impact was submitted by Emergency Restoration & Cleaning, with the quoted cost coming in just under $45,000. Another $2,500 is needed to budget for clearances and work completed to date (asbestos/mold survey) done by Adam Labs, Inc., and another $1,500 is needed to budget for Sierra Pacific Loss Management fees – a company recommended by our insurance pool to help with managing the mold remediation process as they have extensive experience in this area.

Issue and Discussion: Staff recommends passing a motion to authorize the allocation of $49,000 to Facilities Maintenance to be used to pay Emergency Restoration & Cleaning for their mold remediation and asbestos abatement services, Adam Labs, Inc. for their air quality testing and asbestos/mold survey, and Sierra Pacific Loss Management for their management fees.

Financial Implications: The project amount is not to exceed $49,000. Staff is requesting allocation of money from the General Fund Undesignated Excess Reserve to Facilities Maintenance account #100-03310-42025 to be able to pay for the services.

Environmental Considerations: The project is categorically exempt from CEQA under Class 1 (Repair and maintenance of existing facilities, §15301).

Policy Implications: There are no Policy implications at this time.

ADAMLABS, INC.

3807 Pasadena Avenue, Suite 190, Sacramento, CA 95821
Phone: (916) 692-8355

MOLD REPORT

FOR CLIENT:
City of South Lake Tahoe

INVESTIGATION SITE:
1700 D St
South Lake Tahoe, CA

Scope of Work

The City of Lake Tahoe requested the services of AdamLabs, Inc. to:

1. Investigate and observe possible water damage.
2. Visually inspect for any subsequent fungal infestation and contamination.
3. Collect and analyze samples for mold growth and spores.
4. Interpret the analytical findings and provide a plan for site remediation.

The scope of this project does not cover investigation for bacterial, viral, or protozoan contamination nor does it address infestation by higher orders (e.g., insect, arthropod, and other vermin, etc.).

This mycological site remediation plan considers sources of mold contamination and areas to which the contamination may have spread. The plan outlines the course of remediation including guidelines for removal of contamination from the structure located at 1700 D St, South Lake Tahoe, CA. The exact amount of mold-contaminated material cannot be specified in the plan, because samples were collected from representative areas, not all areas (limited investigation). However, the recommendations are sufficiently specific to provide for adequate mold contamination abatement and restoration under acceptable mycological conditions (re-establishment of normal ambient conditions).

There are currently no laws governing mycological abatement as pertains to worker safety, however the plan does include worker safety recommendations based on the degree of site contamination and the virulence of the types of molds to be encountered in this remediation project.

OSHA regulation, 29 CFR 1910.1200, covers hazard communication (to workers). Although it is prudent to inform all remediation workers of the job specific hazards, biohazards are specifically excluded from this ordinance (Section b 6 xii). This project does involve activities whereby inhalation of spores may pose a significant health risk.

It is also necessary for workers to observe the OSHA respiratory protection regulations as stated in 29 CFR 1910.134.

INVESTIGATION REPORT

On March 22, 2022, a representative from AdamLabs, Inc. performed a visual inspection of the affected area for mold growth and collected air quality (Air-O-Cell) samples in the located in the soil lab area and loft storage area of the building for microscopic examination (See attached labs results).

At the time of this investigation visible mold was observed on two sets of documents (plans/blueprint) located on the floor in the soil lab area. No visible mold was observed on documents located on shelving. Visible water damage was observed throughout the sheetrock ceiling located in the loft storage area.

Microscopic examination of air samples collected indicate elevated levels of airborne *Aspergillus/Penicillium* spores indoors (Note, the air quality is subject to change with the environment. Continual moisture, disturbance, and/or activity associated with mold-infested materials can amplify indoor airborne mold spore concentrations). Below are comparative guidelines for interpretation means. (See attached lab reports).

Suggested Guidelines for Mold Spore and Skin Cell Fragment Concentrations Residential Buildings (Counts/Cubic Meter) m^3

Suggested Guideline	Total	*Penicillium/ Aspergillus*	*Ascospores/ Basidiospores*	*Cladosporium*	*Zygomycetes*	Skin Cell Fragments
"Average" Clean Residence	<1,800	<600	<200	<100	<100	<9,000
"Clean" Residence (Maximum)	<3,000	<1,400	*<900	*<800	<600	<16,000
Indoor Contamination Present	***>8,000	>4,000	*>1,500	*>600	>700	>20,000
Indoor Amplification May Be Occurring	*>12,000	>8,000	*>1,500	*>1350	>1,000	**>30,000

Reference: *Airborne Mold Spore Concentrations in Commercial & Residential Buildings*, Daniel M. Baxter, Environmental Testing Associates, San Diego, CA.

Of the molds identified, ***Aspergillus/Penicillium*** spores (if elevated) are prominent allergens, which produce mycotoxins and may act as opportunistic pulmonary pathogens. The mycotoxins produced by these molds may be immunosuppressive. These findings should be communicated to all remediation workers.

In Conclusion, the air samples collected indoors indicate elevated levels of airborne *Aspergillus/Penicillium* spores. *Aspergillus/Penicillium* spores are not commonly found in the high numbers in the air. Because of the indication of water damage in the loft storage area and visible mold growth on the documents located on the floor in the soil lab area of the building. The source of past indoor water intrusion should be addressed.

Mycological Site Remediation Plan

Limited remediation of the structure above mentioned is necessary. This judgment is based on laboratory confirmation of clinically significant fungal air contamination, visible mold, and water damage on the sheetrock ceiling located in the loft storage and on the documents located in soil lab. Although the State of California presently has no regulations regarding indoor air quality as relates to mold contamination, the New York City, Department of Health, has issued "Guidelines on Assessment and Remediation of Stachybotrys in Indoor Environments". This publication recommends different levels of abatement depending on the size of the contaminated surface area and the type of fungi encountered. Estimated total contaminated surface area inside the walls and outside the walls is >100 square feet. This level of contamination corresponds to Level III Contamination. The following recommendations for remediation generally follow the NYC guidelines. An experienced competent molds abatement contractor should perform all removal and cleanup.

Recommendations

1. Negative Pressure Enclosure (containment) shall be set in the soil lab area and in the loft storage area to enclose all building materials to be removed. Maintain strict biohazard workers protection procedures (protecting clothing, respirators with NIOSH approved HEPA for particulate filtering and with Carbon/Charcoal filters for CL/Chlorine vapor filtering, safety goggles and gloves). HEPA Vacuum and seal off the carpet in the effected area.

2. Based on the air sample results, all exposed surface areas located in the loft storage and soil lab areas of the building shall be treated as contaminated by airborne mold spore settlement.

3. It is recommended to remove and dispose of "exposed" soft good items such as cloth, paper, and carpet as mold contaminated material. However, cleaning can be achieved by first HEPA vacuuming followed by wet wiping (damp cloth). The exposed paper documents (including plans and blueprints) shall first be left in place for cleaning. The exposed surfaces of the plans/blueprints shall be HEPA vacuumed prior to removal (clean in place before handling). After HEPA vacuuming exposed surfaces, the plans and blueprints can be removed

for further cleaning between pages. Surface samples can be collected after cleaning for confirmation of cleanliness. Re-cleaning and re-testing should be conducted until proper sanitation is achieved.

4. Clean exposed contents by HEPA vacuuming exposed horizontal surfaces of exposed items in the affected area. Those items stored in closed containers (i.e. boxes, cabinets and drawers) which have not been opened subsequent to the water damage episode, and which were never exposed to water or associated high humidity will not require cleaning. Fabrics and materials (such as carpet) shall be removed and disposed of. Goods and materials which have hard surfaces, and which have not sustained water or mold damage, and all internal structural surfaces inside containment should also be disinfected and HEPA vacuumed prior to removal of containment and will not need to be replaced. All water and mold damaged building materials should be replaced with virgin equivalent items.

5. Cut and remove the water damaged sheetrock ceiling located at the N end of the loft storage area. Inspect the drywall sheets front and back and inside the ceiling cavity. If visible mold is found, cut, and remove the area of sheetrock in the effected area. Follow the mold. If necessary remove adjacent sheetrock walls. Remove two (2) feet beyond the last visible mold growth.

6. All water damaged and mold contaminated building materials shall be removed, discarded and replaced with virgin materials; drywall sheets (contaminated on either the inside or outside), HVAC filters, insulation exposed to water and any other building materials. Concrete, masonry, structural steel and wood members may be cleaned and remain in place. Removal will continue until no mold growth is visible plus two (2) feet. Demolition of the contaminated construction materials will cause mold spores to be released in high concentrations into the air. Consequently, demolition must be performed only within an area contained by poly sheeting, with the constant use of negative air HEPA filter machine(s) to reduce dispersal of the mold spores. Removal of contaminated materials from containment shall be performed such that contamination is prevented to surrounding building rooms and contents. Such materials should be bagged in six (6) mil poly, made airtight by double sealing, sufficiently disinfected, air dried and HEPA vacuumed before removal from containment.

7. Following removal/cleaning of contaminated materials, all floor, wall, and/or ceiling cavities, studs, base plates, joists and sub-flooring (as much as possible) within the contained area shall be disinfected. Disinfections are by liberal application of a 1:5 (or stronger) solution of sodium hypoclorite (bleach), using a stiff bristle nylon brush with a scrubbing action, then wiped dry.

8. After cleaning the ceiling cavity, HEPA vacuum and then wipe down all remaining exposed walls, floors, and ceilings inside the containment area by use of fresh clean rags and a virgin cleaning agent and/or disinfectant (virgin meaning: spray only, no rag to bucket). Repeating this method will minimize

residual airborne mold spore settlement that occurs during mold abatement activities.

9. Following abatement, clearance air samples shall be collected in the containment area, outside containment, and compared to baseline samples taken outside the building.

10. Forced airflows through HVAC systems shall not be permitted into or out of contaminated areas (HVAC systems should be shut down or blocked off with poly in all containments or contaminated areas). Replace filters on HVAC systems if airborne spores were released while the systems were operating.

11. Negative air, exhausting to the building's exterior and filtered through HEPA filters, shall be continued throughout the entire remediation process until clearance samples indicate that the ambient spore levels have been achieved. Further recommendations and/or final project clearance will depend on the results of these tests.

12. Continued moisture in a structure may cause additional mold growth or the recurrence of mold infestation after remediation has been completed.

Abatement workers should wear respirators with HEPA and chlorine gas filtration, disposable protective gloves (latex or equivalent), foot coverings and clothing when involved with any demolition or disinfecting activities inside containment.

Before leaving containment, abatement personnel shall remove any gross contamination from the outside of respirators and protective clothing by vacuuming with a HEPA vacuum. All disposable clothing shall be removed inside the containment area and treated as contaminated waste.

This plan has been prepared exclusively for City of South Lake Tahoe by:

ADAM D. JAHNSEN, INDUSTRIAL HYGIENIST
Certified Microbial Consultant
American Indoor Air Quality Council (AIAQC)

Attached:
Microbial Analysis of Airborne particles/Spores/Pollens

This is a limited investigation Filed as 22MI334.

This report is generated at the request and for the exclusive use of the person or entity (client) named on such report. Results, reports, or copies will not be released to a third party without written request from the client.

AdamLabs, Inc
3807 Pasadena Ave. Suite 190
Sacramento, CA 95821
Phone: (916) 692-8355 Info@adamlabs.com

AIHA Lab I.D. #163722

Lab Number: 22MI334
Date Received: March 22, 2022
Date Analyzed: March 23, 2022
Date Reported: March 23, 2022
Analyst: Jenine Lopez

MICROSCOPIC ANALYSIS of AIRBORNE MOLD SPORES (Air-O-Cell Non-Viable Count)

CLIENT: *City of South Lake Tahoe*

SITE: *1700 D St*
South Lake Tahoe, CA

	SPORE CONCENTRATIONS		SPORE CONCENTRATIONS		SPORE CONCENTRATIONS		SPORE CONCENTRATIONS	
LAB SAMPLE #:	1		2		3		4	
AIR TEST LOCATION:	soil lab - before disturbance		soil lab - after disturbance		loft storage		outdoor	
Dust/Debris Rating (1-5):	3		4		3		2	
Opaque Particle Rating (1-5):	2		2		2		1	
Skin Cells:	2		2		2		1	
	Count	**Count per M^3**	**Count**	**Count per M^3**	**Count**	**Count per M^3**	**Count**	**Count per M^3**
Alternaria:		0	3	125		0		0
Ascospores:	12	501	8	334	1	42	8	334
Aspergillus/Penicillium:	49	2045	170	7096	60	2504	12	501
Aureobasidium/Hormonema:		0		0		0		0
Basidiospores:	7	292	14	584	4	167	5	209
Botrytis:		0		0		0		0
Chaetomium:	1	42		0		0		0
Cladosporium:	14	584	97	4049	4	167	19	793
Curvularia:		0		0		0		0
Drechslera/Bipolaris:		0		0		0		0
Epicoccum:		0		0		0		0
Fusarium:		0		0		0		0
Ganoderma:		0		0		0	3	125
Nigrospora:		0		0		0		0
Oidium/Peronospora:		0		0		0		0
Periconia:		0		0		0		0
Phoma:		0		0		0		0
Pithomyces:		0		0		0		0
Pleospora:		0		0		0		0
Polythrincium:		0		0		0		0
Rhizopus/Mucor:		0		0		0		0
Rusts:		0		0		0		0
Smuts/Myxomycetes:	3	125	1	42	3	125	3	125
Spegazzinia:		0		0		0		0
Stachybotrys:		0		0		0		0
Stemphylium:		0		0		0		0
Torula:		0		0	1	42		0
Ulocladium:		0		0		0		0
		0		0		0		0
Pollen:		0		0		0	12	501
Misc. Hyaline Fungi:		0		0		0		0
Unidentified Conidia:		0		0		0		0
Hyphae Fragments:		0		0		0		0
TOTAL MOLD SPORES:	**86**	**3590**	**293**	**12230**	**73**	**3047**	**62**	**2588**

	Counting Statistics	Counting Statistics	Counting Statistics	Counting Statistics
Total Air Volume (m^3):	0.075	0.075	0.075	0.075
Microscope Field Diameter (mm):	0.46	0.46	0.46	0.46
Number of Traverses:	10	10	10	10
Detection Limit (Counts/m^3):	41.7	41.7	41.7	41.7

Approved by: _____
Adam Jahnsen, Lab Director

Analytical results represent the analysis of samples collected on site by AdamLabs Inc. This report is generated at the request and for the exclusive use of the person or entity (client) named on such report. Results, reports or copies will not be released to a third party without written request from the client. Sample(s) will be retained for a period of 30 days for possible future analytical verification, after which, the sample(s) will be disposed of according to all state and federal guidelines. AdamLabs Inc. is a participant in the PAT (Proficiency Analytical Testing) LQAP (Laboratory Quality Assurance Program) by AIHA (American Industrial Hygiene Association).

AdamLabs, Inc
3807 Pasadena Ave. Suite 190
Sacramento, CA 95821
Phone: (916) 692-8355 Info@adamlabs.com

Lab Number: 22MI334
Date Received: 3/22/2022
Date Analyzed: 3/23/2022
Date Reported: 3/23/2022
Analyst: Jenine Lopez

Analysis of Surface Mold Spores (Semi-Quantitative Non-Viable Identification)

	Tape	Tape		
LAB SAMPLE #:	1	2		
SURFACE TEST LOCATION:	soil lab documents	loft storage ceiling NE end		
Dust/Debris Rating (1-5):	1	4		
Opaque Particle Rating (1-5):	1	4		
Alternaria:	Significant amount			
Ascospores:				
Aspergillus/Penicillium:	Large amount	Moderate amount		
Aureobasidium/Hormonema:				
Basidiospores:				
Botrytis:				
Chaetomium:				
Cladosporium:	Moderate amount	Trace amount		
Curvularia:				
Drechslera/Bipolaris:				
Epicoccum:				
Fusarium:				
Ganoderma:				
Nigrospora:				
Oidium/Peronospora:				
Periconia:				
Phoma:				
Pithomyces:				
Pleospora:				
Arthrinium:				
Rhizopus/Mucor:				
Rusts:				
Smuts/Myxomycetes:		Trace amount		
Spegazzinia:				
Stachybotrys:				
Stemphylium:				
Trichocladium:				
Torula:				
Ulocladium:				
Ceratocystis/Ophiostoma:				
Misc. Hyaline Fungi:				
Misc. Brown Fungi:				
Small Brown Round:				
Unidentified Conidia:				
Hyphae fragments:				

CLIENT: *City of South Lake Tahoe*
SITE: 1700 D St
South Lake Tahoe, CA

SPORE QUANTIFICATION TABLE

Estimates

Tape Sample

Reporting Level	Spores per cm^2	% Range
None detected =	<15	<1%
Trace amount =	15 - 150	1-5%
Small amount =	150 - 1,500	5-25%
Moderate amount =	1,500 - 100,000	25-50%
Significant amount =	100,000-150,000	50-75%
Large amount =	>150,000	75-100%

Swab Sample

Reporting Level	Spores per Swab	% Range
None detected =	<460	<1%
Trace amount =	460 - 4,600	1-5%
Small amount =	4,600 - 46,000	5-25%
Moderate amount =	46,000 - 4,600,000	25-75%
Significant amount =	2,300,000- 4,600,000	50-75%
Large amount =	>4,600,000	75-100%

Bulk Sample

Reporting Level	Spores per Gram	% Range
None detected =	<4,600	<1%
Trace amount =	4,600 - 46,000	1-5%
Small amount =	46,000 - 460,000	5-25%
Moderate amount =	460,000 - 4,600,000	25-75%
Significant amount =	2,300,000-4,600,000	50-75%
Large amount =	>4,600,000	75-100%
Significant amount =	2,300,000-4,600,000	50-75%
Large amount =	>4,600,000	75-100%

Adam Jahnsen, Lab Director

Analytical results represent the analysis of samples collected on site by AdamLabs Inc. This report is generated at the request and for the exclusive use of the person or entity (client) named on such report. Results, reports or copies will not be released to a third party without written request from the client. Sample(s) will be retained for a period of 30 days for possible future analytical verification, after which, the sample(s) will be disposed of according to all state and federal guidelines. AdamLabs Inc. is a participant in the LQAP (Laboratory Quality Assurance Program) by AIHA (American Industrial Hygiene Association).

CITY OF SOUTH LAKE TAHOE

PROFESSIONAL SERVICES AGREEMENT

This Agreement is made and entered into as of the **7th** day of **June 2022** by and between the **City of South Lake Tahoe**, a municipal corporation ("City") and **Emergency Restoration and Cleaning** ("Consultant").

RECITALS

A. Consultant is specially trained, experienced and competent to perform the mold remediation and asbestos abatement services which will be required by this Agreement.

B. Consultant possesses the skill, experience, ability, background, certification and knowledge to provide the services described in this Agreement on the terms and conditions described herein.

C. City desires to retain Consultant to render professional services as set forth in this Agreement.

AGREEMENT

1. Scope of Services. Consultant shall perform the services set forth in this agreement and shall provide said services at the time, place, and in the manner specified in this agreement. Consultant shall have no power or authority by this Agreement to bind City in any respect.

   The Consultant agrees that it has satisfied itself by its own investigation and research regarding the conditions affecting the work to be done and labor and materials needed, and that its decision to execute this Contract is based on such independent investigation and research.

   All services provided by Consultant pursuant to this Agreement will be provided in accordance with the terms set forth in the **Exhibit A, "Scope of Services,"** attached hereto and incorporated herein by reference. **Exhibit B, "Compensation Schedule,"** attached hereto and incorporated herein by reference, outlines the fees and compensation which shall be paid pursuant to this Agreement.

2. Term/Time of Performance. The services by Consultant are to commence upon the execution of the Agreement and continue until the work outlined has been completed.

3. Compensation. Compensation to be paid to Consultant shall be in accordance with the Schedule set forth in **Exhibit B** which is attached hereto and incorporated herein by reference. In no event shall Consultant's compensation, including travel and out-of-pocket expenses, exceed **$45,000** without additional written authorization from City. Payment by City under this Agreement shall not be deemed a waiver of defects, even if such defects were known to City at the time of payment. Payment is contingent upon compliance with all terms and conditions of this Agreement, as set forth herein. Consultant shall obtain prior written authorization from the City Project Manager for any costs in excess of budgeted amounts for each line item, task, or obligation under the Scope of Services.

4. Method of Payment. Consultant shall submit a final invoice to City describing the work performed during the mold remediation and asbestos abatement. Consultant's bill shall include a brief description of the services performed, the date the services were performed, the number of hours spent and by whom, the applicable hourly rate, and a description of any reimbursable expenditures. City shall pay Consultant no later than 30 days after approval of the monthly invoice by City staff.

5. Extra Work. At any time during the term of this Agreement, City may request that Consultant perform extra work. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, extra work without prior written authorization from City.

6. Termination. This Agreement may be terminated by City or Consultant immediately for cause or without cause upon thirty days (30) days written notice of termination. Upon termination, Consultant shall be entitled to compensation for services performed up to the effective date of termination, and City shall be entitled to all work performed to that date.

   Termination, revocation, or expiration of this Agreement shall not release either party from liability resulting from an event which occurred prior to such termination, revocation or expiration.

7. Ownership of Documents.
All plans, studies, documents and other writings, including working notes and internal documents, prepared by and for Consultant, its officers, employees and agents and subcontractors in the course of implementing this Agreement, shall become the property of City upon payment to Consultant for such work, and City shall have the sole right to use such materials in its discretion without further compensation to Consultant or to any other party. Consultant shall, at Consultant's expense, provide such reports, plans, studies, documents and other writings to City upon written request. All documents prepared by Consultant are confidential and shall be maintained to preserve their confidential nature. Release of any such documents to third parties shall only be made upon written consent of City.

8. Consultant's Books and Records.

a. Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services, or expenditures and disbursements charged to City for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to Consultant for services provided pursuant to this Agreement.

b. Consultant shall maintain all documents and records which demonstrate performance under this Agreement for a minimum period of three (3) years, or for any longer period required by law, from records shall be available at Consultant's address indicated for the date of termination or completion of this Agreement.

c. Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time during regular business hours, upon written request by the City Manager, City Attorney, City Auditor or a designated representative of these officers. Copies of such documents shall be provided to City for inspection at City offices when it is practical to do so. Otherwise, unless an alternative is mutually agreed upon, the receipt of notices in this Agreement.

d. Where City has reason to believe that such records or documents may be lost or discarded due to dissolution, disbandment or termination of Consultant's business, City may, by written request by

any of the above-named officers, require that custody of the records be given to City and that the records and documents be maintained at City offices. Access to such records and documents shall be granted to any party authorized by Consultant, Consultant's representatives, or Consultant's successor-in-interest.

9. Independent Contractor. It is understood that Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of City. Consultant shall obtain no rights to retirement benefits or other benefits which accrue to City's employees, and Consultant hereby expressly waives any claim it may have to any such rights. All employees, agents, contractors or subcontractors hired or retained by Consultant are employees, agents, contractors or subcontractors of Consultant and not of the City.

City is not required to make any deductions or withholdings form the compensation payable to Consultant under the provisions of this Contract, and is not required to issue W-2 Forms for income and employment tax purposes for any of Consultant's assigned personnel. Any third party persons employed by Consultant shall be entirely and exclusively under the direction, supervision, and control of Consultant. Consultant hereby indemnifies and holds City harmless from any and all claims that may be made against City based upon any contention by any third party that an employer-employee relationship exists by reason of this Contract.

10. Interest of Consultant. Consultant, (and principals, associates and professional employees of consultant) covenants and represents that it does not now have any investment or interest in real property and shall not acquire any interest, direct or indirect, in the area covered by this Agreement or any other source of income, interest in real property or investment which would be affected in any manner or degree by the performance of Consultant's services hereunder. Consultant further covenants and represents that in the performance of its duties hereunder no person having any such interest shall perform any services under this Agreement.

Consultant is not a designated employee within the meaning of the Political Reform Act because Consultant:

a. Will conduct research and arrive at conclusions with respect to his/her rendition of information, advice, recommendation or counsel independent of the control and direction of City or of any City official, other than normal agreement monitoring; and,

b. Possesses no authority with respect to any city decision beyond rendition of information, advice, recommendation or counsel. [FPPC Reg. 18700(a)(2)].

11. Professional Ability of Consultant. City has relied upon the professional training and ability of Consultant to perform the services hereunder as a material inducement to enter into this Agreement. Consultant shall therefore provide properly skilled professional and technical personnel to perform all services under this Agreement. All work performed by Consultant under this Agreement shall be in accordance with applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in Consultant's field of expertise.

12. Compliance with Laws. Consultant shall comply with all applicable federal, state, regional and local laws, codes, ordinances and regulations in carrying out his/her duties under this Agreement. Consultant shall observe and comply with all applicable laws, ordinances, regulations and codes of federal, state and local governments, and shall commit no trespass on any public or private property in performing any of the work authorized by this Agreement. The City, its officials, officers, elected officials, appointed officials and employees shall not be liable at law or in equity as a result of any failure of Consultant to comply with this section.

    In the event it is determined that the Consultant is required to pay prevailing wages for the work performed under this Agreement, the Consultant shall pay all penalties and wages as required by law.

13. Licenses. Consultant represents and warrants to City that it has all licenses, permits, qualifications, insurance and approvals of whatsoever nature which are legally required of Consultant to practice its profession. Consultant represents and warrants to City that Consultant shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, insurance and approvals which are legally required of Consultant to practice its profession. Consultant shall maintain a City of South Lake Tahoe business license at all times services are performed under this Agreement. Consultant acknowledges that payments made pursuant to this Agreement may be withheld until this provision has been satisfied.

14. Indemnity. Consultant hereby agrees to and shall indemnify and hold harmless City, its elected and appointed boards, officers, agents, employees and volunteers from and against any liability for any and all claims, demands, actions, losses, damages and injuries, direct or indirect (including any and all

costs and expenses in connection therein), arising out of this Agreement or caused in any way by Consultant's negligent performance of this Agreement or its breach of its obligations contained in this Agreement, except for any such claims arising out of the negligence or willful misconduct of the City. Consultant agrees to defend City from and against any and all losses, damages, claims costs and fees arising out Consultant's negligent acts, errors, omissions, regarding this Agreement, the Consultant's work under this Agreement, or the consultant's Scope of Work.

City does not, and shall not, waive any rights against Consultant which it may have by reason of the aforesaid hold harmless agreement, because of the acceptance by City, or the deposit with City by Consultant, of any of the insurance policies hereinafter set forth.

This hold harmless agreement by Consultant shall apply to all damages and claims for damages, or alleged to have been suffered, by reason of any of the aforesaid operation of Consultant or any subcontractor, regardless of whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

Consultant further waives any and all rights to any type of express or implied indemnity or right of contribution from the City for any liability, claims, demands, costs, charges and expenses and causes of action of whatsoever arising out of or in any way connected with this Agreement, and consultant's work under this Agreement.

15. Insurance Requirements.

a. Consultant, at Consultant's own cost and expense, shall procure and maintain, for the duration of the contract, the following insurance policies.

i. Workers' Compensation Coverage. Consultant shall maintain Workers' Compensation Insurance and Employer's Liability Insurance for his/her employees in accordance with the laws of the State of California. In addition, Consultant shall require each subcontractor to similarly maintain Workers' Compensation Insurance and Employer's Liability Insurance in accordance with the laws of the State of California for all of the subcontractor's employees. Any notice of cancellation of all Workers' Compensation policies must be received by City

at least thirty (30) days prior to such change. Consultant shall provide thirty (30) days written notice of nonrenewal of any Workers' Compensation policies. The insurer shall agree to waive all rights of subrogation against City, its officers, agents, employees and volunteers for losses arising from work performed by Consultant for City.

ii. Commercial General Liability Coverage. Consultant shall maintain commercial general liability insurance no less broad than ISO form CG 00 01 in an amount not less than one million dollars ($1,000,000) per occurrence for bodily injury, personal injury and property damage. Coverage must be made on the standard Occurrence form. Claims-Made forms are not acceptable without prior written consent of City. City of South Lake Tahoe must be endorsed as an additional insured for liability arising out of ongoing operation by on behalf of Consultant. If a commercial general liability insurance form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit.

iii. Automobile Liability Coverage. Consultant shall maintain automobile liability insurance covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with the work to be performed under this Agreement, including coverage for owned, hired and non-owned vehicles, in an amount of not less than one million dollars ($1,000,000) combined single limit for each occurrence.

iv. Professional Liability Coverage. Consultant shall maintain professional errors and omissions liability insurance for protection against claims alleging negligent acts, errors or omissions which may arise from Consultant or by its employees, or subcontractors. The amount of this insurance shall not be less than one million dollars ($1,000,000) on a claims-made annual aggregate basis, or a combined single-limit per occurrence basis.

b. Endorsements. Each general liability and automobile liability insurance policy shall be with insurers possessing a AM Best's rating of no less than A:VII and shall be endorsed with the following specific language:

i. City, its elected or appointed officers, officials, employees, agents and volunteers are to be covered as additional insured's under Consultant's General Liability and Automobile Liability policies with respect to liability arising out of this Agreement and/or work performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work or operations.

ii. This policy shall be considered primary insurance as respects City, its elected or appointed officers, officials, employees, agents and volunteers. Any insurance maintained by City, including any self-insured retention City may have, shall be considered excess insurance only and shall not contribute with it.

iii. This insurance shall act for each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring Consultant.

iv. The insurer waives all rights of subrogation against City except for Consultant's Professional Liability and Employers' Liability policies, its elected or appointed officers, officials, employees or agents.

v. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its elected or appointed officers, officials, employees, agents or volunteers.

vi. No policies of insurance carried by Consultant shall be suspended, voided, canceled, or changed in coverage or in limits except after thirty (30) days written notice to the City Attorney by Certified Mail.

c. Deductibles and Self-Insured Retentions. The Consultant shall be responsible for all deductibles in all of Consultant's insurance policies.

The amount of deductibles for insurance coverage required herein shall be reasonable and approved by the City Attorney.

d. Certificates of Insurance. Consultant shall provide certificates of insurance with original endorsements to City as evidence of the insurance coverage required herein. Consultant shall not commence work under this contract until all insurance required under this section has been approved by City as to form, amount and carrier, nor shall Consultant allow any subcontractor to commence work on any subcontract until all similar insurance required and reasonably consistent limits of the subcontractor has been so obtained and approved. Certificates of insurance shall contain no exclusions unless negotiated with the City Attorney and approved, in writing, by the City Attorney.

16. Notices. Any notice required to be given under this Agreement shall be in writing and either served personally or sent prepaid, first class mail. Any such notice shall be addressed to the other party at the address set forth below. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this section.

If to City: City of South Lake Tahoe
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

Provide a copy to: City Attorney's Office
City of South Lake Tahoe
1901 Lisa Maloff Way, Suite 300
South Lake Tahoe, CA 96150

If to Consultant: Emergency Restoration & Cleaning
3073 Kilgore Rd.
Rancho Cordova, CA 95670

Provide a copy to: Kevin Manzer, ERC President
Emergency Restoration & Cleaning
3073 Kilgore Rd
Rancho Cordova, CA 95670

17. Assignment and Subcontracting. The parties recognize that a substantial inducement to City for entering into this Agreement is the professional reputation, experience and competence of Consultant. Assignments of any

or all rights, duties or obligations of the Consultant under this Agreement will be permitted only with the express consent of City. Consultant shall not subcontract any portion of the work to be performed under this Agreement without the written authorization of City. If City consents to such subcontract, Consultant shall be fully responsible to City for all acts or omissions of the subcontractor. Nothing in the Agreement shall create any contractual relationship between City and subcontractor nor shall it create any obligation on the part of City to pay or to see to the payment of any monies due to any such subcontractor other than as otherwise required by law.

18. Waiver. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision under this Agreement.

19. Dispute Resolution. Any dispute concerning this Agreement will be first submitted to the City Manager or his designee for resolution. If no resolution is reached, such dispute shall be submitted to the City Council. The decision of the City Council shall be final and shall be appealable only to the El Dorado Superior Court pursuant to California Code of Civil Procedure §1094.5, and as provided by law.

20. Controlling Law Venue. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in the Superior Courts in the County of El Dorado, South Lake Tahoe Division.

21. Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any Consultant or person, other than the independent contractors hired in accordance with Consultant's standard business practice, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any Consultant or person, other than a bona fide employee working solely for Consultant or an independent contractor hired as discussed above, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

22. Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, disability, ancestry, sex or age. Such non-discrimination shall

include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of City's Minority Business Enterprise program, Affirmative Action Plan, or other related programs or guidelines currently in effect or hereinafter enacted.

23. Drug-Free Workplace Certification. By signing this Agreement, Consultant hereby certifies under penalty of perjury under the laws of the State of California that the Consultant will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Section 8350, et seq.) and will provide a drug-free work place by taking the following actions:

a. Publish a statement notifying employees that unlawful manufacture, distribution dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355 (a).

b. Establish a Drug-Free Awareness Program as required by Government Code Section 8355(b) to inform employees about all of the following:

   i. The dangers of drug abuse in the workplace;
   ii. The person's or organization's policy of maintaining a drug-free workplace;
   iii. Any available counseling, rehabilitation and employee assistance program; and
   iv. Penalties that may be imposed upon employees for drug abuse violations.

c. Provide, as required by Government Code Section 8355(c), that every employee who performs grant activities under this Agreement:

   i. Will receive a copy of the Consultant's drug-free policy statement; and
   ii. Will agree to abide by the terms of the Consultant's statement as a condition of employment on this Agreement.

Failure to comply with these requirements may result in suspension of payments under this Agreement or termination of the Agreement, or both, and Consultant may be ineligible for award of any future City agreements if City determines that any of the following has occurred: the Consultant (1) has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

24. Anti-Lobbying Certification. Consultant shall submit to City the Anti-Lobbying Certification contained in **Exhibit C**. Further, Consultant shall require that the language of the certification in **Exhibit C** be included in all contracts or subcontracts entered into in connection with this Agreement and that all Consultants and contractors shall certify and disclose accordingly.

25. Debarment, Suspension, Ineligibility and Voluntary Exclusion. By signing this Agreement, Consultant assures that neither it nor its principals, is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.

26. Americans with Disabilities Act. By signing this Agreement, Consultant assures the City that it complies with the American with Disabilities Act (ADA) of 1990, (42 U.S.C. 12101, et. seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to ADA.

27. Amendments. This Agreement may be modified or amended only by a written document executed by both Consultant and City and approved as to form by the City Attorney.

28. Severability. If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.

29. Entire Agreement. This Agreement constitutes the complete and exclusive statement of Agreement between City and Consultant. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement.

30. Execution. This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one copy hereof shall have been signed by both parties hereto. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

31. Time is of the Essence. Time is of the essence for this Agreement.

32. Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective party.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written above.

CITY OF SOUTH LAKE TAHOE:

By_____
Joseph D. Irvin, City Manager

Date _____

CONSULTANT:

By _____
Kevin Manzer, ERC President

Date _____

Business License # _____

APPROVED AS TO FORM:

By_____
Heather L. Stroud, City Attorney

Date _____

ATTEST:

By_____
Susan Blankenship, City Clerk

Date _____

Attachments:

Exhibit A – Scope of Services
Exhibit B – Compensation Schedule
Exhibit C - Anti-Lobbying Certification

EXHIBIT A

SCOPE OF SERVICES

Emergency Restoration and Cleaning

3073 Kilgore Road
Rancho Cordova, CA 95670
T: 916.206.5545
F: 916.594.9630
E: info@ercsac.com
Lic# 998335 ID# 27-2541678

Insured:	DT_1700 D Street, Lake Tahoe
Property:	1700 D Street Lake Tahoe, CA 96150

Estimator:	Cole Kristoffersen	Business:	(916) 206-5545
Position:	Estimator	E-mail:	cole@ercsac.com
Company:	Emergency Restoration & Cleaning		
Business:	3073 Kilgore Road Gold River , CA 95670		

Claim Number:	**Policy Number:**	**Type of Loss:**

Date of Loss:		Date Received:	
Date Inspected:		Date Entered:	3/30/2022 7:11 AM

Price List:	CAST8X_MAR22 Restoration/Service/Remodel
Estimate:	DT_1700_D-ST_LAKE_TA

Emergency Restoration and Cleaning

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DT_1700_D-ST_LAKE_TA

Main Level

Main Level

DESCRIPTION	QTY	UNIT	UNIT PRICE	TAX	RCV	DEPREC.	ACV
DWELLING							
1. Hazardous Waste/Mold Cleaning Technician - per hour	256.00	HR	82.81	0.00	21,199.36	(0.00)	21,199.36
Increase for Prevailing wage requirements							
2. Hazardous Waste/Mold Cleaning-Supervisory/Admin- per hour	32.00	HR	98.50	0.00	3,152.00	(0.00)	3,152.00
Increase for Prevailing wage requirements							
3. Hotel Per Deim	32.00	EA	120.00	0.00	3,840.00	(0.00)	3,840.00
4. Food Per Deim	32.00	EA	74.00	0.00	2,368.00	(0.00)	2,368.00
5. Downdraft table	4.00	EA	250.00	0.00	1,000.00	(0.00)	1,000.00
6. Cargo van and equipment - per day	8.00	EA	125.00	0.00	1,000.00	(0.00)	1,000.00
7. Fuel surcharge	2.00	EA	100.00	0.00	200.00	(0.00)	200.00
8. Tandem axle dump trailer - per load - including dump fees	1.00	EA	272.96	0.00	272.96	(0.00)	272.96
9. Plastic contractor debris bag	150.00	EA	0.81	10.63	132.13	(0.00)	132.13
Asbestos Abatement							
ASBESTOS ABATEMENT							
10. Negative air fan/Air scrubber (24 hr period) - No monit.	6.00	DA	75.00	0.00	450.00	(0.00)	450.00
11. Add for HEPA filter (for negative air exhaust fan)	3.00	EA	200.96	47.92	650.80	(0.00)	650.80
12. Equipment decontamination charge - per piece of equipment	3.00	EA	46.34	1.28	140.30	(0.00)	140.30
13. Add for personal protective equipment (hazardous cleanup)	12.00	EA	12.86	13.50	167.82	(0.00)	167.82
14. Respirator cartridge - HEPA only (per pair)	12.00	EA	13.86	14.55	180.87	(0.00)	180.87
15. Fuel surcharge	2.00	EA	100.00	0.00	200.00	(0.00)	200.00
16. Hazardous waste hauling & disposal - (Bid Item)	1.00	EA					AS INCURRED
Dwelling Totals:				**10.63**	**33,164.45**		**33,164.45**
Asbestos Abatement Totals:				**77.25**	**1,789.79**		**1,789.79**
Total: Main Level				**87.88**	**34,954.24**	**0.00**	**34,954.24**

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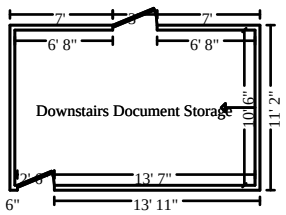

Downstairs Document Storage **Height: Sloped**

505.02	SF Walls	170.81	SF Ceiling
675.83	SF Walls & Ceiling	170.63	SF Floor
18.96	SY Flooring	48.00	LF Floor Perimeter
53.53	LF Ceil. Perimeter		

Door	**2' 6" X 6' 8"**	**Opens into Exterior**
Door	**3' X 6' 8"**	**Opens into Exterior**

DESCRIPTION	QTY	UNIT PRICE	TAX	RCV	DEPREC.	ACV
DWELLING						
17. Tear out wet non-salvageable carpet, cut/bag - Cat 3 water	170.63 SF					IN LBR HRS
18. Tear out wet carpet pad, cut/bag - Category 3 water	170.63 SF					IN LBR HRS
19. Containment Barrier/Airlock/Decon. Chamber	30.00 SF	0.16	0.42	5.22	(0.00)	5.22
20. Peel & seal zipper	1.00 EA	9.25	0.81	10.06	(0.00)	10.06
21. Neg. air fan/Air scrub.-Large (per 24 hr period)-No monit.	5.00 DA	112.50	0.00	562.50	(0.00)	562.50
Asbestos Abatement						
ASBESTOS ABATEMENT						
22. Tear out asbestos vinyl floor covering (no haul off)	170.63 SF	3.89	2.69	666.44	(0.00)	666.44
23. Remove asbestos floor mastic (no haul off)	170.63 SF	4.81	0.75	821.48	(0.00)	821.48
24. HEPA Vacuuming - Detailed - (PER SF)	846.45 SF	1.04	0.00	880.31	(0.00)	880.31
25. Clean more than the walls and ceiling	846.45 SF	0.70	0.74	593.26	(0.00)	593.26
26. Containment Barrier/Airlock/Decon. Chamber	30.00 SF	1.00	0.42	30.42	(0.00)	30.42
27. Peel & seal zipper	1.00 EA	13.48	0.81	14.29	(0.00)	14.29
Dwelling Totals:			**1.23**	**577.78**		**577.78**
Asbestos Abatement Totals:			**5.41**	**3,006.20**		**3,006.20**
Totals: Downstairs Document Storage			**6.64**	**3,583.98**	**0.00**	**3,583.98**
Area Dwelling Total:			**11.86**	**33,742.23**		**33,742.23**
Area Asbestos Abatement Total:			**82.66**	**4,795.99**		**4,795.99**
Totals: Main Level			**94.52**	**38,538.22**	**0.00**	**38,538.22**

Upstairs

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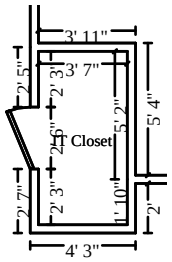
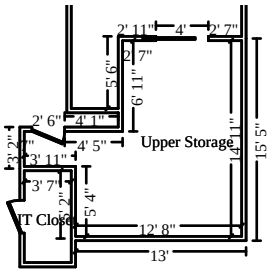


IT Closet **Height: 8' 6"**

163.25	SF Walls	25.08	SF Ceiling
188.33	SF Walls & Ceiling	25.08	SF Floor
2.79	SY Flooring	18.67	LF Floor Perimeter
21.17	LF Ceil. Perimeter		

Door **2' 6" X 6' 8"** **Opens into Exterior**

DESCRIPTION	QTY	UNIT PRICE	TAX	RCV	DEPREC.	ACV
DWELLING						
28. Tear out wet drywall, cleanup, bag - Cat 3	69.00 SF					IN LBR HRS
Asbestos Abatement						
ASBESTOS ABATEMENT						
29. Containment Barrier/Airlock/Decon. Chamber	30.00 SF	1.00	0.42	30.42	(0.00)	30.42
30. Peel & seal zipper	1.00 EA	13.48	0.81	14.29	(0.00)	14.29
31. Tear off asbestos drywall (no haul off)	70.00 SF	1.92	2.08	136.48	(0.00)	136.48
32. HEPA Vacuuming - Detailed - (PER SF)	213.42 SF	1.04	0.00	221.96	(0.00)	221.96
33. Clean more than the walls and ceiling	213.42 SF	0.70	0.19	149.58	(0.00)	149.58
Asbestos Abatement Totals:			**3.50**	**552.73**		**552.73**
Totals: IT Closet			**3.50**	**552.73**	**0.00**	**552.73**



Upper Storage **Height: 7' 1"**

402.92	SF Walls	174.60	SF Ceiling
577.52	SF Walls & Ceiling	174.60	SF Floor
19.40	SY Flooring	56.50	LF Floor Perimeter
63.00	LF Ceil. Perimeter		

Door **2' 6" X 6' 8"** **Opens into Exterior**

Door **4' X 6' 8"** **Opens into UPPER_DOCUME**

DESCRIPTION	QTY	UNIT PRICE	TAX	RCV	DEPREC.	ACV
DWELLING						
34. Tear out wet drywall, cleanup, bag - Cat 3	318.04 SF					IN LBR HRS
35. Neg. air fan/Air scrub.-Large (per 24 hr period)- No monit.	4.00 DA	112.50	0.00	450.00	(0.00)	450.00
Asbestos Abatement						

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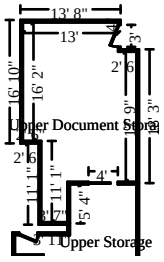
CONTINUED - Upper Storage

DESCRIPTION	QTY	UNIT PRICE	TAX	RCV	DEPREC.	ACV
ASBESTOS ABATEMENT						
36. Tear off asbestos drywall (no haul off)	318.00 SF	1.92	9.46	620.02	(0.00)	620.02
37. Containment Barrier/Airlock/Decon. Chamber	110.00 SF	1.00	1.54	111.54	(0.00)	111.54
38. Peel & seal zipper	2.00 EA	13.48	1.62	28.58	(0.00)	28.58
39. HEPA Vacuuming - Detailed - (PER SF)	752.13 SF	1.04	0.00	782.22	(0.00)	782.22
40. Clean more than the walls and ceiling	752.13 SF	0.70	0.66	527.15	(0.00)	527.15
Dwelling Totals:			**0.00**	**450.00**		**450.00**
Asbestos Abatement Totals:			**13.28**	**2,069.51**		**2,069.51**
Totals: Upper Storage			**13.28**	**2,519.51**	**0.00**	**2,519.51**



Upper Document Storage **Height: 8'**

637.33	SF Walls	332.88	SF Ceiling
970.21	SF Walls & Ceiling	332.88	SF Floor
36.99	SY Flooring	78.50	LF Floor Perimeter
85.50	LF Ceil. Perimeter		

Door	**4' X 6' 8"**	**Opens into UPPER_STORAG**
Door	**3' X 6' 8"**	**Opens into Exterior**

DESCRIPTION	QTY	UNIT PRICE	TAX	RCV	DEPREC.	ACV
DWELLING						
41. Tear out wet drywall, cleanup, bag - Cat 3 Asbestos Abatement	332.88 SF					IN LBR HRS
ASBESTOS ABATEMENT						
42. Tear off asbestos drywall (no haul off)	432.00 SF	1.92	12.85	842.29	(0.00)	842.29
43. HEPA Vacuuming - Detailed - (PER SF)	1303.08 SF	1.04	0.00	1,355.20	(0.00)	1,355.20
44. Clean more than the walls and ceiling	1303.08 SF	0.70	1.14	913.30	(0.00)	913.30
Asbestos Abatement Totals:			**13.99**	**3,110.79**		**3,110.79**
Totals: Upper Document Storage			**13.99**	**3,110.79**	**0.00**	**3,110.79**
Area Dwelling Total:			**0.00**	**450.00**		**450.00**

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Area Asbestos Abatement Total:	**30.77**	**5,733.03**		**5,733.03**
Totals: Upstairs	**30.77**	**6,183.03**	**0.00**	**6,183.03**
Area Dwelling Total:	**11.86**	**34,192.23**		**34,192.23**
Area Asbestos Abatement Total:	**113.43**	**10,529.02**		**10,529.02**
Line Item Totals: DT_1700_D-ST_LAKE_TA	**125.29**	**44,721.25**	**0.00**	**44,721.25**

Grand Total Areas:

1,708.52	SF Walls	703.37	SF Ceiling	2,411.89	SF Walls and Ceiling
703.19	SF Floor	78.13	SY Flooring	201.67	LF Floor Perimeter
0.00	SF Long Wall	0.00	SF Short Wall	223.20	LF Ceil. Perimeter
703.19	Floor Area	771.08	Total Area	1,708.52	Interior Wall Area
1,644.91	Exterior Wall Area	182.83	Exterior Perimeter of Walls		
0.00	Surface Area	0.00	Number of Squares	0.00	Total Perimeter Length
0.00	Total Ridge Length	0.00	Total Hip Length		

Coverage	Item Total	%	ACV Total	%
Dwelling	34,192.23	76.46%	34,192.23	76.46%
Other Structures	0.00	0.00%	0.00	0.00%
Contents	0.00	0.00%	0.00	0.00%
Asbestos Abatement	10,529.02	23.54%	10,529.02	23.54%
Total	44,721.25	100.00%	44,721.25	100.00%

Emergency Restoration and Cleaning

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Summary for Dwelling

Line Item Total	34,180.37
Material Sales Tax	11.86
Replacement Cost Value	**$34,192.23**
Net Claim	**$34,192.23**

Cole Kristoffersen
Estimator

Emergency Restoration and Cleaning

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Summary for Asbestos Abatement

Line Item Total	10,415.59
Material Sales Tax	113.43
Replacement Cost Value	**$10,529.02**
Net Claim	**$10,529.02**

Cole Kristoffersen
Estimator

Emergency Restoration and Cleaning

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Recap of Taxes

	Material Sales Tax (8.75%)	Storage Rental Tax (8.75%)
Line Items	125.29	0.00
Total	**125.29**	**0.00**

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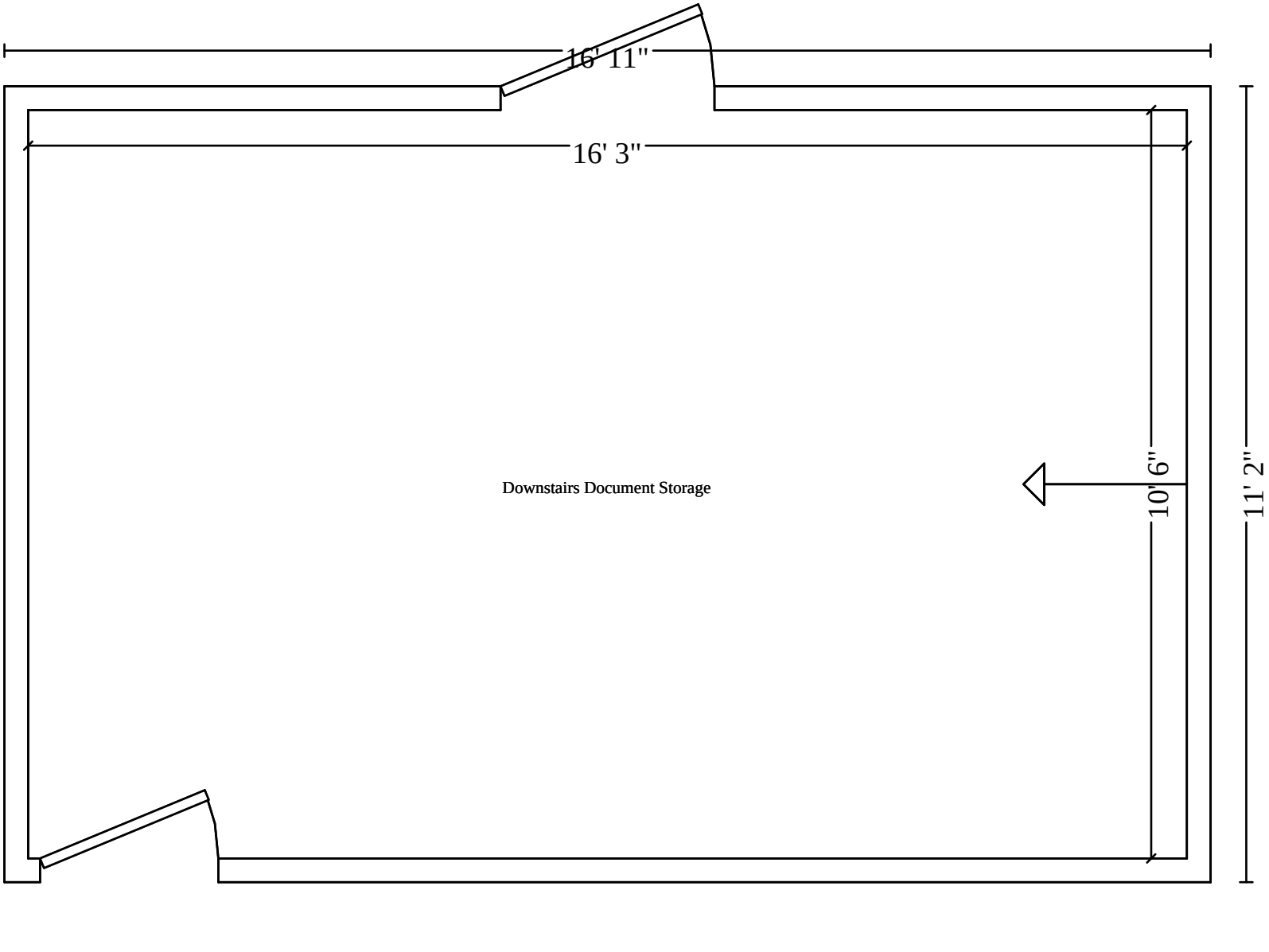
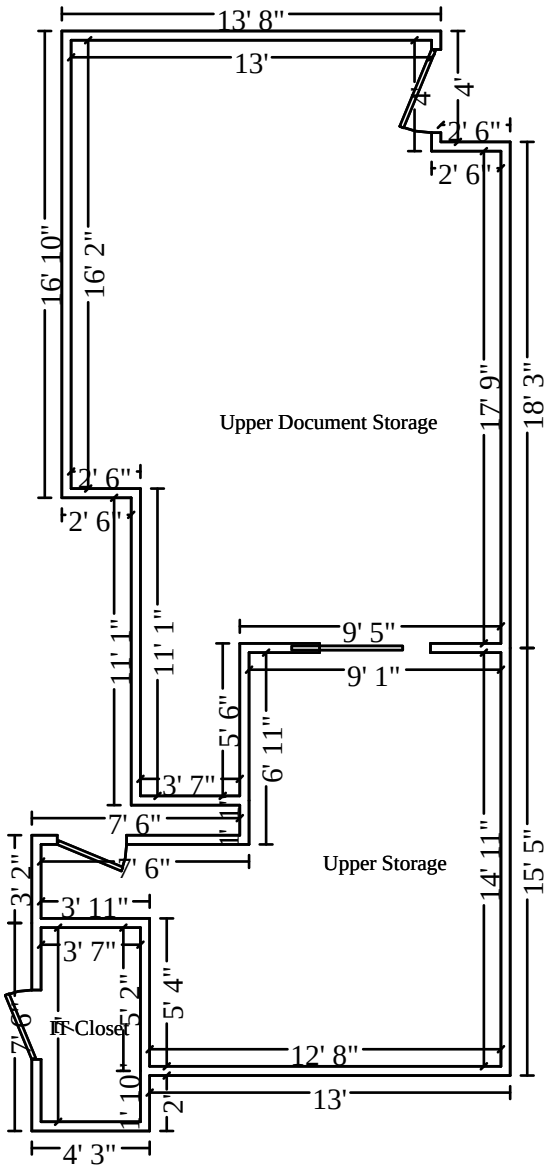
Recap by Room

Estimate: DT_1700_D-ST_LAKE_TA

Area: Main Level		**34,866.36**	**78.18%**
Coverage: Dwelling	95.09% =	33,153.82	
Coverage: Asbestos Abatement	4.91% =	1,712.54	
Downstairs Document Storage		**3,577.34**	**8.02%**
Coverage: Dwelling	16.12% =	576.55	
Coverage: Asbestos Abatement	83.88% =	3,000.79	
Area Subtotal: Main Level		**38,443.70**	**86.20%**
Coverage: Dwelling	87.74% =	33,730.37	
Coverage: Asbestos Abatement	12.26% =	4,713.33	
Area: Upstairs			
IT Closet		**549.23**	**1.23%**
Coverage: Asbestos Abatement	100.00% =	549.23	
Upper Storage		**2,506.23**	**5.62%**
Coverage: Dwelling	17.96% =	450.00	
Coverage: Asbestos Abatement	82.04% =	2,056.23	
Upper Document Storage		**3,096.80**	**6.94%**
Coverage: Asbestos Abatement	100.00% =	3,096.80	
Area Subtotal: Upstairs		**6,152.26**	**13.80%**
Coverage: Dwelling	7.31% =	450.00	
Coverage: Asbestos Abatement	92.69% =	5,702.26	
Subtotal of Areas		**44,595.96**	**100.00%**
Coverage: Dwelling	76.64% =	34,180.37	
Coverage: Asbestos Abatement	23.36% =	10,415.59	
Total		**44,595.96**	**100.00%**



Main Level


13' 8"
13'
4'
4'
2' 6"
2' 6"
16' 10"
16' 2"
17' 9"
18' 3"
Upper Document Storage
2' 6"
2' 6"
11' 1"
11' 1"
9' 5"
9' 1"
5' 6"
6' 11"
3' 7"
7' 6"
7' 6"
Upper Storage
14' 11"
15' 5"
3' 2"
3' 11"
3' 7"
5' 2"
5' 4"
7' 6"
IT Closet
12' 8"
1' 10"
2'
13'
4' 3"

Upstairs

EXHIBIT B

SCHEDULE OF CHARGES AND TIMELINE

BUDGET

Estimated fees (not to exceed)	**$38,800.00**
Hourly Rate:	**$ N/A**
Travel and out-of-pocket expenses	**$6,200.00**
(travel is included in the TOTAL (not to exceed amount))	
TOTAL (not to exceed)	**$45,000.00**

TIMELINE

Work will commence in mid-June after budget allocation has been approved by City Council and is expected to take four (4) days.

EXHIBIT C

ANTI-LOBBYING CERTIFICATION

Consultant shall submit to City this certification prior to or at the time of the execution of this Agreement.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty not less than $10,000 and no more than $100,000 for such failure.

The undersigned certifies, to the best of his or her knowledge or belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement; and

2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instruction.

Consultant: Emergency Restoration & Cleaning
Kevin Manzer, ERC President

By:_____

Resolution 2022-XXX

Adopted by the City of South Lake Tahoe
City Council

June 7, 2022

Appropriating $49,000 from General Fund Undesignated Excess Reserve for Mold Remediation and Asbestos Abatement at 1700 D Street

BACKGROUND

A. In preparing to scan paper planning documents to digital form, the Development Services Department discovered mold on the documents, which triggered a mold investigation in the Public Works building where they were stored at 1700 D Street.

B. During the mold investigation, it was discovered that the source of the mold is most likely a roof leak which has since been repaired; however the Development Services document storage room, upper storage area, and IT closet have been identified in need of limited mediation of mold and asbestos.

C. Per the City's procurement policy, three quotes for the remediation were obtained, and Emergency Restoration & Cleaning submitted the quote with the lowest financial impact, at $45,000.

D. Another $2,500 is needed to budget for clearances and work complete to date, namely the mold and asbestos survey performed by Adam Labs, Inc.

E. Another $1,500 is needed to budget for Sierra Pacific Loss Management fees, which is a company recommended by our insurance pool to assist with managing the remediation process.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Appropriates funds in the amount of $49,000 from the General Fund Undesignated Excess Reserve into account number 100-03310-42025 Maintenance Operations/Contract Services for mold remediation and asbestos abatement at 1700 D Street.

Adopted by the City of South Lake Tahoe City Council on June 7, 2022 by the following vote:
Yes:
No:
Absent:
Abstain:

_____ Date:_____

Devin Middlebrook, Mayor

Attest:

_____

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: June 7, 2022
Agenda Item #: 25

Agenda Item: Professional Services Agreement with Sosu.TV for Broadcasting, Media, and Video Production Services

Executive Summary: In an effort to continually improve the City's video production, public meeting production, and Channel 21 offerings, the goal of the Communications/Marketing division is to bring on a firm that can lead our organization to new heights and one that is representative of a city that boasts 100,000+ population throughout the year, despite our census population. Staff recommends approval of a 2-year contract with Sosu.TV, an established video production company that specializes in creative content creation, video and public meeting production, and Public, Education, Government (PEG) channel management and programming for public/governmental entities.

In addition, Sosu.TV would be able to conduct an analysis of our current production set-up to identify immediate, mid-term, and long-range technology improvements to ensure high-quality public meeting production that keep up with current innovations. Such improvements could be funded through the PEG fund, which is generated from Charter Communication's quarterly PEG franchise fee payment. This fund, which is limited in use to PEG infrastructure purchases, could reasonably cover the cost of updating the infrastructure in the Council Chamber and the control room.

Requested Action / Suggested Motions: Pass a Motion authorizing and directing the Mayor to execute a Professional Services Agreement with Sosu.TV for a 2-year agreement not to exceed $177,000, with the option to renew for one (1), two (2) year term for broadcasting, media, and video production services.
Responsible Staff Member: Lindsey Baker, Assistant to the City Manager/Public Information Officer

Responsible Staff Member: Lindsey Baker, Assistant to the City Manager/Public Information Officer (530) 542-6093

Reviewed and Approved By:
Susan Blankenship, City Clerk
Olga Tikhomirova, Director of Finance
Heather Stroud, City Attorney

Attachments:

01-Staff Report - PSA Sosu TV.docx
02-Video Production RFP.pdf
03-Sosu.tv RFP Proposal.pdf
04 - Agreement with Sosu.tv.pdf

City of South Lake Tahoe
Report to **City Council**

Meeting Date: June 7, 2022

Title: Professional Services Agreement with Sosu.TV for Broadcasting, Media, and Video Production Services

Location: Citywide

Responsible Staff Member: Lindsey Baker, Assistant to the City Manager/Public Information Officer (530) 542-6093

Background: While the City's census population sits at just over 25,000, our seasonal and peak travel populations can hit 100,000 or more. As such, the goal is to operate our communications as a larger city, creating high-quality video productions not just for public meetings, but also more marketing-focused productions that can reach a diverse, fluctuating audience year-round to demonstrate all the City of South Lake Tahoe has to offer.

South Lake Tahoe's residential population is very active and engaged in public meetings, outreach efforts, and general public policy-making processes. It is important that we produce high-quality productions for the public, education, and government (PEG) channel, increase the turnover of productions on our PEG channel to allow for greater variety and eliminate the possibility of stale information continuing to be broadcast, and improve this underutilized resource to the benefit of our residents and visitors.

Crystal Entertainment, the City's previous provider of public meeting video production services exercised their agreement's 30-day termination clause effective April 4, 2022. Since this time, the City's Information Technology team, led by Sebastian Knapp and in coordination with the City Clerk's Office, have continued to produce all public meetings with the hybrid Zoom option, Spanish translation, streaming on Granicus (web agenda platform), and streaming and replay on Channel 21. Staff is grateful for their work in bridging this gap between professional video production providers.

Issue and Discussion: Staff released a Request for Proposals to the public on March 16 for professional consulting services to provide the City with professional-level recording and broadcasting of public meetings and to manage and schedule the local government channel, create and produce original content for the local government channel, and provide a full assessment of and recommendations to modernize current audio-visual equipment that is used for meeting production in the City Council Chamber and Control Room. The RFP was developed through significant research of municipal video and public meeting production best practices, consulting with state-level and national industry experts, and professional experience of the City's Public Information Officer.

Should infrastructure upgrades be required or recommended, such improvements could be funded through the Public, Educational, and Governmental (PEG) fund, which is generated from Charter Communication's quarterly PEG franchise fee payment. This fund, which is limited in

use to PEG infrastructure purchases, could reasonably cover the cost of updating the infrastructure in the Council Chamber and the control room.

Staff received one proposal for the RFP, which closed on April 15, 2022. Upon evaluation of the proposal and interview with the vendor by a seven-member, cross-sectional evaluation committee, Sosu.TV received an average score of 93.57 out of 100.

Sosu.TV Proposal Overview

Sosu.TV proposed the following, based on the RFP requested services:

1. Meeting Broadcast/Livestream Services (example: https://youtu.be/9-uui8i_Ed8)
2. Programming Services/Maintenance
3. A/V Consultation
4. Original Content Creation (examples: Saint_Marys_Angels_R2_2.mp4 - Saint_Marys_Angels_R2_2.mp4 - Frame.io; https://www.youtube.com/watch?v=EvBUMz4t96Y; https://www.youtube.com/watch?v=5D42V6puNtY)
5. Bulletin Board (example: https://www.youtube.com/watch?v=44FQNxh8TNY)

Details and proposed hours for each service are fully outlined in the attached 03-Sosu.TV RFP Proposal.

Evaluation Details

A review committee was created to evaluate and score the proposals. The committee consisted of Susan Blankenship, City Clerk, Olga Tikhomirova, Finance Director, Sebastian Knapp, IT Manager, Emily Abernathy, Events Specialist, Sheree Juarez, Communications Specialist, and Lindsey Baker, Assistant to the City Manager/PIO. Brandi Brown of Tahoe Production House also sat on the evaluation committee as an industry subject matter expert. Below is the scoring criteria and the scores for the single bidder:

Scoring Criteria

Cover Letter, 0-5 points
Executive Summary, 0-10 points
Company History, Background, and Experience, 0-20 points
Scope of Work/Implementation, 0-35 points
Project Budget and Timeline. 0-25 points
Recent Projects/References, 0-5 points

Vendor/Proposer Name	Evaluator #1 Total Score	Evaluator #2 Total Score	Evaluator #3 Total Score	Evaluator #4 Total Score	Evaluator #5 Total Score	Evaluator #6 Total Score	Evaluator #7 Total Score	TOTAL SCORE	RANKING
Sosu.TV	95	91	90	90	96	93	100	655	1
								0	
								0	

Staff Recommendation:

Pass a motion authorizing and directing the Mayor to execute a Professional Services Agreement with Sosu.TV for $177,000 for a 2-year agreement with the option to renew for one (1) two (2) year term for Broadcasting, Media, and Video Production Services.

Financial Implications: Sufficient budget remains in the fiscal year 2021-2022 budget within the City Council budget account 100-01110--42025 Contract Services to cover the remaining three (3) months of FY 22. This is unused funding that had been budgeted for Crystal Entertainment, the previous provider for public meeting production services. Upcoming years' cost will be brought to the City Council during the budget workshop discussion and included in the budget proposal for FY 23-24.

Environmental Considerations: The proposed Broadcasting, Media, and Video Production Services are statutorily exempt from review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15262 (Feasibility and Planning Studies) because it involves possible future actions which the City has not approved, adopted, or funded.

Policy Implications: The agreement with Sosu.TV supports the 2021-2026 Strategic Plan Priority 3, Community for All and Priority 5, Continuous Improvement.

REQUEST FOR PROPOSALS

City of South Lake Tahoe
Broadcasting, Media, and Video Production Services

Photos: South Lake Tahoe City Hall Council Chamber and Control Room

RFP # 2022-04-15

SUMMARY

This RFP seeks to engage a qualified vendor with professional expertise and experience to provide the City with professional-level recording and broadcasting of public meetings, manage and schedule the local government channel, create and produce original content for the local government channel, and provide a full assessment of and recommendations to modernize current audio-visual equipment that is used for meeting production in the City Council Chamber and Control Room.

The onsite Audio/Visual Technician(s) or Specialist(s) is expected to be available in accordance with a set schedule of regular meetings and will have some flexibility to provide services at additional meetings when the need arises, with advance notice. Remote production capability is a highly desired option when the A/V technician(s) or specialist(s) are unable to be on-site due to inclement weather or other unforeseen circumstances.

Proposals are due on or before **4/15/2022 no later than 5pm** (Pacific Standard Time) through the Planet Bids on-line procurement portal, U.S. mail or personal delivery to the address below. Proposals received after the deadline will not be accepted. Fax and e-mail submissions will not be accepted.

City of South Lake Tahoe
Attn: Lindsey Baker
Video Production Services
City Manager's Office
1901 Lisa Maloff Way, Suite 230
South Lake Tahoe, CA 96150

Read this RFP document carefully as the award will be given to the most "responsible and responsive" Proposer responding to this RFP. The City of South Lake Tahoe reserves the right toaccept or reject any or all proposals or to make no award at all, to extend the period for acceptingproposals, to advertise the RFP at any time and to waive any minor irregularities in any proposals.

In the opinion of the City of South Lake Tahoe, this RFP is complete and without need of explanation. However, if you have questions, or should you need any clarifying information, please use the Q&A feature that is found within Planet Bids, where the RFP is posted.

Please note that no information given will be binding upon the City unless such information is issued in writing as an official addendum to this RFP.

TIMELINE OF CRITICAL DATES

Release of RFP	March 16, 2022
Council Chamber and Control Room Walk-through by Appointment: **Contact lbaker@cityofslt.us to schedule**	March 31-April 1 1-3pm
Deadline for Question Submittal via Planet Bids	April 8, 2022
RFP submittals DUE	April 15, 2022
Selection Committee Review Period	April 18-22, 2022
Interviews with Highest Scored-Vendor(s)	April 26, 2022 (subject to change)
Intended Award Date	May 17, 2022

SUBMITTAL PROCEDURES

1. Register with the City

All Proposers **must** complete a "Vendor Information Sheet" to be entered in the City of South Lake Tahoe Vendor Database, which is **required to submit a proposal**. Proposers will be notified by the City of any addenda that may be issued to this Request for Proposal (RFP). Proposers must register in the City's Vendor Database to be notified of such addenda.

To register, go to: https://pbsystem.planetbids.com/portal/14997/portal-home and follow the instructions applicable to Proposer. Following submission, Proposer will receive a confirmation message within 24 hours from the City. Proposers are *solely responsible* for maintaining up-to-date and accurate information in the Vendor Database.

2. Number of Copies

The Proposer must submit in a sealed package(s) one (1) "Original", and five (5) complete copy sets of the "Original" response. Proposals shall not be e-mailed or faxed to the City. **Proposals not received by the date and time specified in this RFP, will be rejected.** Documents submitted in response to this RFP will become the property of the City of South Lake Tahoe and will be regarded as public record under California Public Records Act under Government Code 6250 et seq., and subject to review or release to the public, **excluding** financial records marked "confidential" which shall be available for the Proposer to pick up following a review and selection of the firm(s).

3. Format

Font, Type and Style: All proposals shall be professionally prepared (no handwritten proposals will be accepted) and shall not exceed 25 double-sided pages. There are no requirements on font size, type or style.

4. Submittal Deadline

Response to this RFP is due on or before **04/15/2022 no later than 5 p.m.** (Pacific Standard Time) through Planet Bids on-line portal or at City offices (address below). Reponses received after the deadline will not be accepted; there are no exceptions. Fax and Electronic-mailed (e-mail) submissions will not be accepted. Submit Proposals to:

City of South Lake Tahoe
Attn: Lindsey Baker
Video Production Services
City Manager's Office
1901 Lisa Maloff Way, Suite 230
South Lake Tahoe, CA 96150

5. Selection Process

A Selection Committee consisting of City Staff will evaluate the submitted proposals. Proposer(s) will be objectively evaluated based on their responses to the project scope outlined in this RFP. The written proposal should clearly demonstrate how the Proposer could best satisfy the requirements of the City. The Selection Committee will utilize the Evaluation Method and Criteria described on pages 10-11 of this RFP to rate and rank each proposal.

The Selection Committee shall invite the top-scoring Proposers to a Selection Interview in person or via an online video platform, during which the Proposer will provide a presentation. Upon completion of interviews, a recommendation by the Selection Committee to the City Council will be made and awarded in accordance with the City of South Lake Tahoe Procurement Policies & Procedures.

The City of South Lake Tahoe reserves the right to accept or reject any or all proposals or to make no award at all, to extend the period for accepting proposals, to advertise the RFP at any time, and to waive any minor irregularities in any proposal.

6. Professional Services Agreement

The Professional Services Agreement with the selected Proposer will begin within 30 days of award of contract. The selected Proposer will be required to sign the City's Standard Professional Services Agreement. A sample Professional Services Agreement is attached hereto, and the City reserves the right to amend or edit this Agreement however it sees fit upon award.

All vendors that execute a Professional Services Agreement with the City of South Lake Tahoe are required to obtain a Business and Professions Tax Certificate (Business License) and pay an annual fee to receive and maintain business license. Upon notice of award, the chosen vendor is expected begin the process of obtaining a Business and Professions Tax Certificate. See Attachment 2 for application template.

7. Reservations

a) The City reserves the right to reject any and all proposals, whether or not minimum qualifications are met, and to modify, postpone, or cancel this Request for Proposal, in whole or in part, or decide to award a contract to perform only some of the services outlined in this Request for Proposal, without liability, obligation, or commitment to any party, firm, or organization.

b) In addition, the City reserves the right to request and obtain additional information from any Proposer and to negotiate the final scope of services with the selected Proposer. The City is not liable for any costs incurred by Proposers prior to issuance of an agreement, contract, or purchase order. Costs of developing the proposals, oral presentations or any other such expenses incurred by the Proposer in responding to the RFP are entirely the responsibility of the Proposer, and shall not be reimbursed in any manner by the City of South Lake Tahoe.

c) Only the City Council of South Lake Tahoe, or the City Manager after being duly authorized by the City Council, may execute the Agreement with the successful Proposer. Further, it is understood that respondents must independently evaluate the information in this RFP and that the City makes no guarantee of data accuracy.

d) The City reserves the right to waive or permit cure of minor informalities and/or insignificant mistakes such as matters of form rather than substance and to conduct discussions and negotiations with any *qualified respondent* in any manner deemed necessary by the City to serve its best interests. The City also reserves the right, based on its sole judgment and discretion, to award a contract based upon the written proposals it receives without conducting discussions, interviews or negotiations.

e) If, in the opinion of the City, a proposal contains false or misleading statements or references, it may be rejected without notice to Proposer.

f) The City reserves the right to obtain written clarification of any point in a Proposer's proposal or to obtain additional information necessary to properly evaluate a particular proposal. Failure of a Proposer to respond to such a request for additional information or clarification may result in rejection of the proposal.

g) The City reserves the right, without qualification, to select a Proposer for further discussions based solely on the content of the RFPs and relevant information obtained from others concerning the respondent's respective records of past performance.

h) Proposer agrees that any response submitted to this RFP will remain current and valid for a period of not less than 120 calendar days from the proposal due date.

8. Local Business Preference (applies to RFP's over $50,000 only)

a) The City shall apply a five (5) percent discount to all local businesses which submit proposals for services for The City of South Lake Tahoe. The City shall evaluate the local business proposals as though the proposal had been submitted at a cost of five (5) percent lower than the cost submitted.

b) Local Business shall mean a business which maintains its principal place of business in a fixed office within the City of South Lake Tahoe and possesses a current South Lake Tahoe business license. To establish a principal place of business in South Lake Tahoe, a business must demonstrate the majority of its principals are based in the South Lake Tahoe office, and that it pays South Lake Tahoe payroll taxes on at least 51 percent of its total payroll.

INTRODUCTION

9. Background

The City of South Lake Tahoe is a general law city in El Dorado County, CA, that was founded on November 30, 1965. It operates under a Council-Manager form of government with five (5) elected city council members, who select a mayor and mayor pro tem for one (1) year terms, and an appointed City Manager. Located 190 miles northeast of San Francisco, CA and 60 miles southwest of Reno, NV in the Sierra Nevada Mountains, South Lake Tahoe boasts one of the most unique settings in the world, at the edge of an alpine lake of great natural beauty and environmental value. The city limits encompass an area of approximately 16 square miles with an average elevation of more than 6,200 feet above sea level and a population of 22,525. While our census population sits at under 25,000, our seasonal and peak travel populations can hit 100,000 or more. As such, our goal is to operate our communications as a larger city, creating high-quality video productions for not just public meetings, but also more marketing-focused productions that can reach a diverse, fluctuating audience year-round to demonstrate all the City of South Lake Tahoe has to offer.

South Lake Tahoe's residential population is very active and engaged in public meetings, outreach efforts, and general public policy-making processes. It is important that we produce high-quality productions for the public, education, and government (PEG) channel, increase the turnover of productions on our PEG channel to allow for greater variety and eliminate the possibility of stale information continuing to be broadcast, and improve this underutilized resource to the benefit of our residents and visitors.

Currently, the City of South Lake Tahoe's bi-monthly City Council Meetings, monthly Planning Commission Meetings, and quarterly Police Advisory Commission Meetings are conducted in-person with a Zoom integration to provide for virtual/remote public comment and simultaneous Spanish translation, as well as a Facebook Live component, which allows for an additional viewing option and closed captioning. The meeting is connected through Granicus Agenda Management Software, which broadcasts the meeting live on the City's website, where it is also archived. The meetings are broadcast via Castus to PEG Channel 21 and repeat as the schedule allows 24/7. While the City is open to new software and systems, it is critical that the objectives of all of these components remain part of the public meeting process, which is to ensure a high level of transparency, ease of public participation, and access for our Spanish-speaking population and deaf or hard-of-hearing audience. Regular Council meetings typically occur twice a month on Tuesdays at 9am or 5:30pm; Planning Commission meetings are on one Thursday a month at 3pm; and Police Advisory Commission meetings vary quarterly. Special meetings may also be held occasionally.

The City Council Chamber currently has four (4) Sony network cameras which connect to an A/V control room, where the meetings are produced live. The scope of work includes a review of the current infrastructure and recommendations for upgrades to improve video quality and enhance the viewing experience.

There will be an opportunity for interested proposers to conduct a walk-through of the City Council Chamber and Audio-Visual room at the South Lake Tahoe City Hall prior to the submittal due date. Refer to the timeline on page two for possible dates. The highest-scoring proposers on this RFP will be invited to provide a presentation as part of an interview with the RFP review and selection committee.

SCOPE OF SERVICE

10. Scope of Work to be Performed

This RFP seeks to engage an experienced and qualified vendor to come in and operate our current A/V system, with all components addressed in the introduction to produce and broadcast public meetings, with the expectation that a full assessment and recommendations on infrastructure and process improvements will be provided within the first three (3) months of the agreement. The City intends to execute an agreement with a qualified vendor for a two (2) year term with the option to renew for one (1) two (2) year term. The following items represent the scope of work to be performed:

1. Produce, record, and broadcast approximately 40 annual public meetings per year, including City Council (24), Planning Commission (12), and Police Advisory Commission (4). Regular City Council meetings are generally two Tuesdays per month at 9am or 5:30pm with an average duration of 2-6 hours; Planning Commission is generally one Thursday per month at 3pm with an average duration of 2-3 hours; and Police Advisory Commission varies quarterly with an average duration of 1-2 hours. The City may call special meetings on occasion, including special closed session meetings that generally start one hour before the regular City Council meetings. The special-called meetings or additional meetings are not limited to City Council, Planning Commission, or Police Advisory Commission. Live broadcasts shall include agenda graphics, natural transitions, and bottom thirds for agenda item and/or speaker identification.

2. Consultant shall provide staff, technology, and data redundancy to ensure public meeting broadcasts will not be interrupted. Consultant technicians will be on-site for public meeting production.

3. Consultant will provide basic set-up and take-down, as necessary, for meetings, as well as routine maintenance and minor repairs of all audio/visual equipment in conjunction with the activities listed above. The consultant will demonstrate proficiency with all equipment and will make a request in advance to the City for any purchases or repairs needed, or any labor on the consultant's part, which would exceed that described as routine or minor and which could trigger additional charges. On-site technician(s) will be responsible for securing the control room after any on-site maintenance or after a meeting has adjourned and all other duties are complete, unless other arrangements have been made with City staff.

4. All public meeting video recording productions must be compatible with the current set-up: Granicus Agenda Software System to live cast via Granicus on City website, live cast on Facebook Live through Castus, seamlessly connect to Zoom for public comment and live Spanish translation, and connect to Castus to broadcast on PEG Channel 21.

5. Consultant shall have remote and automated public meeting production, broadcast, and recording capabilities as a contingency in cases of inclement weather or emergency or unforeseen circumstances that would prevent production team from being on-site. Remote video production is to be used only as an exception and must be approved by the City Clerk and Public Information Officer in advance.

6. Review current audio/visual and production set-up, make recommendations to improve upon current system and processes, including but not limited to the purchase of new A/V equipment, re-orientation of the A/V room to maximize efficiencies, and new software or platforms that leverage new, innovative technologies. Vendor will provide detailed specifications and itemized costs of any recommended upgrades or changes, which may include the City Council

Chamber cameras, lighting, speakers, and other equipment for optimal video production of public meetings. Vendor will also conduct an inventory of existing A/V equipment and identify which items may be included in auction or are otherwise not needed due to being outdated, damaged, or obsolete to maintain.

7. Ensure all public meeting videos and original content comply with current local, state, and federal regulations related to audio and visual media, including the Brown Act for public meetings. Explore options and make recommendations for integrating closed captioning into videos.

8. Manage and program the 24/7 schedule of PEG Channel 21 using Castus, including organizing and managing content to be scheduled live and for re-broadcast. Consultant will have the relevant knowledge and experience in PEG television policy and law to consult the City on upcoming trends and issues.

9. Create original content for PEG Channel 21, including but not limited to educational videos about city services and programs, scrolling news flashes, localized television series, and bulletin boards or static informational displays. Consultant will produce a minimum of four (4) videos for the first year, after which the City will reassess minimum number and length of videos preferred annually. Produce and manage a City bulletin board on upcoming events, notices, and other important public service announcement information to be aired to fill airtime between regular programming or in the case of a loss of a cable signal. May also be used for dissemination of emergency communications. All content should follow City brand and style guidelines, and in some cases, existing creative direction to compliment current or ongoing programs.

10. Creation of original video content will be done primarily with vendor's own equipment, tools, and supplies, with the opportunity to use City-owned equipment as needed and mutually agreed upon prior to beginning any new project. For public meetings held at City Hall, City will provide consultant with all equipment, tools, and supplies necessary to provide the related services. All original content videos will be made available in formats suitable for broadcast to PEG Channel 21, social media, and website.

11. Build and maintain a video library of previous and future videos, b-roll, and images for use in future media and video productions. Examples of video and/or photography opportunities may include the July 4 Parade, Festival of Winter Lights, groundbreakings, and other community-wide events.

12. Post-event editing of events that are recorded using personal mobile devices by City staff or recorded by a third party, in order to be programmed into Castus for PEG Channel 21 broadcast. This would be done on an as-needed basis for up to five (5) special events per year (ex: Quarterly Community Conversations).

13. Consultant will work with Public Information Officer, City Clerk, and Information Technology staff to ensure holistic approach to operations.

14. Consultant shall respond initially to requests from staff in writing within a 24-hour period, unless otherwise noted as urgent, to indicate confirmation of receipt. The Consultant's responses will include a confirmation of service or project direction and needs, an estimated number of billable hours to be dedicated to the project, and the turnaround time of the request.

While the City will accept proposals that may specialize in just one area, for example, meeting production and broadcast, the City reserves the right to give preference to individual firms with

proposals that directly include and specialize in all requested services. Municipal experience will also be given preference.

This request for proposal shall be inclusive of all fees, including taxes.

PROPOSAL CONTENT REQUIREMENTS

11. <u>Proposal Requirements</u> - All proposals must include the following information and shall be organized as described below.

A. Cover Letter (0-5 points)

The cover letter shall be addressed to Lindsey N. Baker, MPA, Assistant to the City Manager and Public Information Officer, and at a minimum, must contain the following:

- Identification of Firm, including name, address, and telephone number
- Name, title, address, and telephone number of contact person during period of proposal evaluation
- A statement to the effect that the proposal shall remain valid for a period of not less than 120 calendar days from date of submittal
- Signed by person authorized to bind the Firm to the terms of the proposal

B. Executive Summary (10 points)

The intent of this narrative is to convince the City that the Proposer understands the requirements of the proposal, the nature of the work, and the level of effort necessary to successfully provide the defined services. It should demonstrate that the Proposer possesses the qualifications necessary to fulfill the requirements of the Request for Proposals.

C. Company History, Background and Experience (0-20 points)

Describe the Company's history and organizational structure, including the size of the company, location of office(s), and years in business. Include the firm's background, experience, and capacity to undertake the outlined services for the City of South Lake Tahoe in conformity with the requirements of the RFP. List the qualifications of each member of the proposed project team, including relevant education and credentialing. Provide the length of time each member has been an employee of the firm. Highlight previous experience in working with municipalities or other local government entities.

D. Scope of Work/Implementation (0-35 points)

Describe the Company's general approach to managing the services to be provided, including an explanation of the methodology to be followed and specific plans to manage, control, and supervise the services in order to ensure satisfactory provision of services. In developing the proposal, reference should be made to the specific requirements and specifications noted in the Introduction and Scope of Services (pages 6-9) and identify staffing plans for public meetings.

E. Project Budget & Fee Proposal (0-25 points)

Provide a description of the service cost and/or fees itemized according to the RFP proposal, including the firm's hourly rate for each service proposed; include an itemization of the expected level of services to be provided, including hours of work and corresponding fees. The total, all-inclusive maximum price to be bid is to contain all direct and indirect costs, including all out-of-pocket and reimbursable expenses. The City of South Lake Tahoe will not be responsible for the expenses incurred in preparing and submitting the proposal. The Company shall present all costs, fees, taxes, and charges based on achievement of deliverables, which should be outlined in the Company's cost proposal.

F. Description of Recent Projects/References (0-5 points)

Provide references and examples for at least three (3) projects that represent the type of work requested in this Request for Proposals. All projects must be original content (with the exception of public meeting content) and fully produced by the Proposer. If a referenced project is a video, provide link or file to full video. Project examples must include at least:

1. One (1) city council or public governing body meeting (while not original content, original agenda graphics should be included)
2. One (1) public service announcement/educational video highlighting the client's services, programs, or community
3. One (1) static placard or bulletin board display

Describe the size and the type of project, scope of work, original budget, and length of time to complete each project.

List dates of service, email addresses, and current phone number of clients' representative(s) that can attest to the quality of services received for each of the example projects.

EVALUATION METHOD & CRITERIA

Proposals will first be reviewed for responsiveness to the requirements. If any information is missing from the required content, the proposal may be deemed non-responsive and returned to proposer and any further review is subject to the City's discretion (see Reservations, pages 4-5).

The Selection Committee will make a recommendation based on the criteria in this Proposal to award the contract/agreement to a selected Proposer. The City may conduct interviews as described on page 4 under Selection Process.

12. <u>Evaluation Criteria</u>

Recommendations for selection will be based on the following weighted criteria of 100 possible points and passing status on all Pass or Fail categories, if any. **This information should match the proposal content requirements on pages10-11.**

Criteria	Points
A. Cover Letter	5
B. Executive Summary	10
C. Company History, Background & Experience	20
D. Scope of Work/Implementation	35
E. Project Budget & Fee Proposal	25
F. Description of Completed Projects/References	5

ATTACHMENT 1

PROFESSIONAL SERVICES AGREEMENT

STANDARD TEMPLATE

ATTACHMENT 2

BUSINESS AND PROFESSIONS TAX CERTIFICATE

APPLICATION TEMPLATE

CITY OF SOUTH LAKE TAHOE

PROFESSIONAL SERVICES AGREEMENT

This Agreement is made and entered into as of the 7th day of June 2022 by and between the **City of South Lake Tahoe**, a municipal corporation ("City") and **Sosu.TV** ("Consultant").

RECITALS

A. Consultant is specially trained, experienced and competent to perform the special services which will be required by this Agreement.

B. Consultant possesses the skill, experience, ability, background, certification and knowledge to provide the services described in this Agreement on the terms and conditions described herein.

C. City desires to retain Consultant to render professional services as set forth in this Agreement.

AGREEMENT

1. Scope of Services. Consultant shall perform the services set forth in this agreement and shall provide said services at the time, place, and in the manner specified in this agreement. Consultant shall have no power or authority by this Agreement to bind City in any respect.

   The Consultant agrees that it has satisfied itself by its own investigation and research regarding the conditions affecting the work to be done and labor and materials needed, and that its decision to execute this Contract is based on such independent investigation and research.

   All services provided by Consultant pursuant to this Agreement will be provided in accordance with the terms set forth in the **Exhibit A, "Scope of Services,"** attached hereto and incorporated herein by reference. **Exhibit B, "Compensation Schedule,"** attached hereto and incorporated herein by reference, outlines the fees and compensation which shall be paid pursuant to this Agreement.

2. Term/Time of Performance. The services by Consultant are to commence upon the execution of the Agreement and continue for one two (2) year term with the option to renew for one (1) two (2) year term.

3. Compensation. Compensation to be paid to Consultant shall be in accordance with the Schedule set forth in **Exhibit B** which is attached hereto and incorporated herein by reference. In no event shall Consultant's compensation, including travel and out-of-pocket expenses, exceed $177,000 without additional written authorization from City. Payment by City under this Agreement shall not be deemed a waiver of defects, even if such defects were known to City at the time of payment. Payment is contingent upon compliance with all terms and conditions of this Agreement, as set forth herein. Consultant shall obtain prior written authorization from the City Project Manager for any costs in excess of budgeted amounts for each line item, task, or obligation under the Scope ofServices.

4. Method of Payment. Consultant shall submit monthly billings to City describing the work performed during the preceding month. Consultant's bills shall include a brief description of the services performed, the date the services were performed, the number of hours spent and by whom, the applicable hourly rate, and a description of any reimbursable expenditures. City shall pay Consultant no later than 30 days after approval of the monthly invoice by City staff.

5. Extra Work. At any time during the term of this Agreement, City may request that Consultant perform extra work. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, extra work without prior written authorization from City.

6. Termination. This Agreement may be terminated by City or Consultant immediately for cause or without cause upon thirty days (30) days written notice of termination. Upon termination, Consultant shall be entitled to compensation for services performed up to the effective date of termination, and City shall be entitled to all work performed to that date.
Termination, revocation, or expiration of this Agreement shall not release either party from liability resulting from an event which occurred prior to such termination, revocation or expiration.

7. Ownership of Documents.
All plans, studies, documents and other writings, including working notes and internal documents, prepared by and for Consultant, its officers, employees and agents and subcontractors in the course of implementing this Agreement, shall become the property of City upon payment to Consultant

for such work, and City shall have the sole right to use such materials in its discretion without further compensation to Consultant or to any other party. Consultant shall, at Consultant's expense, provide such reports, plans, studies, documents and other writings to City upon written request. All documents prepared by Consultant are confidential and shall be maintained to preserve their confidential nature. Release of any such documents to third parties shall only be made upon written consent of City.

8. Consultant's Books and Records.

a. Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services, or expenditures and disbursements charged to City for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to Consultant for services provided pursuant to this Agreement.

b. Consultant shall maintain all documents and records which demonstrate performance under this Agreement for a minimum period of three (3) years, or for any longer period required by law, from records shall be available at Consultant's address indicated for the date of termination or completion of this Agreement.

c. Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time during regular business hours, upon written request by the City Manager, City Attorney, City Auditor or a designated representative of these officers. Copies of such documents shall be provided to City for inspection at City offices when it is practical to do so. Otherwise, unless an alternative is mutually agreed upon, the receipt of notices in this Agreement.

d. Where City has reason to believe that such records or documents may be lost or discarded due to dissolution, disbandment or termination of Consultant's business, City may, by written request by any of the above-named officers, require that custody of the records be given to City and that the records and documents be maintained at City offices. Access to such records and documents shall be granted to any party authorized by Consultant, Consultant's representatives, or Consultant's successor-in-interest.

9. Independent Contractor. It is understood that Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of City. Consultant shall obtain no rights to retirement benefits or other benefits which accrue to City's employees, and Consultant hereby expressly waives any claim it may have to any such rights. All employees, agents, contractors or subcontractors hired or retained by Consultant are employees, agents, contractors or subcontractors of Consultant and not of the City.

City is not required to make any deductions or withholdings from the compensation payable to Consultant under the provisions of this Contract and is not required to issue W-2 Forms for income and employment tax purposes for any of Consultant's assigned personnel. Any third-party persons employed by Consultant shall be entirely and exclusively under the direction, supervision, and control of Consultant. Consultant hereby indemnifies and holds City harmless from any and all claims that may be made against City based upon any contention by any third party that an employer-employee relationship exists by reason of this Contract.

10. Interest of Consultant. Consultant, (and principals, associates and professional employees of consultant) covenants and represents that it does not now have any investment or interest in real property and shall not acquireany interest, direct or indirect, in the area covered by this Agreement or any other source of income, interest in real property or investment which would beaffected in any manner or degree by the performance of Consultant's services hereunder. Consultant further covenants and represents that in the performance of its duties hereunder no person having any such interest shall perform any services under this Agreement.

Consultant is not a designated employee within the meaning of the Political Reform Act because Consultant:

a. Will conduct research and arrive at conclusions with respect tohis/her rendition of information, advice, recommendation or counsel independent of the control and direction of City or of any City official, other than normal agreement monitoring; and,

b. Possesses no authority with respect to any city decision beyond rendition of information, advice, recommendation or counsel. [FPPC Reg. 18700(a) (2)].

11. Professional Ability of Consultant. City has relied upon the professional training and ability of Consultant to perform the services hereunder as a material inducement to enter into this Agreement. Consultant shall therefore provide properly skilled professional and technical personnel to perform all services

under this Agreement. All work performed by Consultant under this Agreement shall be in accordance with applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in Consultant's field of expertise.

12. Compliance with Laws. Consultant shall comply with all applicable federal, state, regional and local laws, codes, ordinances and regulations in carrying out his/her duties under this Agreement. Consultant shall observe and comply with all applicable laws, ordinances, regulations and codes of federal, state and local governments, and shall commit no trespass on any public or private property in performing any of the work authorized by this Agreement. The City, its officials, officers, elected officials, appointed officials and employees shall not be liable at law or in equity as a result of any failure of Consultant to comply with this section.

    In the event it is determined that the Consultant is required to pay prevailing wages for the work performed under this Agreement, the Consultant shall pay all penalties and wages as required by law.

13. Licenses. Consultant represents and warrants to City that it has all licenses, permits, qualifications, insurance and approvals of whatsoever nature which are legally required of Consultant to practice its profession. Consultant represents and warrants to City that Consultant shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, insurance and approvals which are legally required of Consultant to practice its profession. Consultant shall maintain a City of South Lake Tahoe business license at all times services is performed under this Agreement. Consultant acknowledges that payments made pursuant to this Agreement may be withheld until this provision has been satisfied.

14. Indemnity. Consultant hereby agrees to and shall indemnify and hold harmless City, its elected and appointed boards, officers, agents, employees and volunteers from and against any liability for any and all claims, demands, actions, losses, damages and injuries, direct or indirect (including any and all costs and expenses in connection therein), arising out of this Agreement or caused in any way by Consultant's negligent performance of this Agreement or its breach of its obligations contained in this Agreement, except for any such claims arising out of the negligence or willful misconduct of the City. Consultant agrees to defend City from and against any and all losses, damages, claims costs and fees arising out Consultant's negligent acts, errors, omissions, regarding this Agreement, the Consultant's work under this Agreement, or the consultant's Scope of Work.

City does not, and shall not, waive any rights against Consultant which it may have by reason of the aforesaid hold harmless agreement, because of the acceptance by City, or the deposit with City by Consultant, of any of the insurance policies hereinafter set forth.

This hold harmless agreement by Consultant shall apply to all damages and claims for damages, or alleged to have been suffered, by reason of any of the aforesaid operation of Consultant or any subcontractor, regardless of whether such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

Consultant further waives any and all rights to any type of express or implied indemnity or right of contribution from the City for any liability, claims, demands, costs, charges and expenses and causes of action of whatsoever arising out of or in any way connected with this Agreement, and consultant's work under this Agreement.

15. Insurance Requirements.

a. Consultant, at Consultant's own cost and expense, shall procure and maintain, for the duration of the contract, the following insurance policies.

i. Workers' Compensation Coverage. Consultant shall maintain Workers' Compensation Insurance and Employer's Liability Insurance for his/her employees in accordance with the laws of the State of California. In addition, Consultant shall require each subcontractor to similarly maintain Workers' Compensation Insurance and Employer's Liability Insurance in accordance with the laws of the State of California for all the subcontractor's employees. Any notice of cancellation of all Workers' Compensation policies must be received by City at least thirty (30) days prior to such change. Consultant shall provide thirty (30) days written notice of nonrenewal of any Workers' Compensation policies. The insurer shall agree to waive all rights of subrogation against City, its officers, agents, employees and volunteers for losses arising from work performed by Consultant for City.

ii. Commercial General Liability Coverage. Consultant shall maintain commercial general liability insurance no less broad than ISO form CG 00 01 in an amount not less than one million dollars ($1,000,000) per occurrence for bodily injury, personal

injury and property damage. Coverage must be made on the standard Occurrence form. Claims-Made forms are not acceptable without prior written consent of City. City of South Lake Tahoe must be endorsed as an additional insured for liability arising out of ongoing operation by on behalf of Consultant. If a commercial general liability insurance form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit.

iii. Automobile Liability Coverage. Consultant shall maintain automobile liability insurance covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with the work to be performed under this Agreement, including coverage for owned, hired and non-owned vehicles, in an amount of not less than one million dollars ($1,000,000) combined single limit for each occurrence.

iv. Professional Liability Coverage. Consultant shall maintain professional errors and omissions liability insurance for protection against claims alleging negligent acts, errors or omissions which may arise from Consultant or by its employees, or subcontractors. The amount of this insurance shall not be less than one million dollars ($1,000,000) on a claims-made annual aggregate basis, or a combined single-limit per occurrence basis.

b. Endorsements. Each general liability and automobile liability insurance policy shall be with insurers possessing an AM Best's rating of no less than A:VII and shall be endorsed with the following specific language:

i. City, its elected or appointed officers, officials, employees, agents and volunteers are to be covered as additional insureds under Consultant's General Liability and Automobile Liability policies with respect to liability arising out of this Agreement and/or work performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work or operations.

ii. This policy shall be considered primary insurance as respects City, its elected or appointed officers, officials, employees, agents and volunteers. Any insurance maintained by City, including any self-insured retention City may have, shall be considered excess insurance only and shall not contribute with it.

iii. This insurance shall act for each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring Consultant.

iv. The insurer waives all rights of subrogation against City except for Consultant's Professional Liability and Employers' Liability policies, its elected or appointed officers, officials, employees or agents.

v. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its elected or appointed officers, officials, employees, agents or volunteers.

vi. No policies of insurance carried by Consultant shall be suspended, voided, canceled, or changed in coverage or in limits except after thirty (30) days written notice to the City Attorney by Certified Mail.

c. Deductibles and Self-Insured Retentions. The Consultant shall be responsible for all deductibles in all of Consultant's insurance policies. The amount of deductibles for insurance coverage required herein shall be reasonable and approved by the City Attorney.

d. Certificates of Insurance. Consultant shall provide certificates of insurance with original endorsements to City as evidence of the insurance coverage required herein. Consultant shall not commence work under this contract until all insurance required under this section has been approved by City as to form, amount and carrier, nor shall Consultant allow any subcontractor to commence work on any subcontract until all similar insurance required and reasonably consistent limits of the subcontractor has been so obtained and approved. Certificates of insurance shall contain no exclusions unless negotiated with the City Attorney and approved, in writing, by the City Attorney.

16. Notices. Any notice required to be given under this Agreement shall be in writing and either served personally or sent prepaid, first class mail. Any such notice shall be addressed to the other party at the address set forth below. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this section.

If to City:	City of South Lake Tahoe ATTN: Lindsey N. Baker 1901 Lisa Maloff Way, Suite 203 South Lake Tahoe, CA 96150
Provide a copy to:	City Attorney's Office City of South Lake Tahoe 1901 Lisa Maloff Way, Suite 300 South Lake Tahoe, CA 96150
If to Consultant:	Sosu.TV Mark Hatjakes 3983 S. McCarran Blvd. #427 Reno, NV 89519

Provide a copy to:

17. Assignment and Subcontracting. The parties recognize that a substantial inducement to City for entering into this Agreement is the professional reputation, experience and competence of Consultant. Assignments of any or all rights, duties or obligations of the Consultant under this Agreement will be permitted only with the express consent of City. Consultant shall not subcontract any portion of the work to be performed under this Agreement without the written authorization of City. If City consents to such subcontract, Consultant shall be fully responsible to City for all acts or omissions of the subcontractor. Nothing in the Agreement shall create any contractual relationship between City and subcontractor nor shall it create any obligation on the part of City to pay or to see to the payment of any monies due to any such subcontractor other than as otherwise required by law.

18. Waiver. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision under this Agreement.

19. Dispute Resolution. Any dispute concerning this Agreement will be first submitted to the City Manager or his designee for resolution. If no resolution is reached, such dispute shall be submitted to the City Council. The decision of

the City Council shall be final and shall be appealable only to the El Dorado Superior Court pursuant to California Code of Civil Procedure §1094.5, and as provided by law.

20. Controlling Law Venue. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in the Superior Courts in the County of El Dorado, South Lake Tahoe Division.

21. Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any Consultant or person, other than the independent contractors hired in accordance with Consultant's standard business practice, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any Consultant or person, other than a bona fide employee working solely for Consultant or an independent contractor hired as discussed above, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

22. Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, disability, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of City's Minority Business Enterprise program, Affirmative Action Plan, or other related programs or guidelines currently in effect or hereinafter enacted.

23. Drug-Free Workplace Certification. By signing this Agreement, Consultant hereby certifies under penalty of perjury under the laws of the State of California that the Consultant will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Section 8350, et seq.) and will provide a drug-free workplace by taking the following actions:

    a. Publish a statement notifying employees that unlawful manufacture, distribution dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355 (a).

    b. Establish a Drug-Free Awareness Program as required by Government Code Section 8355(b) to inform employees about all of the following:

        i. The dangers of drug abuse in the workplace;

ii. The person's or organization's policy of maintaining a drug-free workplace;
iii. Any available counseling, rehabilitation and employee assistance program; and
iv. Penalties that may be imposed upon employees for drug abuse violations.

c. Provide, as required by Government Code Section 8355(c), that every employee who performs grant activities under this Agreement:

i. Will receive a copy of the Consultant's drug-free policy statement; and
ii. Will agree to abide by the terms of the Consultant's statement as a condition of employment on this Agreement.

Failure to comply with these requirements may result in suspension of payments under this Agreement or termination of the Agreement, or both, and Consultant may be ineligible for award of any future City agreements if City determines that any of the following has occurred: the Consultant (1) has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

24. Anti-Lobbying Certification. Consultant shall submit to City the Anti-Lobbying Certification contained in **Exhibit C**. Further, Consultant shall require that the language of the certification in **Exhibit C** be included in all contracts or subcontracts entered into in connection with this Agreement and that all Consultants and contractors shall certify and disclose accordingly.

25. Debarment, Suspension, Ineligibility and Voluntary Exclusion. By signing this Agreement, Consultant assures that neither it nor its principals, is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.

26. Americans with Disabilities Act. By signing this Agreement, Consultant assures the City that it complies with the American with Disabilities Act (ADA) of 1990, (42 U.S.C. 12101, et.seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to ADA.

27. Amendments. This Agreement may be modified or amended only by a written document executed by both Consultant and City and approved as to form by the City Attorney.

28. Severability. If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the

remaining provisions of this Agreement shall continue in full force and effect.

29. Entire Agreement. This Agreement constitutes the complete and exclusive statement of Agreement between City and Consultant. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement.

30. Execution. This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one copy hereof shall have been signed by both parties hereto. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

31. Time is of the Essence. Time is of the essence for this Agreement.

32. Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective party.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written above.

CITY OF SOUTH LAKE TAHOE:	CONSULTANT:
By_____	By _____
Devin Middlebrook, Mayor	NAME, TITLE
Date_____	Date_____
	Business License # _____

APPROVED AS TO FORM:

By_____ Date_____

City Attorney

ATTEST:

By_____ Date_____

City Clerk

Attachments:

Exhibit A – Scope of Services
Exhibit B – Compensation Schedule
Exhibit C - Anti-Lobbying Certification

EXHIBIT A

SCOPE OF SERVICES

1. Produce, record, and broadcast approximately 40 annual public meetings per year, including City Council (24), Planning Commission (12), and Police Advisory Commission (4). Regular City Council meetings are generally two Tuesdays per month at 9am or 5:30pm with an average duration of 2-6 hours; Planning Commission is generally one Thursday per month at 3pm with an average duration of 2-3 hours; and Police Advisory Commission varies quarterly with an average duration of 1-2 hours. The City may call special meetings on occasion, including special closed session meetings that generally start one hour before the regular City Council meetings. The special-called meetings or additional meetings are not limited to City Council, Planning Commission, or Police Advisory Commission. Live broadcasts shall include agenda graphics, natural transitions, and bottom thirds for agenda item and/or speaker identification.

2. SoSu.TV shall provide staff, technology, and data redundancy to ensure public meeting broadcasts will not be interrupted. Consultant technicians will be on-site for public meeting production.

3. SoSu.TV will provide basic set-up and take-down, as necessary, for meetings, as well as routine maintenance and minor repairs of all audio/visual equipment in conjunction with the activities listed above. The consultant will demonstrate proficiency with all equipment and will make a request in advance to the City for any purchases or repairs needed, or any labor on the consultant's part, which would exceed that described as routine or minor and which could trigger additional charges. On-site technician(s) will be responsible for securing the control room after any on-site maintenance or after a meeting has adjourned and all other duties are complete, unless other arrangements have been made with City staff.

4. All public meeting video recording productions must be compatible with the current set-up: Granicus Agenda Software System to live cast via Granicus on City website, live cast on Facebook Live through Castus, seamlessly connect to Zoom for public comment and live Spanish translation, and connect to Castus to broadcast on PEG Channel 21.

5. SoSu.TV shall have remote and automated public meeting production, broadcast, and recording capabilities as a contingency in cases of inclement weather or emergency or unforeseen

circumstances that would prevent production team from being on-site. Remote video production is to be used only as an exception and must be approved by the City Clerk and Public Information Officer in advance.

6. SoSu.TV will review current audio/visual and production set-up, make recommendations to improve upon current system and processes, including but not limited to the purchase of new A/V equipment, re-orientation of the A/V room to maximize efficiencies, and new software or platforms that leverage new, innovative technologies. Vendor will provide detailed specifications and itemized costs of any recommended upgrades or changes, which may include the City Council Chamber cameras, lighting, speakers, and other equipment for optimal video production of public meetings. Vendor will also conduct an inventory of existing A/V equipment and identify which items may be included in auction or are otherwise not needed due to being outdated, damaged, or obsolete to maintain.

7. SoSu.TV will ensure all public meeting videos and original content comply with current local, state, and federal regulations related to audio and visual media, including the Brown Act for public meetings. Explore options and make recommendations for integrating closed captioning into videos.

8. SoSu.TV will manage and program the 24/7 schedule of PEG Channel 21 using Castus, including organizing and managing content to be scheduled live and for rebroadcast. Consultant will have the relevant knowledge and experience in PEG television policy and law to consult the City on upcoming trends and issues.

9. SoSu.TV will create original content for PEG Channel 21, including but not limited to educational videos about city services and programs, scrolling news flashes, localized television series, and bulletin boards or static informational displays. Consultant will produce a minimum of four (4) videos for the first year, after which the City will reassess minimum number and length of videos preferred annually. Produce and manage a City bulletin board on upcoming events, notices, and other important public service announcement information to be aired to fill airtime between regular programming or in the case of a loss of a cable signal. May also be used for dissemination of emergency communications. All content should follow City brand and style guidelines, and in some cases, existing creative direction to compliment current or ongoing programs.

10. SoSu.TV will create original video content done primarily with our own equipment, tools, and supplies, with the opportunity to use City-owned equipment as needed and mutually agreed upon prior to beginning any new project. For public meetings held at City Hall, City will provide consultant

with all equipment, tools, and supplies necessary to provide the related services. All original content videos will be made available in formats suitable for broadcast to PEG Channel 21, social media, and website.

11. SoSu.TV will build and maintain a video library of previous and future videos, b-roll, and images for use in future media and video productions. Examples of video and/or photography opportunities may include the July 4 Parade, Festival of Winter Lights, groundbreakings, and other community wide events.

12. SoSu.TV will post-event edit events that are recorded using personal mobile devices by City staff or recorded by a third party, in order to be programmed into Castus for PEG Channel 21 broadcast. This would be done on an as-needed basis for up to five (5) special events per year (ex: Quarterly Community Conversations).

13. SoSu.TV will work with the Public Information Officer, City Clerk, and Information Technology staff to ensure a holistic approach to operations.

14. SoSu.TV shall respond initially to requests from staff in writing within a 24-hour period, unless otherwise noted as urgent, to indicate confirmation of receipt. The Consultant's responses will include a confirmation of service or project direction and needs, an estimated number of billable hours to be dedicated to the project, and the turnaround time of the request.

SoSu.TV Implementation Plan

1. Broadcast and Streaming

- Broadcast Scheduling - Producer will work with internal staff monthly to schedule meetings and receive agenda packets for inclusion into graphics. Producer will send a Youtube link for inclusion in the agenda packet as necessary.
- Production Elements - Producer will block and preset camera positions. Producer will preset audio levels to broadcast standards. Producer will work with staff to ingest web conferencing as needed. Producer will switch from shot to shot and from presentation and web conference when relevant. Producer will create lower third graphics with agenda number and description and populate with corresponding agenda item.

- Distribution - SoSu.TV will manage live broadcast output to PEG channel and streaming platforms. SoSu.TV will adjust encoding levels as necessary for highest quality. SoSu.TV will work with staff to determine the best location to send recorded video files for archive purposes.

2. Television Channel Management

- Producer will program the channel weekly, updating and removing necessary content as directed by staff. Producer will use coding software to transcode videos for high quality play out. Producer will work with internal staff to develop a weekly programming flow. Producers will update PCIP information on channel if required.
- SoSu.TV will ensure all public meeting videos and original content comply with current local, state, and federal regulations related to audio and visual media, including the Brown Act for public meetings. SoSu.TV has various options for closed captioning through current platform Castus and also other platforms such as TelVue. Pricing plans for these services will be presented by the vendor.
- SoSu.TV will work with staff to develop evergreen playlists including meetings, television shows, PSA's, original content, and bulletin boards. SoSu.TV will also program based on upcoming trends, issues and communication strategies.
- Production team will investigate crisis messaging on air with available and recommended technology.

3. Content Development

- SoSu.TV will meet with internal staff and stakeholders to define an annual list of topics to be covered and content to be produced. Based on this list, SoSu.TV production team will work with internal staff to schedule necessary shoots and define deliverable dates. Content pieces will be customized based on allotted hours.
- For each content piece (up to 4 a year) Account Manager will meet with internal staff to define goals and collect copy points and/or script. Internal staff will work with their stakeholders to define shoot times. The Account Manager will coordinate with the SoSu.TV production team and assign production elements.

- SoSu.TV will arrive at the designated site with our video equipment for the successful completion of production. Producer will hand off raw footage to the editor/motion graphics producer.
- The Account Manager will relay expected completion date to staff. The Account Manager will provide a semi-final revision for client review. Client will use approval platform to specify edits. The Account Manager will send the final piece for final approval. Producer will upload to all necessary channels and deliver the final file to internal staff for social media distribution if requested.
- SoSu.TV will follow a condensed version of the above process for bulletin board design and distribution.
- SoSu.TV will build and maintain a video library of previous and future videos, b-roll, and images for future use by compiling the previous footage to create a searchable library. New footage will be uploaded and tagged for future use. This will be done monthly or as requested by staff.
- SoSu.TV will post-edit events recorded by staff as directed and up to five special events per year. Our methodology for video production will be the same process employed for these videos.
- SoSu.TV will work with staff to ensure a holistic approach to operations through our annual planning and implementation meeting.
- SoSu.TV will respond to requests within a 24 hour time period unless otherwise noted as urgent from staff. We will have a dedicated email for these requests and will implement upon contract approval.

4. AV Infrastructure Design and Implementation

- SoSu.TV will inventory and organize existing A/V equipment. SoSu.TV will recommend potential upgrades where deemed necessary based on the long term plan for equipment refresh plan.
- SoSu.TV will develop a five year equipment refresh plan and data redundancy plan.

- SoSu.TV will help procure necessary equipment and work with partners to install, program, and implement replacements and upgrades. SoSu.TV will work with internal staff to coordinate equipment warranties.

Project Budget & Fee Proposal

1. Meeting Broadcast / Livestream Services $30,000 annually

- SoSu.TV to provide approximately 25 hours of control room production monthly (unused hours to be accumulated for work over the year up to a total of 300 hours annually of control room broadcast production including breaks for lunch and dinner) billed at the rate of $100 an hour, and to provide production services to convert meetings for upload to a website archive.
- SoSu.TV to provide live coverage of Regularly Scheduled Meetings or Joint/ Special City Council, Redevelopment Agency Board Meetings and any “other meetings” as directed by the Public Information Officer. The regular or joint meetings are held twice monthly unless otherwise specified in the schedule. Provide live coverage of Planning Commission Meetings once a month or as needed.
- SoSu.TV will work closely with agenda management system vendor and the City Clerk’s Office to ensure the meetings are also streaming, including remote broadcast locations.
- SoSu.TV to provide the jump to points for agenda management for each meeting
- SoSu.TV will arrive in advance of a meeting to properly put all information for captions for the meeting into the character generator.
- SoSu.TV will record the meetings with the capture function on Broadcast Equipment and deliver the meeting archive as specified.
- SoSu.TV will convert the meetings to a format to be easily placed on the website or provide an archive of Council Meetings in a format appropriate for YouTube or Facebook.
- SoSu.TV will display a professional attitude and business attire appropriate for a public meeting.
- SoSu.TV will keep the control room neat and report any malfunctions in equipment immediately to the Public Information Officer.
- SoSu.TV will assist with routine maintenance of television broadcast equipment, provide troubleshooting and repair support, and recommend resolutions to problems encountered in the broadcast and archiving of live meetings.
- SoSu.TV will work with the Public Information Officer to plan and schedule all meetings covered by this proposal, giving at least two weeks’ notice if they are unable

to provide coverage for any particular meeting. It will be the Provider's responsibility to sub-contract and/or assign resources to operate the control room for a meeting broadcast production if the provider has an emergency or other scheduling conflict.

- SoSu.TV will work with the Public Information Officer to develop and maintain special programming/events.

2. Programming Services/Maintenance $15,000 annually

- SoSu.TV Proposed Responsibilities
    - Weekly Channel Programming/Online Channel Programming
    - Web Streaming/VOD Services/YouTube creation and maintenance
    - Outreach to content collaborators for channel programming
    - Routine Maintenance
    - 150 Total Hours or 12.5 hours per month. Additional time will be billed out at the rate of $100 an hour with pre-approval of the Public Information Officer.

3. A/V Consultation $4500 - One Time Fee

- SoSu.TV Proposed Responsibilities
    - Facilitate stakeholders meeting to identify audio/video pain points and challenges.
    - Create specification sheet to address aforementioned challenges including:
        - Replace PTZ cameras with HD robotic programmed cameras
        - Develop and test remote broadcasting ability
        - Replace core system with industry-standard video switcher system
        - Replace / renew microphones and attenuate “ring out” the chambers
        - Replace audio core with echo canceling core specifically for hybrid (web conference) meetings
        - Review and possibly replace or update channel management system

4. Original Content Creation $30,000 annually

- SoSu.TV Proposed Responsibilities
    - Original Content Development and Distribution ($100 per hour). Includes 300 hours of production time for shoots and editing annually. Hours can be used as deemed appropriate by staff. Below are examples of a few options. Any additional time will be billed at $100 per hour and pre-approved by the Public Information Officer. Examples of videos include:
    - :90 sec departmental video (35 hours)
    - High budget annual television show (100 hours)
    - Special event including filming and editing - State of the City (50 hours)
    - Editing with motion graphics per 2-3 minute video (16-24 hours)
    - Create and update centralized database of b-roll shots, updating monthly (25 hours)

5. Bulletin Board $5,000 annually

- SoSu.TV Proposed Responsibilities
    - Bulletin Boards/Scheduling/Preparing files for broadcast/online distribution/preventative maintenance
        - Procure Bulletin Board server, design/build bulletin board template and incorporate social media.
        - Complimentary set up of live bulletin boards which includes emergency notifications, social media feeds, upcoming events, arts, business, job postings, weather, time of day and TV channel embedded. Bulletin Boards to be updated weekly.
        - The above technology is an innovative media panel that informs and engages citizens and staff at a glance. Requires hardware purchase
        - Bulletin Boards/Scheduling/Preparing files not to exceed 5-6 hours per month

6. Contingency Fund - 5% - $4000

Proposed Services Total - Annual Cost - $88,500

EXHIBIT B

SCHEDULE OF CHARGES AND TIMELINE

BUDGET

Estimated fees (not-to-exceed) (includes a 5% contingency)	$84,000
Hourly Rate:	$100/hour
One-time Fee for Systems Evaluation	$4,500
Travel and out-of-pocket expenses	$0
TOTAL (not-to-exceed per year of agreement)	**$88,500**

TIMELINE

7-14 Business Days - SoSu.TV will research, learn, and demonstrate proficiency in current systems. SoSu.TV will work with internal staff to successfully complete a rehearsal meeting.

Month One - SoSu.TV will create a content calendar with internal staff for video production. SoSu.TV will develop a plan for billboard template and graphics package.

Months One to Three - SoSu.TV will inventory and analyze current equipment. SoSu.TV will conduct interviews and survey internal staff on needs and requirements for chambers upgrade plan. SoSu.TV will recommend upgrade path.

Months Three to Six – Sosu.TV will develop a reference manual/user guide for most current public meeting production processes. Manual will be updated as processes are revised.

EXHIBIT C

ANTI-LOBBYING CERTIFICATION

Consultant shall submit to City this certification prior to or at the time of the execution of this Agreement.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty not less than $10,000 and no more than $100,000 for such failure.

The undersigned certifies, to the best of his or her knowledge or belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement; and

2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instruction.

Consultant:

SoSuTV

RFP# 2022-04-15

City of South Lake Tahoe

April 05, 2022

Prepared by: Casey Kasten

Prepared for: Lindsey Baker

A.) Cover Letter

Lindsey N. Baker, MPA
Assistant to the City Manager / Public Information Officer

1901 Lisa Maloff Way

South Lake Tahoe, CA 96150

Lindsey,

The purpose of this letter is for SoSu.TV to formally bid on RFP#2022-04-15 for the City of South Lake Tahoe.

SoSu.TV is headquartered in Reno, NV

3983 S. McCarran Blvd #427

Reno, NV 89519

877-760-7678

Contact information for evaluation period is:

Mark Hatjakes - Vice-President

3983 S. McCarran Blvd #427

Reno, NV 89519

mark@sosu.tv | 775-200-6509

This proposal will remain valid for 150 days beyond the date of submittal.

Thank you so much,

Dana Hatjakes

President | SoSu.TV

775.342.5277

B.) Executive Summary

Our primary goal is to increase transparency, engagement, and production quality by providing professional & reliable broadcasts, creating engaging and relevant content, managing the programming of the PEG/Youtube channel, developing bulletin boards for general and crisis communications and providing a full assessment of broadcast infrastructure, keeping technology fresh, now and in the future. To this end, we will consistently produce precise and accurate meeting coverage and create relevant content to connect and engage citizens.

Effective meeting broadcasts includes timely arrival of producers on-site, who work closely with internal staff to create the highest quality broadcast. On the technical side, video shots, audio levels, web conferencing, distribution and streaming will all be integrated to produce the best possible meeting production. SoSu.TV has the experience and staff as well as proximity and location to effectively cover all required meetings in good weather and bad with our redundancy plan in place.

Excellence in video production includes the ability to communicate the story of City of South Lake Tahoe from department level overviews to public facing PSA production to award worthy long form television shows. SoSu.TV storytelling services includes aiding staff with screenwriting with supplied copy points. Next, we will send professional producers in the field or in studio to capture interviews and b-roll in high quality 4k. Motion graphics will be designed in line with the city brand to help further communicate visually. Finally, expert editors will weave these story elements together. The end product will be reviewed by City staff using our approval platform.

SoSu.TV delivers high quality, engaging content. We will help the City of South Lake Tahoe to be innovators in this proven field of video broadcast and distribution. We fully understand the 24/7 programming needs of the City and PEG requirements, having worked with other government agencies in the fields of live television broadcast, content development, channel programming, system maintenance, branding and graphic design.

In addition, we have the experience and expertise to provide the City with professional-level recording and broadcasting of public meetings, manage and schedule the local government channel, create and produce original content for the channel, and provide a full assessment of and recommendations to modernize current audio-visual equipment that is used for meeting production in the City Council Chamber and control room. We are uniquely positioned through many years of government specific experience to meet the above needs in a professional and innovative manner.

C.) Company History, Background and Experience

SoSu.TV was founded in 2012 in Reno, Nevada by two experienced veterans of national broadcasting, Mark & Dana Hatjakes. We developed a reputation early on for excellence in video production and helping to pioneer livestreaming. We started focusing this experience in the government sector and began our long-term relationships with Washoe County and the City of Reno. We helped both agencies bring their

systems up to date with high-definition chambers and studios as well as introducing then-new platforms such as youtube live to help citizen outreach efforts.

These were hugely successful efforts and led to new contracts with the City of Sparks and Douglas County as well as numerous smaller regional agencies. Our partial client list includes Washoe County, Douglas County, City of Sparks, City of Reno, RTC, TMRPA, Truckee Donner Public Utility District, TMWA, and more. During the last 10 years, we have developed award winning content for these agencies, winning PRSA, AAF, Telly and Savvy awards. We have innovated new methods for regional communications during crisis events, including natural disasters like flooding and fire as well as EOC and town hall broadcasts that we simulcast with local television stations during the COVID-19 pandemic.

In terms of meeting broadcasts, we have 100% reliability. Put simply, we have never missed a meeting. Our team includes a large bandwidth of professional producers with deep and diverse skillsets. Our current organizational structure consists of President and Vice President (Dana and Mark Hatjakes), Account Manager (Casey Kasten), Production Manager (Matthew Hatjakes), and three broadcast producers (Jonathan Hatjakes, Samantha De La Herran, and David Wilding). Mark has 25+ years in broadcasting and design, 12 in government communications and holds two degrees in Television, Film and New Media. Dana, our president has 20+ years in marketing, 12 in government and a Bachelor's degree in Business. Matthew, our production manager has 4 years in government production with SoSu.TV and many more in IT technologies. Jonathan, our broadcast engineer and motion graphics pro has 4 years in government with SoSu.TV and 10 years in graphics. Casey has more than a decade in broadcast traffic and event management with a Bachelor's degree in Journalism, with SoSu.TV for 6 months. Samantha has a formal degree in broadcast and operates several meetings a week while shooting and editing in her year with the team. She has been with the company for 1 year. David has been with the company for 4 years and has also worked with the State of Nevada's legislative broadcasts.

With this formal training, wide bandwidth and proven success rate, SoSu.TV can help move South Lake Tahoe into the next level of government communications.

D.) Scope of Work/Implementation

Scope of Service

1. Produce, record, and broadcast approximately 40 annual public meetings per year, including City Council (24), Planning Commission (12), and Police Advisory Commission (4). Regular City Council meetings are generally two Tuesdays per month at 9am or 5:30pm with an average duration of 2-6 hours; Planning Commission is generally one Thursday per month at 3pm with an average duration of 2-3 hours; and Police Advisory Commission varies quarterly with an average duration of 1-2 hours. The City may call special meetings on occasion, including special closed session meetings that generally start one hour before the regular City Council meetings. The special-called meetings or additional meetings are not limited to City Council, Planning Commission, or Police Advisory Commission. Live broadcasts shall include agenda graphics, natural transitions, and bottom thirds for agenda item and/or speaker identification.

2. SoSu.TV shall provide staff, technology, and data redundancy to ensure public meeting broadcasts will not be interrupted. Consultant technicians will be on-site for public meeting production.

3. SoSu.TV will provide basic set-up and take-down, as necessary, for meetings, as well as routine maintenance and minor repairs of all audio/visual equipment in conjunction with the activities listed above. The consultant will demonstrate proficiency with all equipment and will make a request in advance to the City for any purchases or repairs needed, or any labor on the consultant's part, which would exceed that described as routine or minor and which could trigger additional charges. On-site technician(s) will be responsible for securing the control room after any on-site maintenance or after a meeting has adjourned and all other duties are complete, unless other arrangements have been made with City staff.

4. All public meeting video recording productions must be compatible with the current set-up: Granicus Agenda Software System to live cast via Granicus on City website, live cast on Facebook Live through Castus, seamlessly connect to Zoom for public comment and live Spanish translation, and connect to Castus to broadcast on PEG Channel 21.

5. SoSu.TV shall have remote and automated public meeting production, broadcast, and recording capabilities as a contingency in cases of inclement weather or emergency or unforeseen circumstances that would prevent production team from being on-site. Remote video production is to be used only as an exception and must be approved by the City Clerk and Public Information Officer in advance.

6. SoSu.TV will review current audio/visual and production set-up, make recommendations to improve upon current system and processes, including but not limited to the purchase of new A/V equipment, re-orientation of the A/V room to maximize efficiencies, and new software or platforms that leverage new, innovative technologies. Vendor will provide detailed specifications and itemized costs of any recommended upgrades or changes, which may include the City Council Chamber cameras, lighting, speakers, and other equipment for optimal video production of public meetings. Vendor will also conduct an inventory of existing A/V equipment and identify which items may be included in auction or are otherwise not needed due to being outdated, damaged, or obsolete to maintain.

7. SoSu.TV will ensure all public meeting videos and original content comply with current local, state, and federal regulations related to audio and visual media, including the Brown Act for public meetings. Explore options and make recommendations for integrating closed captioning into videos.

8. SoSu.TV will manage and program the 24/7 schedule of PEG Channel 21 using Castus, including organizing and managing content to be scheduled live and for re-broadcast. Consultant will have the relevant knowledge and experience in PEG television policy and law to consult the City on upcoming trends and issues.

9. SoSu.TV will create original content for PEG Channel 21, including but not limited to educational videos about city services and programs, scrolling news flashes, localized television series, and bulletin boards or static informational displays. Consultant will produce a minimum of four (4) videos for the first year, after which the City will reassess minimum number and length of videos preferred annually. Produce and manage a City bulletin board on upcoming events, notices, and other important public service announcement information to be aired to fill airtime between regular programming or in the case of a loss of a cable signal. May also be used for dissemination of emergency communications. All content should follow City brand and style guidelines, and in some cases, existing creative direction to compliment current or ongoing programs.

10. SoSu.TV will create original video content done primarily with our own equipment, tools, and supplies, with the opportunity to use City-owned equipment as needed and mutually agreed upon prior to beginning

any new project. For public meetings held at City Hall, City will provide consultant with all equipment, tools, and supplies necessary to provide the related services. All original content videos will be made available in formats suitable for broadcast to PEG Channel 21, social media, and website.

11. SoSu.TV will build and maintain a video library of previous and future videos, b-roll, and images for use in future media and video productions. Examples of video and/or photography opportunities may include the July 4 Parade, Festival of Winter Lights, groundbreakings, and other community wide events.

12. SoSu.TV will post-event edit events that are recorded using personal mobile devices by City staff or recorded by a third party, in order to be programmed into Castus for PEG Channel 21 broadcast. This would be done on an as-needed basis for up to five (5) special events per year (ex: Quarterly Community Conversations).

13. SoSu.TV will work with Public Information Officer, City Clerk, and Information Technology staff to ensure holistic approach to operations.

14. SoSu.TV shall respond initially to requests from staff in writing within a 24-hour period, unless otherwise noted as urgent, to indicate confirmation of receipt. The Consultant's responses will include a confirmation of service or project direction and needs, an estimated number of billable hours to be dedicated to the project, and the turnaround time of the request.

SoSu.TV Categorical Methodology and Implementation Plan

1. Broadcast and Streaming - (Items 1 - 5 pg. 7) SoSu.TV Broadcast methodology is built from a foundation based on national television standards. SoSu.TV producers are formally trained in the elements of broadcast television including broadcast scheduling, standard shot blocking, broadcast audio levels, graphics key/overlay, web conferencing applications and encoding/transcoding codecs.

- Broadcast Scheduling - Producer will work with internal staff monthly to schedule meetings and receive agenda packets for inclusion into graphics. Producer will send Youtube link for inclusion in the agenda packet as necessary.
- Production Elements - Producer will block and preset camera positions. Producer will preset audio levels to broadcast standards. Producer will work with staff to ingest web conferencing as needed. Producer will switch from shot to shot and from presentation and web conference when relevant. Producer will create lower third graphics with agenda number and description and populate with corresponding agenda item.
- Distribution - SoSu.TV will manage live broadcast output to PEG channel and streaming platforms. SoSu.TV will adjust encoding levels as necessary for highest quality. SoSu.TV will work with staff to determine best location to send recorded video files for archive purposes.

2. Television Channel Management - (Items 7-8 pg. 8) SoSu.TV utilizes best channel management practices from national organizational groups such as NAB and NATOA and our own developed PEG standards.

- Producer will program the channel weekly, updating and removing necessary content as directed by staff. Producer will use a coding software to transcode videos for high quality play out. Producer will work with internal staff to develop a weekly programming flow. Producers will update PCIP information on channel if required.

- SoSu.TV will ensure all public meeting videos and original content comply with current local, state, and federal regulations related to audio and visual media, including the Brown Act for public meetings. SoSu.TV has various options for closed captioning through current platform Castus and also other platforms such as TelVue. Pricing plans for these services will be presented by vendor.
- SoSu.TV will work with staff to develop evergreen playlists including meetings, television shows, PSA's, original content, and bulletin boards. SoSu.TV will also program based on upcoming trends, issues and communication strategies.
- Production team will investigate crisis messaging on air with available and recommended technology.

3. Content Development - (Items 9-14 pg. 8) SoSu.TV methodology for content development employs the standards from television journalism and classic filmmaking and story craft. SoSu.TV together with City Staff will develop a long range content plan.

- SoSu.TV will meet with internal staff and stakeholders to define an annual list of topics to be covered and content to be produced. Based on this list, SoSu.TV production team will work with internal staff to schedule necessary shoots and define deliverable dates. Content pieces will be customized based on allotted hours.
- For each content piece (up to 4 a year) Account Manager will meet with internal staff to define goals and collect copy points and/or script. Internal staff will work with their stakeholders to define shoot times. Account Manager will coordinate with SoSu.TV production team and assign production elements.
- SoSu.TV will arrive to designated site with our video equipment for the successful completion of production. Producer will hand off raw footage to editor/motion graphics producer.
- Account Manager will relay expected completion date to staff. Account Manager will provide a semi-final revision for client review. Client will use approval platform to specify edits. Account Manager will send the final piece for final approval. Producer will upload to all necessary channels and deliver final file to internal staff for social media distribution if requested.
- SoSu.TV will follow a condensed version of the above process for bulletin board design and distribution.
- SoSu.TV will build and maintain a video library of previous and future videos, b-roll, and images for future use by compiling the previous footage to create a searchable library. New footage will be uploaded and tagged for future use. This will be done monthly or as requested by staff.
- SoSu.TV will post-edit events recorded by staff as directed and up to five special events per year. Our methodology for video production will be the same process employed for these videos.
- SoSu.TV will work with staff to ensure a holistic approach to operations through our annual planning and implementation meeting.
- SoSu.TV will respond to requests within a 24 hour time period unless otherwise noted as urgent from staff. We will have a dedicated email for these requests and will implement upon contract approval.

4. AV Infrastructure Design and Implementation - (Item 6 pg. 7-8) SoSu.TV has upgraded multiple A/V

control rooms and will implement our proven standards.

- SoSu.TV will inventory and organize existing A/V equipment. SoSu.TV will recommend potential upgrades where deemed necessary based on the long term plan for equipment refresh plan.
- SoSu.TV will develop a five year equipment refresh plan and data redundancy plan.
- SoSu.TV will help procure necessary equipment and work with partners to install, program, and implement replacements and upgrades. SoSu.TV will work with internal staff to coordinate equipment warranties.

E.) Project Budget & Fee Proposal

Meeting Broadcast / Livestream Services $30,000 annually

SoSu.TV Proposed Responsibilities

- SoSu.TV to provide approximately 25 hours of control room production monthly (unused hours to be accumulated for work over the year up to a total of 300 hours annually of control room broadcast production including breaks for lunch and dinner) billed at the rate of $100 an hour, and to provide production services to convert meetings for upload to a website archive.
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- SoSu.TV will convert the meetings to a format to be easily placed on the website or provide an archive of Council Meetings in a format appropriate for YouTube or Facebook.
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- SoSu.TV will keep the control room neat and report any malfunctions in equipment immediately to the Public Information Officer.
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- SoSu.TV will work with the Public Information Officer to plan and schedule all meetings covered by this proposal, giving at least two weeks' notice if they are unable to provide coverage for any

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  - Web Streaming/VOD Services/YouTube creation and maintenance
  - Outreach to content collaborators for channel programming
  - Routine Maintenance
  - 150 Total Hours or 12.5 hours per month. Additional time will be billed out at the rate of $100 an hour with pre-approval of the Public Information Officer.

A/V Consultation $4500 - One Time Fee

- SoSu.TV Proposed Responsibilities
  - Facilitate stakeholders meeting to identify audio/video pain points and challenges.
  - Create specification sheet to address aforementioned challenges including:
    - Replace PTZ cameras with HD robotic programmed cameras
    - Develop and test remote broadcasting ability
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  - :90 sec departmental video (35 hours)
  - High budget annual television show (100 hours)
  - Special event including filming and editing - State of the City (50 hours)

- Editing with motion graphics per 2-3 minute video (16-24 hours)
- Create and update centralized database of b-roll shots, updating monthly (25 hours)

Bulletin Board $5,000 annually

- SoSu.TV Proposed Responsibilities
  - Bulletin Boards/Scheduling/Preparing files for broadcast/online distribution/preventative maintenance
    - Procure Bulletin Board server, design/build bulletin board template and incorporate social media.
    - Complimentary set up of live bulletin boards which includes emergency notifications, social media feeds, upcoming events, arts, business, job postings, weather, time of day and TV channel embedded. Bulletin Boards to be updated weekly.
    - The above technology is an innovative media panel that informs and engages citizens and staff at a glance. Requires hardware purchase
    - Bulletin Boards/Scheduling/Preparing files not to exceed 5-6 hours per month

Proposed Services Total - Annual Cost - $80,000 One Time Cost - $4500

F.) Description of Recent Projects/References

Broadcast Meetings - Douglas County - Dates of Service - 2018 - current

Natalie Wood - Administrative Services Manager

natkwood@gmail.com

775-781-2834

1. Douglas County Commission Meeting - SoSu.TV improved the overall quality and look/feel of their broadcasts meetings through chamber upgrades and fresh meeting graphics (front/end plates and lower thirds).

- **Project Type/Size** - Broadcast Meetings - multi year contract
- **Scope of Work** - Upgrade overall production quality, production logistics, and AV infrastructure to meet the demands of a growing county.
- **Original Budget** - 60K annual broadcast meetings budget, 100k chamber upgrade budget
- **Completion Time** - 6 months

EXAMPLE: https://youtu.be/9-uui8i_Ed8

PSA Production - Human Services Agency - 2014- current

Chris Ciarlo - Communications Coordinator

cciarlo@washoecounty.us

775-337-4500

1. Public Service Announcement - Human Services Agency - Human Trafficking SoSu.TV collaborated with the PIO to create an impactful campaign educating both parents and children.

- **Project Type/Size** - Public Service Announcement - 4 PSA's for television and radio to fall in line with their outdoor and print campaigns.
- **Scope of Work** - Assist to develop concept, hire and direct actors, shoot and edit, edit in motion graphics, output to radio and television partners
- **Original Budget** - $5000
- **Completion Time** - 2 weeks

EXAMPLE: https://youtu.be/FKpTjn2EwNU

https://youtu.be/SFrpdNbMVsg

Bulletin Board Display - Washoe County - 2014 to current

Nancy Leuenhagen- Communications Director

nleunhagen@washoecounty.gov

775-328-2069 cell: 775-772-7930

1.Bulletin Board Refresh - SoSu.TV improved upon the previous static bulletin boards by integrating new technology such as rss feeds for weather, web links for job openings, partnerships for local events, streaming of video content, and social media feeds all within the same interface.These bulletin boards run live 24/7 in the facilities and online.

- **Project Type/Size** - Bulletin Board Refresh
- **Scope of Work** - Improve the overall quality and look/feel of county brand with a full brand refresh and upgrade to internal bulletin boards throughout county televisions.
- **Original Budget** - $37,440 Annually included Programming Services/Maintenance
- **Completion Time** - Within contract year

EXAMPLE: https://www.youtube.com/watch?v=44FQNxh8TNY

Exhibit B

SCHEDULE OF CHARGES AND TIMELINE

BUDGET

Estimated fees (not to exceed) $80,000

Hourly Rate $100 an hour

Travel and out-of-pocket expenses (travel is included in the TOTAL (not to exceed amount)

One Time Fees $4500

TOTAL (not to exceed) $84,500

TIMELINE

7-14 Business Days - SoSu.TV will research, learn, and demonstrate proficiency in current systems. SoSu.TV will work with internal staff to successfully complete a rehearsal meeting.

Month One - SoSu.TV will create a content calendar with internal staff for video production . SoSu.TV will develop a plan for billboard template and graphics package.

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Exhibit C

EXHIBIT C

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The undersigned certifies, to the best of his or her knowledge or belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement; and

2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instruction.

Mark Hatjakes (Apr 5, 2022 19:03 PDT)

SoSu.TV - Mark Hatjakes - Vice President

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: June 7, 2022
Agenda Item #: 26

Agenda Item: Memorandum of Understanding with California Tahoe Conservancy to Exchange Development Rights and Land Coverage

Executive Summary: The Tahoe Regional Planning Agency (TRPA) has established a development rights system to manage future development in the Tahoe basin. Development rights are land use units that must be acquired before development occurs. The City and the California Tahoe Conservancy manage banked development rights that have been acquired through a variety of sources and are used to facilitate projects and transactions to further each agency's goals. The proposed exchange of development rights between the City and Conservancy will create additional opportunities for each agency to facilitate projects and achieve mitigation goals consistent with the City General Plan, TRPA Regional Plan and Conservancy mission.

Requested Action / Suggested Motions: Pass a Motion authorizing and directing the Mayor to execute a Memorandum of Understanding (MOU) with the California Tahoe Conservancy and authorizing and directing the City Manager to execute any and all documents necessary to transfer and exchange development rights and land coverage consistent with the MOU.
Responsible Staff Member: Hilary Roverud, Director of Development Services

Responsible Staff Member: Hilary Roverud, Director of Development Services (530) 542-6024

Reviewed and Approved By:
Susan Blankenship, City Clerk
Olga Tikhomirova, Director of Finance
Heather Stroud, City Attorney

Attachments:

01-Staff Report - CTC Exchange of Development Rights.docx
02-MOU California Tahoe Conservancy - Exchange of Development Rights.docx

City of South Lake Tahoe
Report to **City Council**

Meeting Date: June 7, 2022

Title: **Exchange of TRPA development rights and land coverage with the California Tahoe Conservancy**

Location: Citywide

Responsible Staff Member: Hilary Roverud, Director of Development Services

Background: The Tahoe Regional Planning Agency (TRPA) has established a development rights system to manage future development in the Tahoe basin. TRPA growth management regulations establish a variety of development rights which are land use units someone must acquire before development occurs.

TRPA regulations also create limitations on the amount of land disturbance that can be established based on land capability classifications. Permanent land disturbance is measured in terms of square feet of land coverage (impervious surface) and includes man-made structures such as homes, driveways, and parking lots.

The City of South Lake Tahoe has TRPA development rights and land coverage which have been banked from various sources (e.g., Environmental Improvement Projects, implementation of Community Plans and Area Plans, City purchase of land with attached development rights, the retirement of rights, and TRPA allocation of development) over many years. Development rights such as potential residential units of use (PRUs), single and multi-family residential units of use (RUUs), tourist accommodation units (TAUs), commercial floor area (CFA) and land coverage are available for distribution and sale according to adopted City Council policy.

The California Tahoe Conservancy (Conservancy) also manages a land bank through a Memorandum of Understanding (MOU) with the TRPA to mitigate excess coverage on properties with existing development and to facilitate transfers of land coverage and development rights to the public.

Issue and Discussion: City and Conservancy staff have engaged in discussions over the past few months regarding opportunities to exchange land and/or TRPA development rights and land coverage in a manner that would result in more efficient management of these assets and provide additional opportunities for each agency to achieve respective goals. This proposed exchange is a result of these discussions. City and Conservancy staff will continue to discuss potential land exchanges and bring recommendations to City Council at a later date, if necessary.

Approval of the attached MOU would allow an exchange of the following between the City and Conservancy.

	City to Conservancy	Conservancy to City
Stream Environment Zone (SEZ) Restoration Credits	25,000 sf	
Potential Residential Units of Use (PRUU)		65
Tourist Accommodation Units (TAU)		30
Residential Units of Use (RUU)		3
Potential Land Coverage - Upper Truckee Hydrologic Area		150,000 sf

The SEZ restoration credits that the City would provide to the Conservancy were acquired through implementation of the Ski Run Blvd SEZ Restoration Project, Phase 2 that was completed in 1997. The Conservancy has indicated that acquiring these SEZ restoration credits would allow them to be available to eligible members of the public seeking to fulfill TRPA permit mitigation requirements.

RUUs, PRUUs, TAUs, and potential land coverage that the City would acquire in the exchange could be used to further City housing, economic development and land use goals. RUUs can be used for development of new residential units in the City. PRUUs are development rights that are paired with residential allocations to create new residential units. These potentially could be paired with residential allocations that the City Council has set aside to incentivize Town Center projects which would create an additional incentivize for residential and/or mixed use infill projects. TAUs can be used to develop new tourist accommodation units or can be converted to residential units or CFA to incentivize housing and economic development projects. Potential land coverage can be used to meet land coverage transfer needs of affordable housing projects or to mitigate existing excess land coverage for public service and recreation projects, which would eliminate or reduce the amount of excess land coverage mitigation fees associated with City or community benefit projects. City distribution of these development rights and land coverage would be subject to adopted City Council policies.

Financial Implications: Based on the development right appraisal dated February 7, 2022, prepared by Ben Q. Johnson, Johnson Valuation Group Limited the total monetary value of commodities acquired by the City in this exchange would equal $1,945,000. This appraisal did not include an appraised value of SEZ restoration credits which the City would provide to the Conservancy. The Conservancy conducted an appraisal in November 2019 which valued SEZ restoration credits at $30 per square foot, however this value may have changed since the appraisal was completed.

Environmental Considerations: The proposed exchange of TRPA development rights does not constitute an “approval” of a “project” pursuant to CEQA Guidelines Sections 15004 and 15352.

Policy Implications: The recommended amendments are consistent with the City General Plan and Strategic Plan, specifically the following policies:

General Plan Economic Development Element Policy ED-1.2: Economic and Environmental Balance: The City shall strive to maintain a balance between economic health and environmental health through careful and efficient planning.

General Plan Housing Element Policy 1-1: The City shall adopt programs, ordinances, incentives, land use plans and other regulatory mechanisms that provide opportunities for the private sector to address the housing needs of citizens of all economic levels.

General Plan Housing Element Policy 1-6 The City shall encourage the production of housing as part of mixed-use projects in commercial nodes, Town Centers and Regional Centers and any other high-density area that may be identified in the future.

General Plan Housing Element Policy 1-9 Support the efforts of the California Tahoe Conservancy in the Tahoe Livable Communities program to remove blighted properties and repurpose associated development commodities. Encourage the use of residential commodities for affordable housing located in Town Centers.

Strategic Plan Action Item 4.1.2: Evaluate available methods and tools which support a City of South Lake Tahoe economic development function to identify, recruit, and retain businesses.

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING is entered into on this 7th day of June 2022, by and between the CALIFORNIA TAHOE CONSERVANCY ("CONSERVANCY"), a State of California agency, and the CITY OF SOUTH LAKE TAHOE, a California municipal corporation ("CITY").

RECITALS

WHEREAS, on October 23, 1987, the CONSERVANCY, authorized the establishment of a Land Coverage Bank in order to carry out excess coverage mitigation and coverage transfers on behalf of public and private projects, and to transfer coverage and other marketable rights in order to facilitate public projects;

WHEREAS, on February 18, 1988, the CONSERVANCY entered into, and revised a Memorandum of Understanding with the Tahoe Regional Planning Agency (hereafter "TRPA") on March 17, 2016, and October 24, 2018, assigning certain functions to the Land Bank for excess coverage mitigation, new coverage and development right transfers, and Conservancy and public service mitigation projects;

WHEREAS, the CONSERVANCY is authorized to exchange development rights with local public agencies under California Government Code sections 66907.1, 66907.2, and 66907.8;

WHEREAS, on September 3, 2019, by adoption of Resolution No. 2019-067 as revised on May 3, 2022, by adoption of Resolution No. 2022-051, the CITY authorized the establishment of a policy for the disposition of banked development rights assets;

WHEREAS, the CITY maintains an inventory of banked development rights as described in the City Development Rights Annual Report dated March 1, 2022;

WHEREAS, the CITY and CONSERVANCY desire to exchange certain development rights in order to facilitate future planning needs;

NOW THEREFORE, CITY and CONSERVANCY agree to exchange development rights for mutual exchange and benefit, as follows:

1. <u>Agreement to Transfer Development Rights</u>

   A. <u>Transfer of Development Rights from CITY to CONSERVANCY:</u>

      The CITY has agreed to provide for the transfer of 25,000 square feet of Stream Environment Zone ('SEZ") Soft Restoration Credit from said CITY inventory to the CONSERVANCY;

B. Transfer of Development Rights from CONSERVANCY to CITY

The CONSERVANCY has agreed to provide for the transfer of three (3) Existing Residential Units of Use from said CONSERVANCY Land Bank to the CITY;

The CONSERVANCY has agreed to provide for the transfer of sixty-five (65) Potential Residential Units of Use from said CONSERVANCY Land Bank to the CITY;

The CONSERVANCY has agreed to provide for the transfer of thirty (30) Tourist Accommodation Units from said CONSERVANCY Land Bank to the CITY; and

The CONSERVANCY has agreed to provide for the transfer of 150,000 square feet of high capability potential land coverage rights (Bailey Land Capability Class 4, 5, 6, and/or 7; and/or Individual Parcel Evaluation System rating score above 726) located within the Upper Truckee Hydrologic Area from said CONSERVANCY Land Bank to the CITY.

2. Instruments Needed to Carry out Transfers

CITY and CONSERVANCY agree to execute any and all documents necessary to transfer and exchange the above-referenced development rights, pursuant to the TRPA Code of Ordinances. Certain documents may require recordation in the El Dorado and/or Placer County Official Records by either party, or by TRPA.

3. Funds

No funds shall be owed, due, payable from, or to, either party for the exchange of said development rights stated within this Memorandum of Understanding. Escrow recordation fees may apply, which the parties will share.

4. Term

The term to effectuate the transfer and exchange of said development rights between the CONSERVANCY and CITY shall be one (1) year. Extension of the term may be granted upon mutual written consent of the parties.

5. Irrevocability

This Memorandum of Understanding may not be terminated or revoked except by the mutual consent of the parties in writing.

STATE OF CALIFORNIA
Resources Agency
California Tahoe Conservancy

By: _____
Jane Freeman
Deputy Director
1061 Third Street
South Lake Tahoe, CA 96150

CITY OF SOUTH LAKE TAHOE

By: _____
Devin Middlebrook
Mayor
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

Attest: _____
Susan Blankenship
City Clerk

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: June 7, 2022
Agenda Item #: 27

Agenda Item: Installation of a Painted Crosswalk in the City of South Lake Tahoe to Celebrate Pride Month

Executive Summary: On May 17, 2022, Councilmember Bass asked staff to evaluate the installation of a painted crosswalk in the City of South Lake Tahoe to celebrate Pride Month, and received a second from Councilmember Friedrich to place this on a future agenda. Staff has evaluated options for location, paint type, and duration and will present alternatives to the City Council for discussion and direction to the staff.

Requested Action / Suggested Motions: Receive report and provide direction to the City Manager on whether to install a painted crosswalk, and if so, the location and design.
Responsible Staff Member: Joe Irvin, City Manager and Anush Nejad, Director of Public Works

Responsible Staff Member: Joe Irvin, City Manager (530) 542-6043
Anush Nejad, Director of Public Work (530) 542-6031

Reviewed and Approved By:
Susan Blankenship, City Clerk
Olga Tikhomirova, Director of Finance
Heather Stroud, City Attorney

Attachments:

01-Staff Report - Crosswalk Art.docx
02 - Attachment A - Painted Crosswalk Options (presentation)

City of South Lake Tahoe
Report to **City Council**

Meeting Date: June 7, 2022

Title: Installation of a Painted Crosswalk to Celebrate Pride Month

Location: To be Determined

Responsible Staff Member: Joe Irvin, City Manager – (530) 542-6043
Anush Nejad, Director of Public Works – (530) 542-6031

Background: During the May 17, 2022, City Council meeting, Councilmember Bass requested staff to evaluate and present options for a painted crosswalk in the City of South Lake Tahoe. Based on this request, City staff have reviewed legal requirements, potential locations, and types of painted Crosswalk in the City to receive direction from the City Council.

Issue and Discussion: A crosswalk is considered a "Traffic Control" device and identifies the location of pedestrian crossings. Crosswalk markings are white or yellow pavement marking lines that identify the crosswalk. Guidance and design of crosswalk markings are defined in the California Manual of Uniform Traffic Control Devices (CA MUTCD – (current edition 2014-Rev 6)). Chapter 3G: Colored Pavements in the CA MUTCD provides guidance on creative crosswalks and recommends: "Crosswalk art is purely aesthetic and is not intended to communicate regulatory, warning or guidance message to road users. Crosswalk art should contrast significantly with the adjoining paved areas. Crosswalk art should not use colors and patterns that degrade the contrast of white crosswalk lines".

Several agencies have installed creative art at crosswalks and intersections. Due to the non-uniform application, the U.S. Department of Transportation, Federal Highway Administration (FHWA) issued an Official Ruling (3(09)-24(I) – Application of Colored Pavement – guidance document. This guidance document states that "*FHWA's position has always been and continues to be that subdued-colored aesthetic treatments between the legally marked transverse crosswalk lines are permissible provided that they are devoid of retroreflective properties and that they do not diminish the effectiveness of the legally required white transverse pavement markings used to establish the crosswalk."*

Therefore, staff opinion is that art within the crosswalk area is permissible if the color treatments are uniform, consistent, repetitive, and expected so as not to be a source of distraction. FHWA discourages elements of aesthetic interior treatment that are random or unsystematic.

Based on these findings, City Staff evaluated several options for location and treatment types. The following are the staff options for Council consideration:

A. Location Options:

1. The U.S. 50 and Lakeview Ave. – West leg crossing on Lakeview. This intersection is within Caltrans jurisdiction, and therefore, an Encroachment Permit and approval from Caltrans are required. See Attachment A – Option A1.
2. Ski Run Boulevard at Tamarack Ave – East leg crossing Ski Run Blvd. This intersection may require an upgrade to the ADA ramps and should be evaluated. See Attachment A – Figure A2.
3. Harrison Street at San Francisco Ave – West leg crossing Harrison St. See Attachment A – Figure A3.
4. South Tahoe Bikeway Path – Lakefront between 3351 Lake Tahoe Blvd and Fremont Ave. At this location, there are a series of Pedestrian Markings at driveway locations (3 segments). See Attachment A – Figure A4.

Based on field reviews, staff believes that Location 4 is a suitable location for implementing the crosswalk art. This location does not require ADA upgrades or approval from Caltrans and would comply with FHWA guidance for art in the crosswalk.

B. Art Types Options:

1. Longitudinal Color markings within two 12-inch White Pavement Markings. See Attachment A – Figure B1.
2. Traverse Color markings within White Traverse Marking within two 12-inch White Pavement Markings. See Attachment A – Figure B2.
3. Traverse Color markings within two 12-inch White Pavement Markings. See Attachment A – Figure B3.

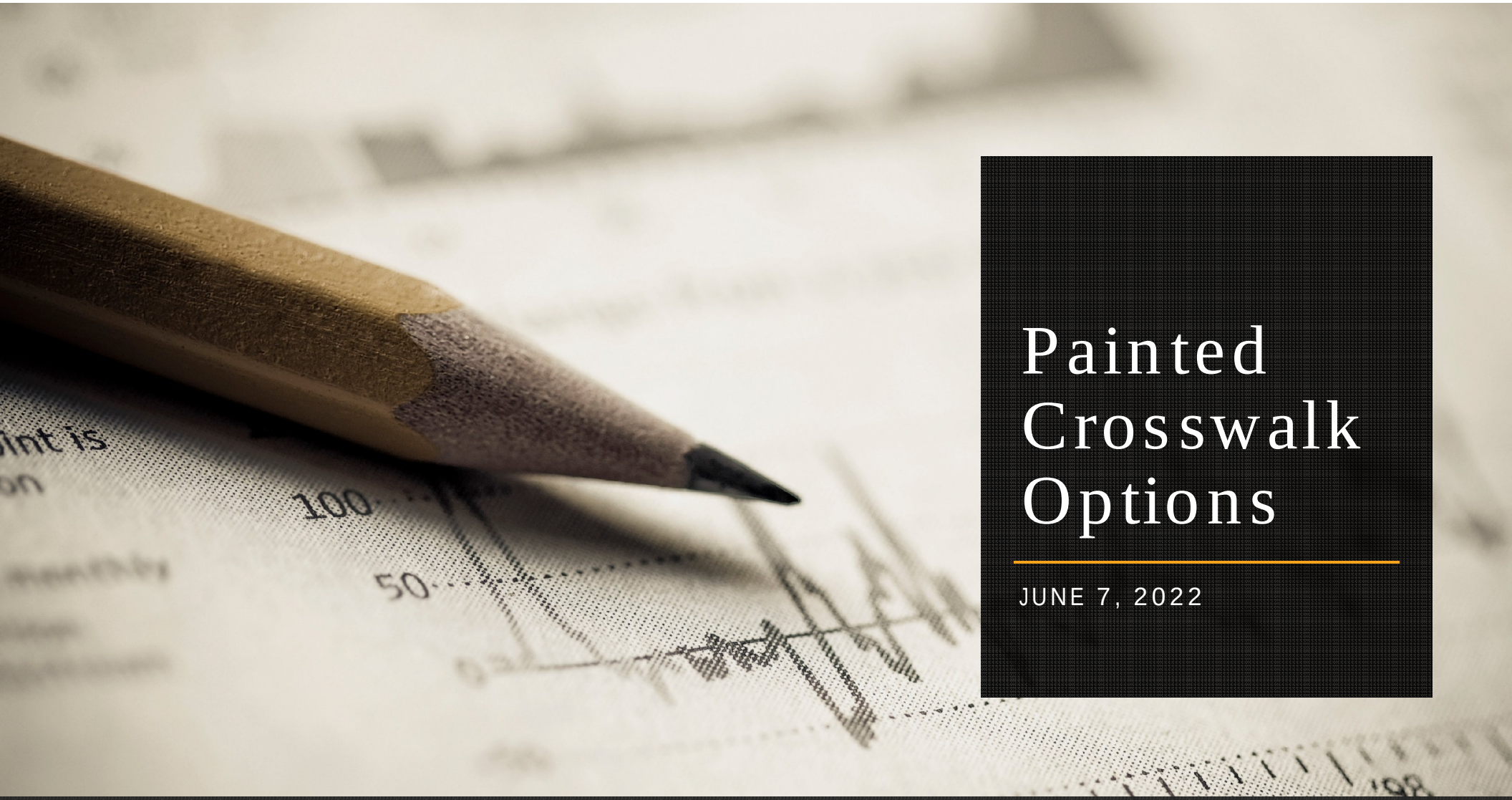
C. Duration Options:

The Council may provide direction as to the duration of the implementation. The implementation may either be for a certain period or a permanent installation.

Financial Implications: This action will result in additional costs for painting and maintenance of the recommendation and duration of crosswalk art. However, the cost is minimal and can be absorbed with the operational budget. The Ski Run option may require ADA ramp upgrades that could cost about $10,000.

Environmental Considerations: Painting of a crosswalk area is not a “project” subject to review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15378(b)(2) (continuing administrative or maintenance activities, such as purchases for supplies) if the type of installation complies with the CA-MUTCD guidance.

Policy Implications: This action supports the vibrancy, safety, sustainability, inclusivity, desirability, and economic strength of the City of South Lake Tahoe.



Painted Crosswalk Options

JUNE 7, 2022

Location Option #A1
US 50 Lakeview

Location Option #A2
Ski Run at Tamarack

Location Option #A3
Harrison Street at San Francisco

Location Option #A4
SLT Bikeway – Lake Front (3 locations)

Art Option #B1
Longitudinal

Art Option #B2 Traverse with White interlaced

Art Option #B3
Traverse
Colored Pattern

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: June 7, 2022
Agenda Item #: 28

Agenda Item: Two State Excess Sites Local Government Matching Grants (LGMG) Program Applications for Phases 1A and 2A of the Sugar Pine Village Affordable Housing Project

Executive Summary: The Excess Sites Local Government Matching Grants Program (LGMG) will provide grant based funding to match certain local government funding for selected developers and local governments for predevelopment and development of affordable housing on excess state lands. The program requires a resolution from the City that approves the budget, including all sources, and demonstrating local government contribution. Related California submitted two LGMG grant applications for Phase 1A and 2A of Sugar Pine Village. The Related Companies of California, LLC is the applicant for Phase 1A and the City is a co-applicant with Related for the Phase 2A application.

Requested Action / Suggested Motions: 1) Pass a Resolution authorizing the joint application with The Related Companies of California, LLC for the Local Government Matching Grants (LGMG) program for Sugar Pine Village Phase 2A in the amount of $5,943,000; 2) Pass a Resolution supporting the application of The Related Companies of California, LLC and St. Joseph Community Land Trust for $4,000,000 of LGMG program funding and approving the budget for Phase 1A; and 3) Pass a Resolution supporting the application of The Related Companies of California, LLC for $5,943,000 of LGMG program funding and approving the budget for Phase 2A.
Responsible Staff Member: Jessica Wackenhut, Associate Housing Planner and Zach Thomas, Housing Manager

Responsible Staff Member: Jessica Wackenhut Lomeli, Associate Housing Planner (530) 542-6158
Zach Thomas, Housing Manager (530) 542-7400

Reviewed and Approved By:
Hilary Roverud, Director of Development Services
Susan Blankenship, City Clerk
Olga Tikhomirova, Director of Finance
Heather Stroud, City Attorney

Attachments:

01-Staff Report - Sugar Pine Village Matching Grants Program.docx
02-Resolution-Sugar Pine Village LGMG Joint Application.docx
03-Resolution-Sugar Pine Village Matching Grants (Phase 1A).pdf
04-Resolution-Sugar Pine Village Matching Grants (Phase 2A).pdf

City of South Lake Tahoe
Report to **City Council**

Meeting Date: June 7, 2022

Title: Excess Sites Local Government Matching Grants (LGMG) Program Application for the Sugar Pine Village affordable housing project

Location: 1888 Lake Tahoe Boulevard and 1029 Tata Lane

Responsible Staff Member: Jessica Wackenhut Lomeli, Associate Housing Planner
Zach Thomas, Housing Manager

Background: The Sugar Pine Village project is a proposed 248-unit affordable housing project, with onsite community service facilities on 11.6 acres of land owned by the State of California and managed by the California Tahoe Conservancy (Conservancy). This project is a result of the Governor's Executive Order N-06-19, which directed the California Department of General Services (DGS) to identify excess state properties as potential affordable housing development sites. In July 2020, the Conservancy announced the State had selected Related Companies of California LLC in partnership with the St. Joseph Community Land Trust to construct and manage the Sugar Pine Village project.

Since June 2020, the City of South Lake Tahoe has been an active partner in the development of the project. As a first step of financial commitment, the City Council at its November 17th, 2020 meeting authorized a $566,629 loan for predevelopment costs (Resolution 2020-109) and a $1,250,000 loan to purchase banked land coverage at the airport (Resolution 2020-110). The loans were funded by Program Income from repayments of loans from the Redevelopment Agency (RDA) Low- and Moderate-Income Housing Fund and the City's undesignated reserve fund, respectively. At its October 19, 2021 meeting the City Council also approved a $627,626 loan of HOME Program Income. This brings the City's total commitment toward the project to $2,444,255.

In addition to direct City commitments, the City has partnered with Related Development to secure $17,359,470 in Affordable Housing and Sustainable Communities (AHSC) grant funds, $5,000,000 in Permanent Local Housing Allocation (PLHA) grant funding.

Related California has also secured $20,000,000 in Multifamily Housing Program (MHP) funding and $3,195,900 in Infill Infrastructure Grant (IIG) funding so far in the financing phase of the project.

To date, approximately $40,000,000 in tax credits and grant applications have been applied for and secured using the City's initial approximate $1.8 million commitment as a local match.

Related California is phasing the financing and construction of the project into four phases. Phase 1A includes 68 residential units and a community building, Phase 1B 60 units, Phase 2A 60 units and Phase 2B 60 units. The table below summarizes the financing strategy for the first three phases and shows how the City contributions pair with other funding sources.

Source	Phase 1A	Phase 1B	Phase 2A	Total
City RDA Loan	566,629	-	-	566,629
City Coverage Loan	254,487		995,513	1,250,000
HOME PI Loan		625,000		625,000
Total City Funds	821,116	625,000	995,513	2,441,629
Federal Tax Credit Equity	17,651,379	21,744,524	15,716,202	55,112,105
State Tax Credit Equity	5,722,864	-	7,672,662	13,395,526
State MHP	12,127,500	7,448,016	-	19,575,516
State AHSC	-	-	10,551,967	10,551,967
State IIG	3,195,900	-	-	3,195,900
State PLHA	4,750,000	-	-	4,750,000
State HOME	-	5,162,446	-	5,162,446
State LGMG	4,000,000		6,000,000	10,000,000
Total Leveraged Funds	47,447,643	34,354,986	39,940,831	121,743,460

Committed	Applied For	Identified	N/A

The Excess Sites Local Government Matching Grants Program (LGMG) will provide grant based funding to match certain local government funding for selected developers and local governments for predevelopment and development of affordable housing on excess state lands. On May 5, 2022 HCD released a Notice of Funding Availability (NOFA) for up to $30 million to provide funds for Predevelopment and Development Costs to selected excess sites projects that receive a financial contribution from a local government. The program requires a resolution from the City that approves the budget, including all sources, and demonstrating local government contribution.

Issue and Discussion: The LGMG program's primary objectives are to accelerate affordable housing production on state excess sites. The selected projects receiving a local government contribution are eligible for gap funding for predevelopment and development costs. Related California submitted two LGMG grant applications for Phase 1A and 2A to address increased project costs. Related Companies of California, LLC is the applicant for Phase 1A and the City is a co-applicant for the Phase 2A application. The financial contributions from the City include the following:

Source	Phase 1A	Phase 2A
City of South Lake Tahoe RDA Loan	$566,629	
City General Fund Loan for coverage purchase	$254,487	$995,509
City Waived Building Permit Fees and Commodity Donation		$1,057,000
PLHA Loan	$4,750,000	
Totals	**$5,571,116**	**$2,052,509**

In order to meet the deadlines associated with the approximate 3-week application period (May 5-May 25) draft applications were submitted subject to future City Council authorization. It is recommended that the City Council adopt a resolution authorizing staff to submit a joint application for Phase 2A with Related Companies of California LLC under the LGMG Program for an amount of $5,943,000.

Additionally, it is recommended that the City Council adopt a resolution for Phase 1A and another resolution for Phase 2A supporting the applications and approving the project budget for each phase.

Financial Implications: The attached resolutions document local funding commitments to Sugar Pine Village. LGMG grant funds are awarded on a competitive basis for affordable housing development on Excess State Land Sites up to $10,000,000 per developer. If awarded, the allocation of Phase 2A funds would be contingent upon the City entering into a Standard Agreement with HCD. The resolution authorizing the joint application also authorizes the City Manager to enter into the Standard Agreement if the grant is awarded. Any future loan agreement associated with the LGMG Program funding award will require City Council approval.

It is anticipated that the City will carry primary responsibility for grant administration and monitoring related to the Phase 2A application. With Related Companies of California, LLC as the sole applicant for the Phase 1A application, awarded funds would be provided directly to the developer from HCD.

Environmental Considerations: For projects that satisfy criteria specified by SB 35, the guidelines issued by HCD specify that the California Environmental Quality Act (CEQA) does not apply to actions taken by a local government to provide financial assistance to a development that receives streamlined approval and that is to be used for housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code.

Policy Implications: The recommended action is consistent with the City Strategic Plan which identifies supporting the Sugar Pine Village Project as Action Item 1.3.2.

The recommended action is also consistent with the following adopted policies and programs:

<u>City General Plan Housing Element</u>

Policy 1-1 The City shall adopt programs, ordinances, incentives, land use plans and other regulatory mechanisms that provide opportunities for the private sector to address the housing needs of citizens of all economic levels.

Policy 2-2 The City shall enable opportunities for deed-restricted affordable ownership housing to ensure long-term affordability.

Policy 2-5 The City shall recognize that it will become difficult to attract employees if they cannot afford to purchase or rent housing in South Lake Tahoe. The City shall encourage and support programs and activities that create a robust local economy that provides residents with good paying employment and the means to purchase and/or rent housing in the city.

Program 2-1 PURSUE STATE AND FEDERAL FUNDS
To support the creation of quality, affordable housing options for extremely low-, very low-, and low-income households, the City shall seek and when appropriate and feasible pursue grant opportunities for state and federal funds.

Program 2-6 ANALYSIS OF FEDERAL AND STATE LANDS
The City shall continue discussing the potential for developing quality workforce and affordable housing on non-environmentally sensitive lands owned by the California Tahoe Conservancy (Conservancy) and the United States Forest Service (USFS). The City shall ensure that important natural resources are protected and only pursue surplus lands that these agencies have determined do not have a clear and compatible conservation or recreation purpose consistent with agency goals.

Tahoe Valley Area Plan

Policy H-1.1 – Housing Options
Provide for a range of housing options that include affordable, moderate-income, and workforce housing so that people can live and work in the City.

Policy H-1.5 – Redirection of Development
Direct high density residential development to areas of Tahoe Valley that are within walking distance of public transit and services.

Policy H-1.7 – Tahoe Livable Communities Program
Collaborate and support efforts of the California Tahoe Conservancy to remove blighted properties and repurpose associated development commodities. Encourage the use of residential commodities for affordable housing in Tahoe Valley area.

Policy H-2.1 – General
Encourage the creation of residential uses to support and add vitality to commercial and public service projects in the Tahoe Valley area.

Resolution 2022-XXX

Adopted by the City of South Lake Tahoe

City Council

June 7, 2022

Authorizing the joint application for the Local Government Matching Grants (LGMG) program for Sugar Pine Village Phase 2A

BACKGROUND

A. On January 15, 2019, Governor Gavin Newsom signed Executive Order No. N-16-19, which allows the production of affordable housing on state-owned Excess Sites. The Executive Order authorizes the Department of General Services (DGS) and the Department of Housing and Community Development (HCD) to Identify and prioritize Excess Sites for sustainable, cost-effective, and innovative multi-family affordable housing projects.

B. On June 30, 2020, DGS and HCD selected the Related Companies of California, LLC to develop affordable housing at 1888 Lake Tahoe Blvd. and 1029 Tata Lane pursuant to Executive Order N-06-19.

C. Chapter 111, Statutes of 2021 (Assembly Bill (AB) 140) makes several statutory changes for the purpose of implementing the housing and homelessness provisions of the Budget Act of 2021, which established the Excess Sites Local Government Matching Grants (LGMG) Program to be administered by HCD.

D. LGMG was allocated up to $30 million to provide funds for Predevelopment and Development Costs to selected projects that receive a financial contribution from a Local Government, as defined pursuant to Health and Safety Code section 50704.80(b). Funding for LGMG is made available pursuant to Health and Safety Code section 50704.81(a)(2).

E. HCD has issued a Notice of Funding Availability (NOFA), dated May 5, 2022, for LGMG pursuant to Health and Safety Code section 50704.83(f).

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Authorizes City staff to submit a Joint Application for the LGMG Program with Related Companies of California, LLC for Sugar Pine Village Phase 2A for a total of $5,943,000.

2. If an application is approved, authorizes the City Manager to enter into, execute and deliver the grant agreement (*i.e., Standard Agreement*) and any and all subsequent amendments thereto with the State of California for the purposes of the grant.
3. If Applicant is awarded LGMG grant funds from HCD pursuant to the above referenced LGMG Program NOFA, it represents and certifies that it will use all such funds in a manner consistent and in compliance with all applicable state and federal statutes, rules, regulations, and laws, including without limitation all rules and laws regarding the LGMG Program, as well as any and all contracts Applicant may have with HCD.

Adopted by the City of South Lake Tahoe City Council on June 7, 2022, by the following vote:

Yes:
No:
Absent:
Abstain:

_____ Date:_____
Devin Middlebrook, Mayor

Attest:

_____
Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

Resolution of the Governing Body

Applicants are encouraged to use this Resolution in content and form.

RESOLUTION NO. 2022-XXX

A RESOLUTION OF THE GOVERNING BODY OF City of South Lake Tahoe SUPPORTING THE APPLICATION OF The Related Companies of California and St. Joseph Community Land Tr FOR THE LOCAL GOVERNMENT MATCHING GRANTS PROGRAM; APPROVING Sugar Pine Housing Partners, L.P. BUDGET FOR THE LOCAL GOVERNMENT MATCHING GRANTS PROGRAM

WHEREAS:

A. On January 15, 2019, Governor Gavin Newsom signed Executive Order No. N-06-19, which allows the production of Affordable housing on state-owned Excess Sites ("**Excess Sites**")**.** The Executive Order authorizes the Department of General Services ("**DGS"**) and the Department of Housing and Community Development ("**Department**") to identify and prioritize Excess Sites for sustainable, cost-effective, and innovative multi-family Affordable housing projects.

B. On June 30, 2020 **DGS and the Department selected** The Related Companies of California and St. Joseph Community Land to develop Affordable housing at 1860 Lake Tahoe Blvd and 1029 Tata Lane **("selected project")** pursuant to Executive Order No. N-06-19.

C. Chapter 111, Statutes of 2021 (Assembly Bill (AB) 140) makes several statutory changes for the purpose of implementing the housing and homelessness provisions of the Budget Act of 2021, which establishes the Excess Sites Local Government Matching Grants ("**LGMG**") Program (hereafter, "**Program**") to be administered by the Department.

D. The Program was allocated up to $30 million to provide funds for Predevelopment and Development Costs to selected projects that receive a financial contribution from a Local Government, as defined pursuant to Health and Safety Code section 50704.80(b). Funding for the Program is made available pursuant to Health and Safety Code section 50704.81(a)(2).

E. The Department has issued a Notice of Funding Availability ("**NOFA**"), dated May 5, 2022, for the Program pursuant to Health and Safety Code section 50704.83(f).

F. The Program requires contribution from City of South Lake Tahoe to Sugar Pine Housing Partners, L.P. for The Related Companies of California and St. Joseph Community Land Trust ("**Applicant**") to apply for Program funds pursuant to Health and Safety Code section 50704.82. Towards that end, Applicant is submitting an Application for Program funds ("**Application**") to the Department for review and consideration.

G. The Program requires a resolution from City of South Lake Tahoe pursuant to Health and Safety Code section 50704.82(b(1)(A) approving the Sugar Pine Housing Partners, L.P. budget, including all sources, and demonstrating the amount of Local Government Contribution to the Applicant for Predevelopment and Development Costs for Sugar Pine Housing Partners, L.P., and the requested amount from the Program.

THEREFORE, IT IS RESOLVED THAT:

1. The City of South Lake Tahoe supports The Related Companies of California and St. Joseph Community Land Trust submitting an Application to the Department to receive Program funds for Sugar Pine Housing Partners, L.P. to develop Affordable housing on the state-owned Excess Site.
2. The City of South Lake Tahoe is authorized to submit the approved Sugar Pine Housing Partners, L.P. Project Budget (**"Attachment 1"**) and Anticipated and Committed Project Sources (**"Attachment 2"**) to the Applicant to include in their Application. Attachment 1 and Attachment 2 demonstrate the requested amount from the Program, $4,000,000 that will be allocated to the Applicant, and all other sources for Predevelopment and Development Costs associated with the development of Affordable housing on the state-owned Excess Site.

Attachment 1: Sugar Pine Housing Partners, L.P. Budget

Attachment 2: Anticipated and Committed Project Sources

PASSED AND ADOPTED at a regular meeting of the City of the City of South Lake Tahoe held on June 7, 2022 by the following vote:

Instruction: Fill in all four vote-count fields below. If none, indicate "0" for that field.

AYES: _____ NOES: _____
ABSENT: _____ ABSTAIN: _____

_____
Devin Middlebrook, Mayor
City

STATE OF CALIFORNIA
City_____ of South Lake Tahoe_____

I, Susan Blankenship_____, City_____ Clerk of the City_____ of South Lake Tahoe_____, State of California, hereby certify the above and foregoing to be a full, true and correct copy of a resolution adopted by said City_____ on this 7___ day of June_____, 2022____.

_____
Susan Blankenship, City Clerk of the City of South Lake Tahoe_____, State of California

By: _____
Susan Blankenship, City Clerk

***Note**: The attesting officer cannot be the person identified in the Resolution as the authorized signer.*

ATTACHMENTS

Attachment 1: Project Budget

Attachment 2: Anticipated and Committed Project Sources

Attachments

Attachment 1: Project Budget (from Program Application)

Land Cost/Acquisition	$0
New Construction	$36,550,148
Architectural Fees	$2,463,487
Survey & Engineering	$387,025
Construction Interest & Fees	$3,881,677
Permanent Financing	$17,500
Legal Fees	$404,400
Reserves	$408,147
Contingency Costs	$2,011,705
Other Project Costs (including $6,547,222 in Local Fee Waivers)	$9,411,891
Developer Costs	$2,700,000
Total Project Costs	$58,235,980

Attachments

Attachment 2: Anticipated and Committed Project Sources

Permanent Bank Loan (Committed)	$2,920,000
MHP Loan (Committed)	$12,127,500
PLHA Loan (Committed Local Government Contribution from an HCD-originated Funding Source)	$4,750,000
IIG (Committed)	$3,195,900
City of South Lake Tahoe RDA Loan (Committed Local Government Contribution from a Local Funding Source)	$566,629
City Coverage Loan (Committed Local Government Contribution from a Local Funding Source)	$254,487
TRPA Waived Fees (Committed Local Government Contribution in the form of Local Fee Waivers)	$6,547,222
LGMG (Anticipated)	$4,000,000
General Partner Equity	
Tax Credit Equity	$23,374,243
Deferred Developer Fee	$500,000
Total Sources	$58,235,980

Resolution of the Governing Body

Applicants are encouraged to use this Resolution in content and form.

RESOLUTION NO. 2022-XXX

A RESOLUTION OF THE GOVERNING BODY OF City of South Lake Tahoe SUPPORTING THE APPLICATION OF The Related Companies of California, LLC FOR THE LOCAL GOVERNMENT MATCHING GRANTS PROGRAM; APPROVING Sugar Pine Phase 3 Housing Partners, L.P. BUDGET FOR THE LOCAL GOVERNMENT MATCHING GRANTS PROGRAM

WHEREAS:

A. On January 15, 2019, Governor Gavin Newsom signed Executive Order No. N-06-19, which allows the production of Affordable housing on state-owned Excess Sites ("**Excess Sites**")**.** The Executive Order authorizes the Department of General Services ("**DGS"**) and the Department of Housing and Community Development ("**Department**") to identify and prioritize Excess Sites for sustainable, cost-effective, and innovative multi-family Affordable housing projects.

B. On June 30, 2020 **DGS and the Department selected** The Related Companies of California, LLC to develop Affordable housing at 1860 Lake Tahoe Blvd and 1029 Tata Lane **("selected project")** pursuant to Executive Order No. N-06-19.

C. Chapter 111, Statutes of 2021 (Assembly Bill (AB) 140) makes several statutory changes for the purpose of implementing the housing and homelessness provisions of the Budget Act of 2021, which establishes the Excess Sites Local Government Matching Grants ("**LGMG**") Program (hereafter, "**Program**") to be administered by the Department.

D. The Program was allocated up to $30 million to provide funds for Predevelopment and Development Costs to selected projects that receive a financial contribution from a Local Government, as defined pursuant to Health and Safety Code section 50704.80(b). Funding for the Program is made available pursuant to Health and Safety Code section 50704.81(a)(2).

E. The Department has issued a Notice of Funding Availability ("**NOFA**"), dated May 5, 2022, for the Program pursuant to Health and Safety Code section 50704.83(f).

F. The Program requires contribution from City of South Lake Tahoe to Sugar Pine Phase 3 Housing Partners, L.P. for The Related Companies of California, LLC ("**Applicant**") to apply for Program funds pursuant to Health and Safety Code section 50704.82. Towards that end, Applicant is submitting an Application for Program funds ("**Application**") to the Department for review and consideration.

G. The Program requires a resolution from City of South Lake Tahoe pursuant to Health and Safety Code section 50704.82(b(1)(A) approving the Sugar Pine Phase 3 Housing Partners, L.P. budget, including all sources, and demonstrating the amount of Local Government Contribution to the Applicant for Predevelopment and Development Costs for Sugar Pine Phase 3 Housing Partners, L.P., and the requested amount from the Program.

THEREFORE, IT IS RESOLVED THAT:

1. The City of South Lake Tahoe supports The Related Companies of California, LLC submitting an Application to the Department to receive Program funds for Sugar Pine Phase 3 Housing Partners, L.P. to develop Affordable housing on the state-owned Excess Site.
2. The City of South Lake Tahoe is authorized to submit the approved Sugar Pine Phase 3 Housing Partners, L.P. Project Budget (**"Attachment 1"**) and Anticipated and Committed Project Sources (**"Attachment 2"**) to the Applicant to include in their Application. Attachment 1 and Attachment 2 demonstrate the requested amount from the Program, $5,943,000 that will be allocated to the Applicant, and all other sources for Predevelopment and Development Costs associated with the development of Affordable housing on the state-owned Excess Site.

Attachment 1: Sugar Pine Phase 3 Housing Partners, L.P. Budget

Attachment 2: Anticipated and Committed Project Sources

PASSED AND ADOPTED at a regular meeting of the City of the City of South Lake Tahoe held on June 7, 2022 by the following vote:

Instruction: Fill in all four vote-count fields below. If none, indicate "0" for that field.

AYES: _____ NOES: _____

ABSENT: _____ ABSTAIN: _____

_____

Devin Middlebrook, Mayor

City

STATE OF CALIFORNIA
City_____ of South Lake Tahoe_____

I, Susan Blankenship_____, City_____ Clerk of the City_____ of South Lake Tahoe_____, State of California, hereby certify the above and foregoing to be a full, true and correct copy of a resolution adopted by said City_____ on this 7___ day of June_____, 2022____.

_____
Susan Blankenship, City Clerk of the City of South Lake Tahoe_____, State of California

By: _____
Susan Blankenship, City Clerk

***Note**: The attesting officer cannot be the person identified in the Resolution as the authorized signer.*

ATTACHMENTS

Attachment 1: Project Budget

Attachment 2: Anticipated and Committed Project Sources

Attachments

Attachment 1: Project Budget (from Program Application)

Land Cost/Acquisition	$0
New Construction	$29,233,532
Architectural Fees	$1,329,080
Survey & Engineering	$110,000
Construction Interest & Fees	$3,176,007
Permanent Financing	$82,916
Legal Fees	$213,000
Reserves	$139,173
Contingency Costs	$4,049,824
Other Project Costs (including $1,057,000 in Local Fee Waivers)	$3,444,442
Developer Costs	$2,200,000
Total Project Costs	$43,977,974

Attachments

Attachment 2: Anticipated and Committed Project Sources

Permanent Bank Loan (Committed)	$1,541,634
AHSC Loan (Committed)	$10,551,967
City Coverage Loan (Committed Local Government Contribution from a Local Funding Source)	$995,509
City Waived Fees and Donated Commodities (Committed Local Government Contribution in the form of Local Fee Waivers)	$1,057,243
LGMG (Anticipated)	$5,943,000
HCD Housing Accelerator	$23,888,864
General Partner Equity	
Tax Credit Equity	
Deferred Developer Fee	
Total Sources	$43,977,974

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: June 7, 2022
Agenda Item #: 29

Agenda Item: Travel Authorization – League Annual Conference, Long Beach, CA, Climate Solutions Summit, Breckenridge, CO and Mountain and Resort Town Planners Summit, Aspen, CO

Executive Summary: The League of CA Cities Annual conference will offer educational and innovative leadership sessions across a variety of formats, with a roster of more than 100 speakers. Change is constant in our cities, and these sessions will support city leaders by equipping them with the latest knowledge, resources, and tools to advance their communities and assist officials in their daily roles and operations within their city.

The Climate Solutions Summit brings together key stakeholders from mountain and outdoor communities to collaborate on achievable solutions that accelerate a collective movement to zero-carbon emissions. The three-day Summit, will host attendees from resort companies, local government staff and sustainability teams, businesses, community leaders, local NGOs, and others.

The Mountain and Resort Town Planners Summit is a small and interactive conference, where ideas, questions and responses flow freely among participants, facilitators, and the host communities. The summit is multi-disciplinary, with programming designed for planners, designers, conservationists, elected officials, and anyone else interested in preserving the uniqueness of their mountain community.

Requested Action / Suggested Motions: Pass a Motion identifying Council Members and authorizing travel and associated expenses to attend the League Annual Conference (September 7-9) and selecting a Voting Delegate, Climate Solutions Summit, Breckenridge, CO (September 20-22) and Mountain and Resort Town Planners Summit, Aspen, CO (October 12-16, 2022)
Responsible Staff Member: Susan Blankenship, City Clerk

Responsible Staff Member: Susan Blankenship, City Clerk

Reviewed and Approved By:
Olga Tikhomirova, Director of Finance
Heather Stroud, City Attorney

Attachments:

01-Staff Report - Travel Authorization.docx
02-Climate Solutions Summit.pdf
03-Mountain and Resort Town Planner Summit.pdf
04-League - 2022 Voting Delegate Packet.pdf

City of South Lake Tahoe
Report to **City Council**

Meeting Date: June 7, 2022

Title: Travel Authorization – League Annual Conference, Long Beach, CA (September 7-9, 2022)
Climate Solutions Summit, Breckenridge, CO (September 20-22)
and Mountain and Resort Town Planners Summit, Aspen, CO (October 12-16, 2022)

Location: Long Beach, CA, Aspen, CO and Breckenridge, CO

Responsible Staff Member: Susan Blankenship, City Clerk (530) 542-6005

Background: On May 3, 2022, Mayor Middlebrook requested an item (Bass second) be brought forward regarding Council Member travel and participation at the Climate Solutions Summit in Breckenridge, CO and the Mountain and Resort Town Planners Summit in Aspen, CO.

The City Clerk received an email regarding registration to the League of CA Cities Annual Conference and is bringing it forward to take advantage of early registration discounts. If participation is approved, a voting delegate will need to be selected.

Per City Council Protocols, the City Clerk is seeking authorization for attendance.

City Council Protocols – City Council Travel
General Travel on Behalf of the City: *Councilmembers traveling on behalf of the City expecting reimbursement of expenses must first obtain approval of the travel by the City Council and coordinate their travel through the City Clerk's Office who will generally charge all expenses to the City (rather than reimburse Councilmembers). As noted in the policy any unused reservation will be paid for by the Councilmember.*

Financial Implications: Estimated Costs:

League Annual Conference, Long Beach, CA: Hotel (3 nights) $600, airfare $265, registration $650, parking $45, shuttle service $120, additional travel per diems (meals and incidentals) $252. Total Estimate: $1,680.

Climate Solutions Summit, Breckenridge, CO: hotel accommodations (3 nights) $525, airfare $300, registration $500, parking $48, shuttle service $100, additional travel per diems (meals and incidentals) $252. Total Estimate $1,725 per person.

Mountain and Resort Town Planners Summit, Aspen, CO: hotel accommodations (5 nights) $1,150, airfare $700, registration $500, parking $72, additional travel per diems (meals and incidentals) $394. Total Estimate $2,766 per person.

City Council Budget for Seminar Registration has a remaining balance of $3,872.50 (total adopted budget amount $4,400).

City Council Budget for Travel has a remaining balance of $7,131.21 (total adopted budget amount $7,600).

Policy Implications: The discussion of Councilmember attendance conforms to City Council Protocols.

MT2030 Climate Solutions Summit
Advance Information

The 2022 Mountain Towns 2030 Climate Solutions Summit brings together key stakeholders from our mountain and outdoor communities to collaborate on achievable solutions that accelerate a collective movement to zero-carbon emissions.

The three-day Summit, taking place in Breckenridge, CO on September 20-22, will host attendees from resort companies, local government staff and sustainability teams, businesses, community leaders, local NGOs, and others.

Location/Dates:
Breckenridge, Colorado
Tuesday, September 20 - Thursday, September 22, 2022

Schedule:
The program will begin Tuesday 9/20 at 10:00 a.m. and will commence on Thursday 9/22 early afternoon. Monday evening arrival is recommended.

Session Location:
Sessions will be held at Breckenridge's Riverwalk Center and in facilities throughout the core of Historic Breckenridge, all within a 5-10 minute walk. Dress is casual. Bring comfortable shoes and appropriate clothing to be walking outdoors between sessions.

Registration:
Registration details will be posted on our website by **May 1st**.
Cost is TBD (approx. $400-500 per person)

Hotels and Lodging:
A variety of lodging options are available from hotel rooms to condominiums with costs ranging as follows. To receive the MT2030 discounted rates, use the direct registration links posted on the MT2030 website registration, live by May 1.

Approximate lodging costs:

Hotel Rooms:
$130-$155++ per night

Condominiums:
Studios to 3 bedrooms condos will be available at approximately $300++ per night for a 3-bedroom condo.

Meals:
Light breakfasts and lunches will be provided Tuesday-Thursday.
Dinners will be on your own.

Transportation in Breckenridge:
All meetings and events will be within walking distance of MT2030 lodging accommodations in Breckenridge.

Transportation from DEN to Breckenridge will be available through Epic Mountain Express shuttle for a discounted rate. Rental cars can also be rented at DEN.

About Breckenridge:
Located at 9600' above sea level, Breckenridge is approximately 90 miles west of Denver.
Visit GoBreck.com for more information on visiting Breckenridge.

Weather:
Weather in the high country in September can vary from snowing to beautiful sunny 70+ degree days. Evenings will be cool. Plan accordingly when packing.

More information will be posted on the website by May 1, 2022

If you have any additional questions, please let us know at info@mt2030.org

The Mountain and Resort Town Planners Summit (MRTPS) is a small and interactive conference, where ideas, questions and responses flow freely among participants, facilitators, and the host communities. The summit is multi-disciplinary, with programming designed for planners, designers, conservationists, elected officials, and anyone else interested in preserving the uniqueness of their mountain community. Past attendees have found the conference to be extremely helpful in finding solutions to day-to-day challenges, creating a network of peers from similar communities, and fostering big picture thinking. The conference format typically includes keynote speakers, guided tours, and peer-to-peer roundtable discussions led by expert facilitators.

Getting to Aspen/Snowmass

The closest airport is **Aspen/Pitkin County Airport**, which is 15-minutes from the conference venue, the **Viceroy Resort** in Snowmass Village. The Viceroy offers a complimentary shuttle to and from the airport. Alternative airports include **Eagle County Regional Airport** (1.25 hours) or **Denver**, a 4-hour scenic drive away. Once you're here, no car is necessary. Aspen/Snowmass and the Roaring Fork Valley have **an excellent transit system** as well as taxis and rideshares. All conference activities will be within walking distance or transportation will be provided. Meal and entertainment options are plentiful in **Snowmass Village**, and even more so in the **City of Aspen**, which is accessible by a free, high-frequency bus line.

The Venue

The Viceroy Resort is located in the Town of Snowmass Village, Colorado. For the summit, we have secured rates of $219 per night for a Studio King and $299 per night for a one-bedroom residence.

The Locale

Aspen/Snowmass and the Roaring Fork Valley is a storied place rich in history, culture, recreation, and ecology. Though it is known for its affluence, the community has made tremendous investments in affordable housing for over 40 years, creating a thriving community with youthful energy paired with relaxed gentility. Cultural amenities include the **Aspen Art Museum**, the **Wheeler Opera House**, and the **John Denver Sanctuary**. And, of course, virtually every type of outdoor recreation can be had, **with a trail system** second-to-none in North America.

LEAGUE OF CALIFORNIA CITIES

Council Action Advised by August 31, 2022

DATE: June 1, 2022

TO: City Managers and City Clerks

RE: DESIGNATION OF VOTING DELEGATES AND ALTERNATES
League of California Cities Annual Conference & Expo – September 7-9, 2022

Cal Cities 2022 Annual Conference & Expo is scheduled for September 7-9, 2022 in Long Beach. An important part of the Annual Conference is the Annual Business Meeting (during General Assembly) on Friday, September 9. At this meeting, Cal Cities membership considers and acts on resolutions that establish Cal Cities policy.

In order to vote at the Annual Business Meeting, your city council must designate a voting delegate. Your city may also appoint up to two alternate voting delegates, one of whom may vote if the designated voting delegate is unable to serve in that capacity.

Please complete the attached Voting Delegate form and return it to Cal Cities office no later than Friday, September 2. This will allow us time to establish voting delegate/alternate records prior to the conference.

Please view Cal Cities' event and meeting policy in advance of the conference.

- **Action by Council Required.** Consistent with Cal Cities bylaws, a city's voting delegate and up to two alternates must be designated by the city council. When completing the attached Voting Delegate form, please attach either a copy of the council resolution that reflects the council action taken, or have your city clerk or mayor sign the form affirming that the names provided are those selected by the city council. Please note that designating the voting delegate and alternates **must** be done by city council action and cannot be accomplished by individual action of the mayor or city manager alone.

- **Conference Registration Required.** The voting delegate and alternates must be registered to attend the conference. They need not register for the entire conference; they may register for Friday only. Conference registration will open by June 1 on the Cal Cities website. In order to cast a vote, at least one voter must be present at the Business Meeting and in possession of the voting delegate card. Voting delegates and alternates need to pick up their conference badges before signing in and picking up the voting delegate card at the Voting Delegate Desk. This will enable them to receive the special sticker on their name badges that will admit them into the voting area during the Business Meeting.

- **Transferring Voting Card to Non-Designated Individuals Not Allowed.** The voting delegate card may be transferred freely between the voting delegate and alternates, but *only* between the voting delegate and alternates. If the voting delegate and alternates find themselves unable to attend the Business Meeting, they may *not* transfer the voting card to another city official.

- **Seating Protocol during General Assembly.** At the Business Meeting, individuals with the voting card will sit in a separate area. Admission to this area will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate. If the voting delegate and alternates wish to sit together, they must sign in at the Voting Delegate Desk and obtain the special sticker on their badges.

The Voting Delegate Desk, located in the conference registration area of the Long Beach Convention Center, will be open at the following times: Wednesday, September 7, 8:00 a.m. – 6:00 p.m.; Thursday, September 8, 7:00 a.m. – 4:00 p.m.; and Friday, September 9, 7:30 a.m.–12:30 p.m. The Voting Delegate Desk will also be open at the Business Meeting on Friday, but will be closed during roll calls and voting.

The voting procedures that will be used at the conference are attached to this memo. Please share these procedures and this memo with your council and especially with the individuals that your council designates as your city's voting delegate and alternates.

Once again, thank you for completing the voting delegate and alternate form and returning it to Cal Cities office by Friday, September 2. If you have questions, please call Darla Yacub at (916) 658-8254.

Attachments:
- Annual Conference Voting Procedures
- Voting Delegate/Alternate Form

LEAGUE OF CALIFORNIA CITIES

Annual Conference Voting Procedures

1. **One City One Vote.** Each member city has a right to cast one vote on matters pertaining to Cal Cities policy.

2. **Designating a City Voting Representative.** Prior to the Annual Conference, each city council may designate a voting delegate and up to two alternates; these individuals are identified on the Voting Delegate Form provided to the Cal Cities Credentials Committee.

3. **Registering with the Credentials Committee.** The voting delegate, or alternates, may pick up the city's voting card at the Voting Delegate Desk in the conference registration area. Voting delegates and alternates must sign in at the Voting Delegate Desk. Here they will receive a special sticker on their name badge and thus be admitted to the voting area at the Business Meeting.

4. **Signing Initiated Resolution Petitions**. Only those individuals who are voting delegates (or alternates), and who have picked up their city's voting card by providing a signature to the Credentials Committee at the Voting Delegate Desk, may sign petitions to initiate a resolution.

5. **Voting.** To cast the city's vote, a city official must have in their possession the city's voting card and be registered with the Credentials Committee. The voting card may be transferred freely between the voting delegate and alternates, but may not be transferred to another city official who is neither a voting delegate or alternate.

6. **Voting Area at Business Meeting.** At the Business Meeting, individuals with a voting card will sit in a designated area. Admission will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate.

7. **Resolving Disputes**. In case of dispute, the Credentials Committee will determine the validity of signatures on petitioned resolutions and the right of a city official to vote at the Business Meeting.

LEAGUE OF CALIFORNIA CITIES

CITY:_____

2022 ANNUAL CONFERENCE
VOTING DELEGATE/ALTERNATE FORM

Please complete this form and return it to Cal Cities office by Friday, September 2, 2022. Forms not sent by this deadline may be submitted to the Voting Delegate Desk located in the Annual Conference Registration Area. Your city council may designate one voting delegate and up to two alternates.

To vote at the Annual Business Meeting (General Assembly), voting delegates and alternates must be designated by your city council. Please attach the council resolution as proof of designation. As an alternative, the Mayor or City Clerk may sign this form, affirming that the designation reflects the action taken by the council.

Please note: Voting delegates and alternates will be seated in a separate area at the Annual Business Meeting. Admission to this designated area will be limited to individuals (voting delegates and alternates) who are identified with a special sticker on their conference badge. This sticker can be obtained only at the Voting Delegate Desk.

1. VOTING DELEGATE

Name: _____

Title: _____

2. VOTING DELEGATE - ALTERNATE

Name:_____

Title:_____

3. VOTING DELEGATE - ALTERNATE

Name: _____

Title: _____

ATTACH COUNCIL RESOLUTION DESIGNATING VOTING DELEGATE AND ALTERNATES OR

ATTEST: I affirm that the information provided reflects action by the city council to designate the voting delegate and alternate(s).

Name: _____ Email_____

Mayor or City Clerk_____ Date_____ Phone_____
(circle one) (signature)

Please complete and return by Friday, September 2, 2022 to:
Darla Yacub, Assistant to the Administrative Services Director
E-mail: dyacub@calcities.org; Phone: (916) 658-8254

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: June 7, 2022
Agenda Item #: 30

Agenda Item: Agenda Planning Calendar

Executive Summary:

Requested Action / Suggested Motions: A Councilmember may request that an item be placed on a future agenda. Upon the support of one (1) additional Council Member, direction shall be given to the City Manager to calendar the item for a convenient future agenda, but no sooner than the second meeting after the request was made, and/or modify the Agenda Planning Calendar as desired.
Responsible Staff Member: Joseph Irvin, City Manager

Responsible Staff Member:

Reviewed and Approved By:

Attachments:

APC - 06 02 2022.pdf

2022 Agenda Planning Calendar

Updated 6/02/2022

	Department	Agenda Item	Agenda Section
June 21, 9 a.m.	**City Council, South Tahoe Redevelopment Successor Agency Meeting**		
	City Attorney	Cannabis Tax Measure Ballot Measure	NB
	City Manager	Via Mobility Transit Workshop 1-3 pm	NB
		Present Award Cannabis Revenue Grant	Consent
	Dev Services	Housing Element Adoption	Public Hearing
		South Tahoe Refuse Delinquent Refuse Fees	Public Hearing
	City Clerk	Resolution Calling for Consolidated Election/Ballot Measures/Offices	Consent
		Proclamation - Parks Make Life Better Month	Proclamations
	Finance	CFD 2001-1 Series 2015 Special Tax Refunding Bonds for FY 2022-2023	Consent
		FY 2022-2023 Direct Charge for Mello-Roos Special Tax for CFD No. 1995-1	Consent
	Parks & Rec	ART League Property Lease	Consent
		Park Foundation MOU	Consent
	Pub Works	CIP Presentation - Policy Rankings	NB
		Award FY 2023 Airport Master Plan RFQ	Consent
		Tahoe Valley Phase I Improvements Award	Consent
		Award On-Call Mechanical Services Contract	Consent

2022 Agenda Planning Calendar

Updated 6/02/2022

		Annual Road Rehabilitation Contract Award	NB
		Rec Center Presentation	UB
		Award of 3 Contracts for ther Rec Center	Consent
		PSA with CCC Maintenance of Stormwater System	Consent
		Grant Funding for the Tahoe Valley Stormwater & Greenbelt Project	Consent
Aug. 9, 9 a.m.	**City Manager**	ARPA Project Round 2 Discussion	
		Civic Spark Report	
	Finance	Approval of Bond Financing Docs for the Rec Center Construction Financing	NB
		Revised Fiscal Year 2020-2021 and Fiscal Year 2021-2022 Appropriation Limits	Consent
		Financial Policy Update	
	Dev Services	"Lease to Locals" Program Incentive	
	Pub Works	Rec Center Bonds - Position of Statement	
		Facility Assessment Award	
		Airport Rate Study	NB
		Hazardous Materials Remediation Campground Store and Outbuildings	
Aug. 23, 9 a.m.		**Budget Workshop**	
	Pub Works	Formal CIP Presentation for Adoption	

2022 Agenda Planning Calendar

Updated 6/02/2022

		Title VI Plan Adoption
Sept. 6, 9 a.m.	**Dev Services**	PLHA Moderate Income Homebuyer Administration PSA
	Pub Works	EIP and Regional Project Priority Presentation
Sept. 20, 5:30 p.m	**Pub Works**	Rec Center Award - Phase II
Oct. 4, 9 a.m.	**City Clerk**	Conflict of Interest Code Update
		Ordinance Increasing City Council Compensation (First Reading)
	City Manager	SW Gas Prestentation Renewable Energy Goals
	Dev Services	California Building Code - Local Code Adoption
Nov. 1, 9 a.m.	**City Clerk**	Ordinance Increasing City Council Compensation (Second Reading)
		Resolution Increasing City Treasurer Compensation
Nov. 15, 5:30 p.m.		
Dec.13, 9 a.m.	**City Clerk**	Resolution Certification of Election Results
		City Council Re-Organization
		Oath of Office
		2023 Meeting Schedule
		City Council Assignments to Boards and Commissions Discussion
		League - New Mayors and Council Members Attendance

2022 Agenda Planning Calendar

Updated 6/02/2022

		City Employee Recognitions
Unscheduled/Pending		
	City Attorney	Parking Garage License Agreement with Verizon
	City Attny/PW	Undergrounding Utilities
		Amendments to Small Cell Policy
		Liberty Utilities Franchise Agreement
	City Clerk	Records Management Policy (Updated)
		Policy - Use of Personal Devices for City Business
	City Manager	Juvenile Treatment Center Discussion
		Potential new City slogan
		Customer satisfaction survey(s)
	Dev Services	Inclusionary housing ordinance
		Plan Area Statement Update for Tourist Accommodation Uses
		Tourist Core Area Plan Amendment: 3828 Montreal Rd
		RFP for consulting firms for Bijou / Al Tahoe Area Plan and Bijou Parks Master Plan
		Plan Area Statement 111 amendment
		Single Room Occupancy Program Amendments

2022 Agenda Planning Calendar

Updated 6/02/2022

	Outside Eating Code Review (coverage, seating, parking etc)
Fire	Weed abatement/nusance Program - Defensable Space
	Fire Marshal
Parks & Rec	
Public Works	**A**ward Engineering and Construction Contract South Hangar Taxi Lane Rehab
	Award Contract PD - Community Recource Center Renovations
	SEED Solar Photovoltaic Project PPA
	Award - James and Eloise Drainage Improvement Project Phase 1
	Airport Deferred Maintenance Plan
Recreation	Bijou Park Master Plan
	Bijou Golf Course "Rock the Lake" Event and Review