

**JOINT SPECIAL MEETING AGENDA OF THE  
CITY OF INDUSTRY CITY COUNCIL, SUCCESSOR  
AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, INDUSTRY  
PUBLIC UTILITIES COMMISSION, AND INDUSTRY PUBLIC FACILITIES  
AUTHORITY**

**JUNE 21, 2018  
9:00 A.M.**

**CITY COUNCIL/SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT  
AGENCY/INDUSTRY PUBLIC UTILITIES COMMISSION/INDUSTRY PUBLIC FACILITIES  
AUTHORITY:**



*Mayor/Chairman/President Mark Radecki  
Mayor Pro Tem/Vice Chair/President Pro Tem Cory Moss  
Council Member/Board Member/Commissioner Abraham Cruz  
Council Member/ Board Member/Commissioner Catherine Marcucci  
Council Member/ Board Member/Commissioner Newell Ruggles*

*Location: City Council Chamber, 15651 East Stafford Street, City of Industry, California 91744*

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**Addressing the City Council/Agency/Commission/Authority:**

- ▶ **Agenda Items:** *Members of the public may address the City Council/Agency/Commission/Authority on any matter listed on the Agenda. Anyone wishing to speak is asked to complete a Speaker's Card which can be found at the back of the room and at the podium. The completed form should be submitted to the City Clerk prior to the Agenda item being called and prior to the individual being heard.*
- ▶ **Public Comments (Agenda Items Only):** *During public comments, if you wish to address the City Council/Agency/Commission/Authority during this Special Meeting, under Government Code Section 54954.3(a), you may only address the City Council/Agency/Commission/Authority concerning any item that has been described in the notice for the Special Meeting.*

**Americans with Disabilities Act:**

- ▶ *In compliance with the ADA, if you need special assistance to participate in any City meeting (including assisted listening devices), please contact the City Clerk's Office (626) 333-2211. Notification of at least 48 hours prior to the meeting will assist staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting.*

**Agendas and other writings:**

- ▶ *In compliance with SB 343, staff reports and other public records permissible for disclosure related to open session agenda items are available at City Hall, 15625 East Stafford Street, Suite 100, City of Industry, California, at the office of the City Clerk during regular business hours, Monday through Friday 8:00 a.m. to 5:00 p.m. Any person with a question concerning any agenda item may call the City Clerk's Office at (626) 333-2211.*
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1. Call to Order
2. Flag Salute
3. Roll Call
4. Public Comments

5. **ACTION ITEMS**

- 5.1 Presentation and discussion regarding the FY 2018-2019 Proposed Budget

*RECOMMENDED ACTION: Provide direction to staff.*

- 5.2 Consideration of a Traffic Mitigation Agreement between the Successor Agency to the Industry Urban-Development Agency, the City of Industry, and the City of Diamond Bar for traffic mitigations in the City of Diamond Bar that are required for the Environmental Impact Report for the Grand Crossing Development (Industry East) and the Industry Business Center (MP 99-31 #65)

*RECOMMENDED ACTION: Approve the Agreement.*

- 5.3 Consideration of a Build Over Agreement between the Successor Agency to the Industry Urban-Development Agency and County Sanitation District No. 21 of Los Angeles County for two utility crossings for the Industry Business Center Project

*RECOMMENDED ACTION: Approve the Agreement.*

- 6 Adjournment.

*JOINT SPECIAL MEETING OF THE  
CITY OF INDUSTRY CITY COUNCIL, SUCCESSOR  
AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT  
AGENCY, INDUSTRY PUBLIC UTILITIES COMMISSION,  
AND INDUSTRY PUBLIC FACILITIES AUTHORITY*

ITEM NO. 5.1



# CITY OF INDUSTRY

## MEMORANDUM

TO: Honorable Mayor and Members of the City Council

FROM: Troy Helling, Acting City Manager *TH*

STAFF: Yamini Pathak, Acting Director of Finance *Y*  
Steven Avalos, Finance Manager *SA*

DATE: June 21, 2018

**SUBJECT: Consideration to Receive a Presentation on the City of Industry's FY 2018-2019 Proposed Operating Budget, Provide Comments & Direction to Staff on Proposed Operating Budget, and Receive & File FY 2018-2019 Proposed Budget Presentation and Staff Report**

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### BACKGROUND

The Budget Adoption Process is one of the most important processes the City will undertake each year, usually entailing a five (5) to six (6) month process beginning in January/February of each year and culminating with the budget adoption in June, before the start of the upcoming fiscal year. The City's Operating Budget is an extremely important document, as it represents the City's financial operating plan and transparency vehicle to summarize our key fiscal resources, top budget priorities for the fiscal year, and planned programming & service levels for our residents, business residents and surrounding communities.

The FY 2018-19 ("FY 19") Proposed Operating Budget is a balanced budget and was developed under the context of a "Zero-Based Budget" policy approach, which aligns the budgets of the City's operations and services planned for the fiscal year to projected "realistic" costs of providing these vital services to our community. The FY 19 Proposed Budget reflects the City Council's vision, commitment, and business plan to: operating the City in line with standard city business practices, governmental & fiscal transparency, and planning for the "now" and "future" in leading the City of Industry to continue to grow its presence as the economic and employment standard bearer in our region.

The FY 19 Proposed Budget was once again a collaborative Citywide process, in which all departments contributed in developing and building their budgets. The FY 19 Budget Process formally began in February 2018, in which the Finance Department ("Finance") prepared the budget policy, budget calendar, and all budget forms for the new fiscal year. The Budget Instructions Memo and all budget forms were distributed to all departments the 1<sup>st</sup> week of March. Departments were then required to submit their budget requests



by April 17, 2018, in which Finance performed a thorough review of all budget requests. In May 2018, Finance reviewed all department budget requests with the City Manager to finalize the preliminary budget to present a balanced budget for Council’s consideration to approve and adopt by June 2018. For the FY 19 budget adoption, staff will present the FY 19 Proposed Operating Budget at a Special Budget Workshop Meeting on June 21, 2018. The purpose of the Budget Workshop is to give Council an opportunity to thoroughly review the proposed budget, ask questions, and provide comments and direction to staff. Once direction is given, staff will present the FY 19 Proposed Operating Budget at the June 28, 2018 City Council meeting for formal budget adoption.

As customary, the FY 19 Proposed Operating Budget Report and Presentation will primarily focus on the General Fund, as this is the City’s operating fund that supports traditional municipal services, and the Capital Improvement Program (“CIP”) Fund, which serves as the City’s primary fund that supports its capital assets and infrastructure improvement projects.

## **DISCUSSION**

### **FY 19 Proposed Citywide Budget – All Funds**

The FY 19 Proposed Citywide Budget across all City funds totals \$216.5 million, and is supported by \$211.6 million in revenues. The projected operating shortfall will be supported by available reserves and bond proceeds. An overview of the City’s major funds are listed below.

| <b>Table 1 – All City Funds Budget</b>           |                 |                 |                 |                 |
|--|-----------------|-----------------|-----------------|-----------------|
| <b>(Figures in Millions)</b>                     |                 |                 |                 |                 |
|  | <b>FY 15/16</b> | <b>FY 16/17</b> | <b>FY 17/18</b> | <b>FY 18/19</b> |
|  | <b>Actuals</b>  | <b>Actuals</b>  | <b>Amended</b>  | <b>Proposed</b> |
| General Fund                                     | \$37.1          | \$36.4          | \$58.6          | \$48.9          |
| Industry Public Utilities Commission<br>("IPUC") | 5.7             | 7.4             | 10.2            | 7.1             |
| Debt Services Funds                              | 37.0            | 185.3           | 148.9           | 149.8           |
| Other Funds                                      | 8.4             | 3.7             | 5.6             | 10.7            |
| <b>City Funds Totals</b>                         | <b>\$88.2</b>   | <b>\$232.8</b>  | <b>\$223.3</b>  | <b>\$216.5</b>  |
| CIP Program                                      | <u>\$11.8</u>   | <u>\$18.6</u>   | <u>\$20.0</u>   | <u>\$59.9</u>   |
| <b>CIP Program Totals</b>                        | <b>\$11.8</b>   | <b>\$18.6</b>   | <b>\$20.0</b>   | <b>\$59.9</b>   |
| Successor Agency ("SA")                          | <u>\$52.7</u>   | <u>\$108.3</u>  | <u>\$177.7</u>  | <u>\$180.9</u>  |
| <b>Successor Agency Totals</b>                   | <b>\$52.7</b>   | <b>\$108.3</b>  | <b>\$177.7</b>  | <b>\$180.9</b>  |

In FY 19, the Citywide Proposed Budget will decrease slightly by \$6.8 M and is largely the result of removing one-time expenses and reducing professional services in the General Fund. For FY 19, the Industry Public Utilities Commission ("IPUC") Budget will

total \$7.1 million and represents a \$3.1 M decrease from FY 18. This is largely due to a reduction of professional services for utility administration, as much of these services have been streamlined and consolidated with other service contracts and in-house staff.

The City’s Debt Services funds, which includes the Industry Public Facilities Authority Budget (“IPFA”), will remain largely flat from the prior year and total \$149.8 million. This supports all the City’s debt service obligations, in which much of the bond proceeds serve as a vital revenue source for the City’s capital program. The CIP Budget and Successor Agency (“SA”) Budget are treated as non-Citywide operations and will be discussed separately in this report.

### General Fund

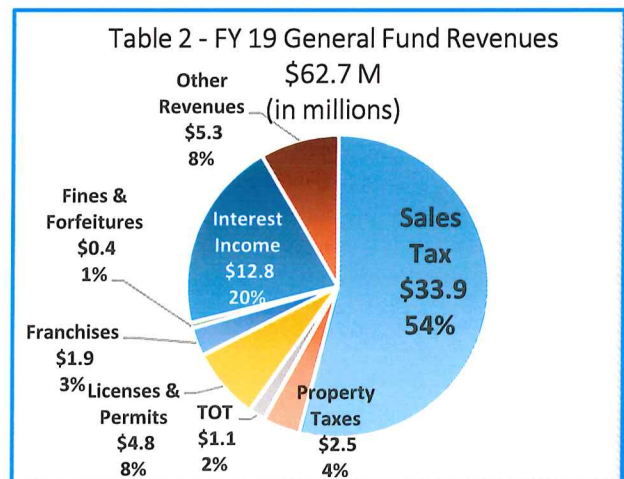
As prefaced earlier, the General Fund is the City’s primary operating fund that supports traditional municipal services, such as public safety, community support, landscape and street maintenance services, and planning and engineering services to name a few. When cities refer to its “Operating Budget”, they are referring to the General Fund, which serves as the primary budget for core operations and municipal services provided to our residents and business community.

The FY 19 Proposed Operating Budget for the General Fund reflects a balanced budget that totals \$48.9 million in expenditures and will be supported by \$62.7 million in revenues. Due to the City’s strong revenue base, the City is projected to have a \$13.8 million operating surplus in FY 19. However, the City will also utilize this operating surplus and its healthy fund balance reserves to support most of its non-operational costs, such as debt service obligations, subsidies to other funds, and non-recurring (or one-time) costs, such as the purchase of vehicles. For FY 19, the City’s debt services obligations and non-operating budget will impact the General Fund’s reserves by \$15.6 million.

Outlined below is an overview of the City’s revenue base, expenditures, and overview of its budget highlights for FY 19.

### Revenues

The City continues to have a solid and robust revenue base, which serves as the foundation for its economic viability and stable economy in the region over the last several years. Unlike other cities, the City greatly benefits from its strong economic industries, as revenues generated from sales taxes account for almost 55% of all General Fund revenues primarily from its auto, commercial, manufacturing, and consumer retail industries.



**Sales Tax** – In FY 19, Sales Tax revenues are anticipated to increase by \$1.0 M (or 3.1%) from \$32.9 million in FY 18 to \$33.9 million in FY 19. While this appears to be a modest increase, this 3.1% increase is great sign for the City. In FY 18, a major sales tax contributor and retailer closed in the City. However, this loss of sales tax revenues has not been fully realized (or affected) the City, as a new retail fulfillment center came to the City and has already made significant contributions to our sales tax base in FY 18. Despite losing one major commercial retailer, the City’s sales tax base remains strong and continues to increase in line with our regional economies and CPI trends.

**Property Taxes & Other Taxes** – The City’s other major revenues in its tax base are Property Tax and Transient Occupancy Taxes (“TOT”). Property Tax revenues move in line with assessed values of all City properties and are restricted to an annual maximum 2% increase in assessed value. The City’s TOT tax rate is 10% and reflects revenues generated from its lone hotel property, the Pacific Palms Resort at Industry Hills. Property Taxes and TOT revenues continue to be a consistent revenue source for the City and are projected to grow in line with Los Angeles County trends, as well as other cities in the region.

**Licenses, Permits & Fees** – Beginning in January 2018, the City began receiving all building permits, miscellaneous permits, and all other building and code fees directly. Prior, Los Angeles County Building would collect all fees and permits directly and record all revenues into the County’s financial system. In turn, LA County would deduct their services and operational costs and remit the net revenues monthly to the City. While this was not incorrect, it was not considered best practice. The City now receives and records all building-related permits and fees directly into our bank and financial system and revenues collected reflect total revenue amounts (not net amounts).

As a result, in FY 19, Licenses and Permits will see a higher budgeted revenue amount of \$4.8 M, in comparison to \$3.3 M in FY 18. While this shows a noticeable increase of \$1.5 M, this is largely due to the budgeting of net revenues for LA County building services in prior years. Nonetheless, early revenue receipts indicate increased revenue intake over these past months, which is a positive sign shown thus far, and perhaps, an early indicator that the One-Stop Shop and new credit card payment machine are paying dividends for the City. This is also a great sign for the City that developers continue to do business with the City, and our economic base is on the rise and in good financial standing for many years to come.

### Expenditures

In FY 19, General Fund expenditures will total \$48.9 million, which represents a \$9.7 million (or 13%) decrease from FY 18 amended budget levels. Outlined below is a full comparison for all departments from last fiscal year to the new fiscal year proposed budget.

**Table 3 – General Fund Expenditures**  
 (Figures in Millions)

|  | <b>FY 15/16</b> | <b>FY 16/17</b> | <b>FY 17/18</b> | <b>FY 18/19</b> |
|--|-----------------|-----------------|-----------------|-----------------|
|  | <b>Actuals</b>  | <b>Actuals</b>  | <b>Amended</b>  | <b>Proposed</b> |
| Administrative Services                      | \$11.7          | \$7.1           | \$15.0          | \$7.5           |
| Financial Services                           | 1.7             | 2.9             | 3.7             | 4.0             |
| Development Services                         | 20.2            | 23.3            | 35.3            | 33.6            |
| Community Support &<br>Regional Improvements | <u>3.5</u>      | <u>3.1</u>      | <u>4.6</u>      | <u>3.8</u>      |
| <b>Grand Totals:</b>                         | <b>\$37.1</b>   | <b>\$36.4</b>   | <b>\$58.6</b>   | <b>\$48.9</b>   |

The \$9.7 M decrease in the General Fund budget appears significant; however, this is largely due to the removal of a one-time, \$8.5 M payment to its retirement services provider, CalPERS, for the City’s projected unfunded pension liability for all its employees. When factoring out this one-time expense, the FY 19 Proposed Budget is primarily a flat budget, decreasing from \$50.1 million in FY 18 to \$48.9 million. This reflects the City’s commitment to operating in line with standard business practices, continuing to streamline and make operations more efficient, and removing some redundancies and professional services no longer needed.

As such, the FY 19 Proposed Budget also includes some services and organizational enhancements, budget savings, and continues to support the Council’s top priorities and programs. A summary of the major “FY 19 Budget Highlights” are listed below.

- **Significant Savings Due to the City’s Paydown of its Projected OPEB Liability** – In FY 18, the Council approved payment in the amount of \$8.5 million to its retirement services provider, CalPERS, for the City’s projected unfunded pension liability for all its employees. This one-time payment is removed from the FY 19 Proposed Budget and will save the City a projected \$10.2 million in interest over a 30-year amortization period, as well as over \$500K annually in foregoing its annual contribution for its members.
- **Reduction of Professional Services** – Over the past few years, the City procured and contracted many specialized professional services to address various reforms to the 2016 State Controller’s Report. The City has brought in several new staff and has undertaken and completed many of its reforms. As such, many of these services are no longer needed as the City is continuing to streamline its operations and service. As a result, this will yield significant savings of \$1.3 M to the City.
- **Streamlining of Development Services & Public Works Operations** – In FY 19, the City will continue to streamline its Development Services and Public Works operations. In Development Services, the City will fully fund all its Stormwater Compliance and NPDES efforts. As the City now better knows all costs associated with the City’s One-Stop Shop (which became effective in November 2018), all



contracted development services administrative support and Los Angeles County Building services support will be properly budgeted in FY 19.

In Public Works, the City will continue to assess and streamline our operations and a new Public Works/Engineering division will be consolidated in FY 19. Further, all specialized engineering services, such as environmental and surveying, as well as maintenance services are fully budgeted in FY 19.

- **Continued Commitment to Public Safety** – Public Safety continues to be the number one priority for the City. The FY 19 Budget reflects annual increases (\$260K) to the LA Sheriff's contract. FY 19 also reflects the City's commitment to mental health awareness in public safety and deputy training. In addition, additional hours for our part-time Code Enforcement staff has been included in the proposed budget. This will enhance and promote proper enforcement of the City's municipal codes and regulations, as well as generate better revenue recovery opportunities.
- **Cost of Living Adjustment ("COLA") Salary Increases** – One good indicator that the overall economy is trending upward is when there is a year-over-year increase in the region's Consumer Price Index for all Urban Consumers (CPI-U). The CPI-U increase from April 17-April 18 in the Los Angeles-Long Beach-Anaheim region is 4.0%. This is largely the result of energy prices (due to gasoline prices) increasing by over 11.5% in that same span. As a result, a 4.0% CPI-based COLA is being recommended for all employees, boards and commissions and is included in the FY 19 Proposed Budget. For the City Council Members, an ordinance will need to be introduced and read twice for their COLA salary adjustment to be approved and take effect. The first reading will take place with the budget adoption at the June 28, 2018 meeting.
- **Personnel Changes** – In May 2018, there were new positions approved on the Salary Schedule, such as the Assistant City Manager and Deputy City Clerk positions, that were not previously budgeted and are now fully funded in FY 19. In addition, there are several positions being recommended to be re-classified to more appropriately correspond to the skill level, responsibilities & work scope performed by the employees filling these positions and are also included in the proposed budget.

Two (2) new positions, Accounting Technician III and HR Analyst II, are also included as part of the proposed budget and will also need to be added to the City's Salary Schedule. These positions have resulted from proposed reclassifications due to additional duties, and higher responsibilities of work performed. In addition, one (1) new P/T Administrative Technician will be added to help support the day-to-day HR functions and duties. There is no net change in full-time equivalent ("FTE") position count in comparison to last year's amended budget.

- ***User Fees and Charges Study and Cost Allocation Plan Study*** – In FY 18, Finance initiated two (2) important financial studies, User Fees and Charges Study and Cost Allocation Plan Study, and are still on-going projects. The City is currently not recovering any user fees for the cost of services we deliver to our business community nor has a Citywide Fee Schedule. These are very important, as these documents justify the user fees we charge our customers and assist in revenue recovery for the cost of providing these important services. These studies are anticipated to be completed in FY 19 and is included in the proposed budget.
- ***Significant and Continuing Investment to Non-Profit Organizations & Surrounding Communities*** – The City continues to provide support and invest heavily to our local nonprofits and our surrounding communities in need through the funding of projects, programs, and direct donations to serve our at-risk and in-need populations, as well as benefit the general community at-large.

In FY 19, the City will continue to support and provide vital resources to community events, such as the City of La Puente's annual 4<sup>th</sup> of July Celebration event. The City will continue to be a major sponsor and contributor to the Gabriel Foundation and the annual Industry Hills Pro Rodeo event. The City is also extending its support to other important programs and issues, such as Veterans programs provided by the Roper Foundation, as well as funding to support public safety' awareness of mental health issues and Meals on Wheels.

In addition, the City continues to support the Industry Sheriff's Department Youth Activities League ("YAL") and is reflected in the FY 19 Proposed Budget. The YAL serves, on average, over 300 youth every single day from surrounding communities at nine different facilities in the City of Industry, La Puente, Bassett and Valinda areas. The volunteer-run programs of the Industry YAL provide outstanding programs and services to our underprivileged and disadvantaged youth in our underserved communities. Funding in FY 19 include use of Tonner Canyon for Camp Courage, use of City vehicles to help transport all kids, and funding for special programs such as development of a music program and community center.

These are some of the major highlights of the FY 19 Proposed Budget. As mentioned earlier, the FY 19 Budget will continue the initiatives and projects set forth in FY 18, as well as continue to implement best practices, streamline operations, and operate the City in line with standard business operations.

### **Capital Improvement Program ("CIP") Proposed Budget**

The City continues to invest heavily into its assets, capital infrastructure, streets and roads, and large-scale regional improvements. The FY 19 Proposed CIP Budget will total \$59.9 million, and will support construction of major grade separation projects and freeway improvements, street improvements, and major improvements to the City's Expo Center and City facilities. A summary of the major capital projects planned for FY 19 are outlined below.

- **“57/60 Confluence Project”** – The 57/60 Fwy Confluence Project is a regionally critical interchange that has been a major undertaking for the City over these last several years. The City has worked closely with CalTrans on this important regional project utilizing Federal funding, redevelopment funds and local grant funding. In FY 18, construction accelerated and saw the completion of the westbound Grand Avenue Off-Ramp and the westbound loop On-Ramp. In FY 19, it is anticipated that the Grand Avenue Slip On-Ramp at Grand Avenue will be completed.

This is a major regional infrastructure project, as it will not only benefit the City, but will have huge impacts on neighboring communities in Diamond Bar, Chino Hills, and the City of Walnut, as well as the thousands of commuters and patrons that travel this area on a daily basis.

- **“Grade Separation Projects”** – Through its continued, long-standing and collaborative partnership with Alameda Corridor East Construction Authority (“ACE”), the City will invest close to \$6 million dollars to major grade separation projects in FY 19. The Fairway Drive and Fullerton Road grade separation projects will continue construction. Railroad overpasses for Union Pacific will be constructed on both these major thoroughfares to ease these critical, high-volume traffic areas and improve traffic safety. The Turnbull Canyon grade separation will also enter its design phase in FY 19.
- **“Expo Center Facility Improvements”** – The City is developing a master plan to address long-term deferred maintenance and capital improvements at the Expo Center, as well as all other City owned properties. As such, the Expo Center Improvements are a big part of the FY 19 CIP Budget, and the City is allocating \$9.6 million to major facility improvements at the Expo Center. In FY 19, major improvements to the Pavilion, Avalon Room and Patio Café facilities are planned, as well as replacement of the Expo Center Gate. The Grand Arena will also be repainted and is a major undertaking for this popular venue. Further, the City will invest critical resources to designing major improvements to the sewer system.

In FY 19, the City’s Proposed CIP Program Budget will be primarily supported by \$200 million of available bond proceeds stemming from the \$250 million Sales Tax Revenue bond issuance in 2015. In years past, the CIP Program has been 100% subsidized by the General Fund. The City will also benefit and continue to utilize grants that have been awarded to the City, such as the Federal TIGER grant, Highway Bridge Program, and other local transportation grants, such as Measure M and METRO Call For Projects funding. Utilizing these vital revenue resources will provide major relief and savings of \$50.1 million to the General Fund in FY 19.

### **Successor Agency (“SA”)**

The FY 19 Proposed SA Budget was developed in accordance with the State Department of Finance (“DOF”) approved Recognized Obligation Payment Schedule (“ROPS”) for

FY 2018-19. The SA Budget is governed by the ROPS and cannot be changed or amended at any time during the year. In FY 19, the Proposed SA Budget will total \$180.9 million in expenditures, which consists of \$80.0 M of debt service obligations and \$100.9 M of project costs and enforceable obligations.

The SA Budget will primarily support all enforceable obligations as approved on the ROPS, debt service obligations of the former Industry Urban Development Authority (“IUDA”), and major infrastructure projects in the region. Some of the major projects supported by the SA include the Industry Business Center (East and West), 57/60 Confluence Project, Baker Slopes and Diamond Bar Creek habitat to name a few.

### **FISCAL IMPACT**

The City of Industry’s FY 2018-19 Proposed Citywide Operating Budget will total \$216,492,940 in expenditures and be supported by \$211,626,480 in revenues and \$4,866,460 in available reserves. This Citywide total includes the budgets for the General Fund, IPFA, and IPUC and are outlined below:

- The General Fund budget will total \$48,877,700 in expenditures and \$29,404,655 in transfers out and supported by \$62,686,030 in revenues and \$15,596,325 in available reserves.
- The IPUC budget will total \$7,072,385 in expenditures and supported by \$8,899,150 in revenues.
- The IPFA budget will total \$108,477,365 in expenditures, which consists of \$79,783,105 in regular debt service and \$28,694,260 towards early redemption of existing bond obligations. This will be supported by \$59,449,865 in revenues and \$50,465,200 from transfers in from other funds.

The FY 2018-19 Proposed CIP Program Budget will total \$59,900,000 in total project costs. The Proposed CIP Budget will be supported by \$8,433,865 in revenues (SA supported projects), \$1,365,000 subsidy (Transfer In) from the General Fund, and \$50,101,135 of available bond proceeds from the 2015 Sales Tax Revenue bond proceeds.

The FY 2018-19 Proposed SA Budget will total \$180,887,285 in expenditures and will be supported by revenues consisting of RPTTF tax increment revenues, tax override revenues, available bond proceeds, lease income from SA owned properties, and property sales.

The FY 2018-19 Proposed Operating Budget document will be available on the City website and in hard copy at the City Hall Front Desk or at City Clerk’s Office at City Hall.



## **RECOMMENDATION**

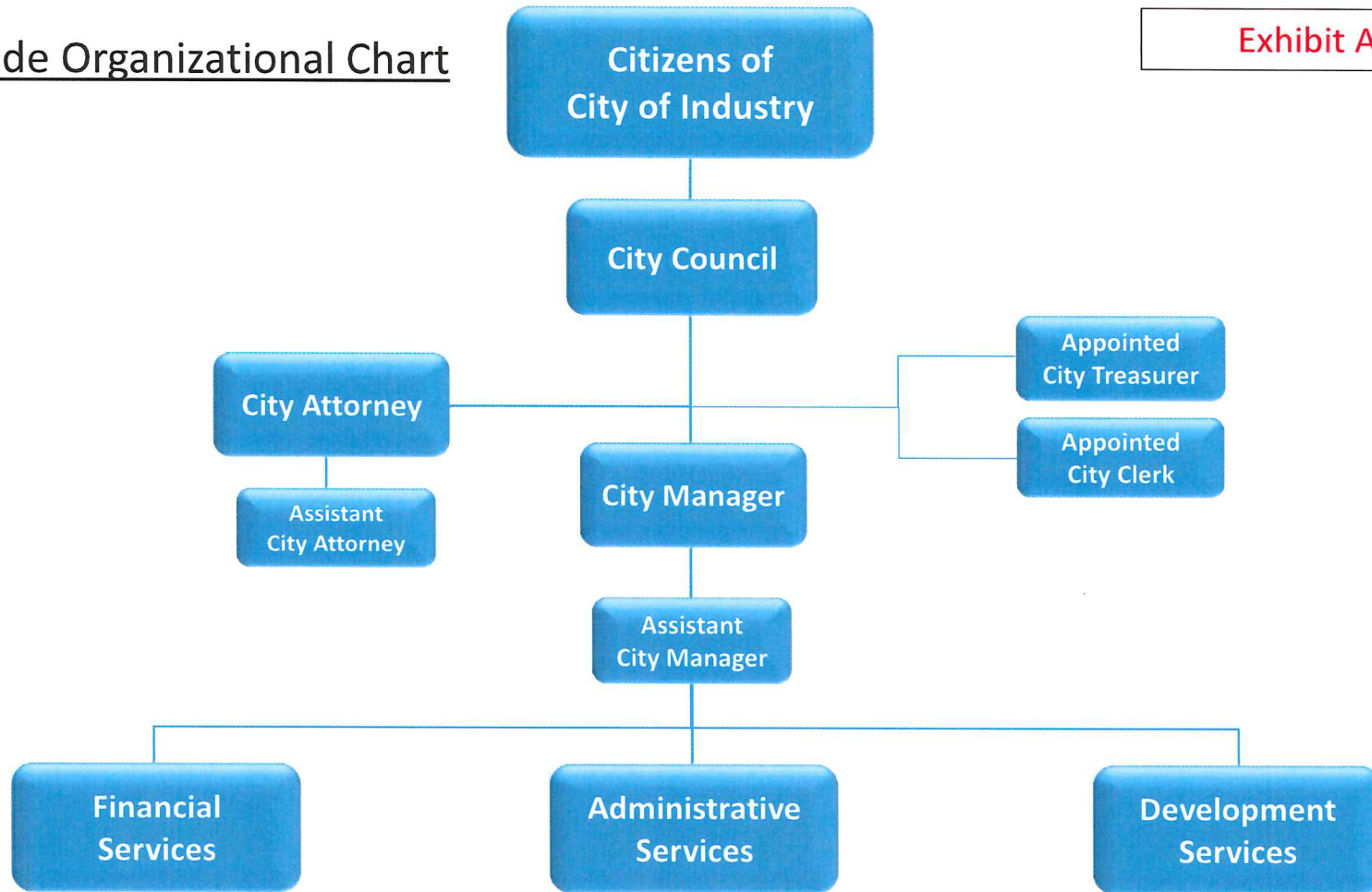
Staff recommends the City Council provide comments and direction to staff on the FY 2018-2019 Proposed Operating Budget and receive and file FY 2018-2019 Proposed Budget Presentation and Staff Report. Should the Council have any comments or changes, staff will incorporate said changes in the budget adoption staff report and present the FY 2018-19 Proposed Operating Budget for Council's consideration to adopt at the June 28, 2018 City Council Meeting.

### Attachments:

1. Exhibit A – FY 2018-19 Proposed Citywide Organizational Charts
2. Exhibit B – FY 2018-19 Projected Fund Balances
3. Exhibit C – FY 2018-19 Proposed Revenue Summaries
4. Exhibit D – FY 2018-19 Proposed Expenditure Summaries
5. Exhibit E – FY 2018-19 Proposed CIP Budget Project Summary

Citywide Organizational Chart

Exhibit A



**CITY OF INDUSTRY  
PROJECTED FUND BALANCES  
FY 2018-19 PROPOSED  
EXHIBIT B**

| FUND NAME                        | BEGINNING<br>FUND BALANCE<br>JULY 1, 2018 | REVENUES<br>FY 2018-2019 | TRANSFERS<br>IN     | EXPENDITURES<br>FY 2018-2019 | TRANSFERS<br>OUT       | PROJECTED<br>SURPLUS /<br>(DEFICIT) | PROJECTED<br>FUND BALANCE<br>JUNE 30, 2019 |
|----------------------------------|---|--------------------------|---------------------|------------------------------|------------------------|-------------------------------------|--|
| <b>GENERAL FUND</b>              |   |                          |                     |                              |                        |                                     |  |
| 100 OPERATIONS                   | \$ 718,368,033                            | \$ 62,686,030            | \$ -                | \$ (47,254,960)              | \$ (2,881,475)         | \$ 12,549,595                       | \$ 730,917,627                             |
| 100 NON-OPERATING COSTS          | -   | -                        | -                   | (1,622,740)                  | (26,523,180)           | (28,145,920)                        | (28,145,920)                               |
| <b>Total</b>                     | <b>\$ 718,368,033</b>                     | <b>\$ 62,686,030</b>     | <b>\$ -</b>         | <b>\$ (48,877,700)</b>       | <b>\$ (29,404,655)</b> | <b>\$ (15,596,325)</b>              | <b>\$ 702,771,707</b>                      |
| <b>SPECIAL REVENUE FUNDS</b>     |   |                          |                     |                              |                        |                                     |  |
| 101 GAS TAX                      | \$ 26,643                                 | \$ 18,130                | \$ -                | \$ (10,000)                  | \$ -                   | \$ 8,130                            | \$ 34,773                                  |
| 102 MEASURE R                    | -   | 5,000                    | -                   | (5,000)                      | -                      | -                                   | -  |
| 103 PROP A                       | 1,576,486                                 | 10,000                   | -                   | (1,112,600)                  | -                      | (1,102,600)                         | 473,886                                    |
| 104 PROP C                       | 8,919                                     | 7,010                    | -                   | (10,000)                     | -                      | (2,990)                             | 5,929                                      |
| 105 AIR QUALITY                  | 471                                       | -                        | -                   | -                            | -                      | -                                   | 471  |
| 106 MEASURE M                    | 5,000                                     | 5,000                    | -                   | (5,000)                      | -                      | -                                   | 5,000                                      |
| 110 GRANT FUND                   | -   | 5,261,490                | -                   | (5,261,490)                  | -                      | -                                   | -  |
| <b>Total</b>                     | <b>\$ 1,617,519</b>                       | <b>\$ 5,306,630</b>      | <b>\$ -</b>         | <b>\$ (6,404,090)</b>        | <b>\$ -</b>            | <b>\$ (1,097,460)</b>               | <b>\$ -</b>                                |
| <b>INTERNAL SERVICES FUNDS</b>   |   |                          |                     |                              |                        |                                     |  |
| 320 FLEET MANAGEMENT FUND        | \$ 50,000                                 | \$ -                     | \$ 80,000           | \$ (80,000)                  | \$ -                   | \$ -                                | \$ 50,000                                  |
| <b>Total</b>                     | <b>\$ 50,000</b>                          | <b>\$ -</b>              | <b>\$ 80,000</b>    | <b>\$ (80,000)</b>           | <b>\$ -</b>            | <b>\$ -</b>                         | <b>\$ 50,000</b>                           |
| <b>ENTERPRISE FUNDS</b>          |   |                          |                     |                              |                        |                                     |  |
| 160 IPHMA                        | \$ 33,590                                 | \$ 210,800               | \$ 450,345          | \$ (661,145)                 | \$ -                   | \$ -                                | \$ 33,590                                  |
| 161 CITY ELECTRIC                | 4,794,545                                 | 5,487,400                | -                   | (4,089,845)                  | -                      | 1,397,555                           | 6,192,100                                  |
| 360 CRIA                         | 28,378                                    | 1,210                    | 1,066,130           | (591,985)                    | (474,145)              | 1,210                               | 29,588                                     |
| 361 EXPO CENTER                  | 136,827                                   | 1,980,930                | 474,145             | (2,455,075)                  | -                      | -                                   | 136,827                                    |
| 560 IPUC - RECLAIMED WATER       | 10,018,596                                | 1,355,000                | -                   | (871,505)                    | -                      | 483,495                             | 10,502,091                                 |
| 561 IPUC - POTABLE WATER         | 631,408                                   | 2,056,750                | -                   | (2,111,035)                  | -                      | (54,285)                            | 577,123                                    |
| <b>Total</b>                     | <b>\$ 15,643,344</b>                      | <b>\$ 11,092,090</b>     | <b>\$ 1,990,620</b> | <b>\$ (10,780,590)</b>       | <b>\$ (474,145)</b>    | <b>\$ 1,827,975</b>                 | <b>\$ 17,471,318</b>                       |
| <b>CAPITAL IMPROVEMENTS FUND</b> |   |                          |                     |                              |                        |                                     |  |
| 120 CAPITAL IMPROVEMENTS         | \$ 187,571,757                            | \$ 8,433,865             | \$ 1,365,000        | \$ (59,900,000)              | \$ -                   | \$ (50,101,135)                     | \$ 137,470,622                             |
| <b>Total</b>                     | <b>\$ 187,571,757</b>                     | <b>\$ 8,433,865</b>      | <b>\$ 1,365,000</b> | <b>\$ (59,900,000)</b>       | <b>\$ -</b>            | <b>\$ (50,101,135)</b>              | <b>\$ 137,470,622</b>                      |

**CITY OF INDUSTRY  
PROJECTED FUND BALANCES  
FY 2018-19 PROPOSED  
EXHIBIT B**

| FUND NAME                     | BEGINNING<br>FUND BALANCE<br>JULY 1, 2018 | REVENUES<br>FY 2018-2019 | TRANSFERS<br>IN      | EXPENDITURES<br>FY 2018-2019 | TRANSFERS<br>OUT       | PROJECTED<br>SURPLUS /<br>(DEFICIT) | PROJECTED<br>FUND BALANCE<br>JUNE 30, 2019 |
|-------------------------------|---|--------------------------|----------------------|------------------------------|------------------------|-------------------------------------|--|
| <b><u>FIDUCIARY FUNDS</u></b> |   |                          |                      |                              |                        |                                     |  |
| 145 ASSESSMENT DISTRICT 91-1  | \$ 2,771,838                              | \$ 653,800               | \$ -                 | \$ (509,400)                 | \$ -                   | \$ 144,400                          | \$ 2,916,238                               |
| <b>Total</b>                  | <b>\$ 2,771,838</b>                       | <b>\$ 653,800</b>        | <b>\$ -</b>          | <b>\$ (509,400)</b>          | <b>\$ -</b>            | <b>\$ 144,400</b>                   | <b>\$ 2,916,238</b>                        |
| <b><u>DEBT SERVICE</u></b>    |   |                          |                      |                              |                        |                                     |  |
| 135 TAX OVERRIDE              | \$ 1,378,012                              | \$ 50,466,200            | \$ -                 | \$ -                         | \$ (50,465,200)        | \$ 1,000                            | \$ 1,379,012                               |
| 140 CITY OF INDUSTRY          | 98,368,246                                | 13,538,000               | 26,443,180           | (41,363,795)                 | -                      | (1,382,615)                         | 96,985,631                                 |
| 440 IPFA                      | 575,514,251                               | 59,449,865               | 50,465,200           | (108,477,365)                | -                      | 1,437,700                           | 576,951,951                                |
| <b>Total</b>                  | <b>\$ 675,260,509</b>                     | <b>\$ 123,454,065</b>    | <b>\$ 76,908,380</b> | <b>\$ (149,841,160)</b>      | <b>\$ (50,465,200)</b> | <b>\$ 56,085</b>                    | <b>\$ 675,316,594</b>                      |
| <b>City Fund Balances</b>     | <b>\$ 1,601,282,999</b>                   | <b>\$ 211,626,480</b>    | <b>\$ 80,344,000</b> | <b>\$ (276,392,941)</b>      | <b>\$ (80,344,000)</b> | <b>\$ (64,766,461)</b>              | <b>\$ 1,536,516,539</b>                    |



**CITY OF INDUSTRY  
REVENUE SUMMARIES - SUMMARY  
FY 2018-19 PROPOSED  
EXHIBIT C**

| Financial Resources (Revenues) By Fund           | 2015 Actual<br>Amount | 2016 Actual<br>Amount | 2017 Actual<br>Amount | 2018 Amended<br>Budget | 2019<br>Proposed<br>Budget |
|--|-----------------------|-----------------------|-----------------------|------------------------|----------------------------|
| <b>GENERAL FUND</b>                              |                       |                       |                       |                        |                            |
| LOCAL TAXES                                      | \$ 39,470,471         | \$ 37,339,982         | \$ 36,878,863         | \$ 38,405,380          | \$ 39,622,350              |
| LICENSES & PERMITS                               | 2,652,867             | 3,089,244             | 3,314,708             | 3,258,360              | 4,756,830                  |
| FINES & FORFEITURES                              | 544,624               | 338,268               | 350,559               | 412,500                | 377,500                    |
| INTEREST INCOME                                  | 7,787,841             | 9,203,737             | 13,618,794            | 11,015,000             | 12,819,360                 |
| OTHER REVENUES                                   | 1,343,983             | 1,365,591             | 6,629,394             | 2,927,150              | 5,109,990                  |
| <b>TOTAL GENERAL FUND</b>                        | <b>\$ 51,799,786</b>  | <b>\$ 51,336,822</b>  | <b>\$ 60,792,319</b>  | <b>\$ 56,018,390</b>   | <b>\$ 62,686,030</b>       |
| <b>SPECIAL REVENUE FUNDS</b>                     |                       |                       |                       |                        |                            |
| GAS TAX FUND - 101                               | \$ 20,991             | \$ 12,726             | \$ 11,695             | \$ 23,740              | \$ 15,045                  |
| MEASURE R FUND - 102                             | 4,809                 | 4,921                 | 4,996                 | 5,000                  | 5,000                      |
| PROP A FUND - 103                                | 3,783,208             | 18,555                | 1,512,138             | 288,500                | 10,000                     |
| PROP C FUND - 104                                | 6,776                 | 6,942                 | 7,050                 | 7,010                  | 7,010                      |
| AIR QUALITY FUND - 105                           | -                     | 101,884               | (471)                 | -                      | -                          |
| MEASURE M FUND - 106                             | -                     | -                     | -                     | 5,000                  | 5,000                      |
| GRANT FUND - 110                                 | -                     | -                     | 4,087,932             | 12,431,580             | 5,261,490                  |
| <b>TOTAL SPECIAL REVENUES</b>                    | <b>\$ 3,815,784</b>   | <b>\$ 145,028</b>     | <b>\$ 5,623,340</b>   | <b>\$ 12,760,830</b>   | <b>\$ 5,303,545</b>        |
| <b>ENTERPRISE FUNDS</b>                          |                       |                       |                       |                        |                            |
| IPHMA - 160                                      | \$ 224,955            | \$ 174,384            | \$ 193,043            | \$ 216,800             | \$ 210,800                 |
| IPUC - ELECTRICITY - 161                         | 5,097,318             | 5,489,501             | 5,280,155             | 5,324,500              | 5,487,400                  |
| CRIA - 360                                       | 461                   | 623                   | 1,095                 | 610                    | 1,210                      |
| CRIA-EXPO CENTER - 361                           | 1,295,861             | 1,527,634             | 1,576,126             | 1,679,605              | 1,980,929                  |
| IPUC - RECLAIMED WATER - 560                     | 1,269,786             | 1,258,149             | 1,358,816             | 1,225,000              | 1,355,000                  |
| IPUC - POTABLE WATER - 561                       | 1,926,389             | 1,842,108             | 1,976,398             | 1,986,600              | 2,056,750                  |
| <b>TOTAL ENTERPRISE FUNDS</b>                    | <b>\$ 9,814,769</b>   | <b>\$ 10,292,398</b>  | <b>\$ 10,385,632</b>  | <b>\$ 10,433,115</b>   | <b>\$ 11,092,089</b>       |
| <b>CAPITAL IMPROVEMENTS FUND</b>                 |                       |                       |                       |                        |                            |
| CITY CAPITAL IMPROVEMENTS - 120                  | \$ 2,611              | \$ 4,824              | \$ 1,011,695          | \$ 1,489,575           | \$ 8,433,865               |
| <b>TOTAL CAPITAL IMPROVEMENTS</b>                | <b>\$ 2,611</b>       | <b>\$ 4,824</b>       | <b>\$ 1,011,695</b>   | <b>\$ 1,489,575</b>    | <b>\$ 8,433,865</b>        |
| <b>FIDUCIARY FUNDS</b>                           |                       |                       |                       |                        |                            |
| 91-1 TAX ASSESSMENT - 145                        | \$ 639,555            | \$ 639,429            | \$ 648,116            | \$ 659,590             | \$ 653,800                 |
| <b>TOTAL FIDUCIARY FUNDS</b>                     | <b>\$ 639,555</b>     | <b>\$ 639,429</b>     | <b>\$ 648,116</b>     | <b>\$ 659,590</b>      | <b>\$ 653,800</b>          |
| <b>DEBT SERVICE FUNDS</b>                        |                       |                       |                       |                        |                            |
| DEBT SERVICE PROPERTY TAX OVERRIDE - 13!         | \$ 44,298,136         | \$ 46,084,456         | \$ 48,524,360         | \$ 47,074,300          | \$ 50,466,200              |
| CITY DEBT SERVICE - 140                          | 55,318,710            | 11,697,715            | 12,487,964            | 13,265,000             | 13,538,000                 |
| IPFA - 440                                       | 5,717,090             | 25,812,137            | 48,497,721            | 62,812,370             | 59,449,865                 |
| <b>TOTAL DEBT SERVICES FUNDS</b>                 | <b>\$ 105,333,936</b> | <b>\$ 83,594,309</b>  | <b>\$ 109,510,045</b> | <b>\$ 123,151,670</b>  | <b>\$ 123,454,065</b>      |
| <b>Total City Financial Resources (Revenues)</b> | <b>\$ 171,406,442</b> | <b>\$ 146,012,808</b> | <b>\$ 187,971,147</b> | <b>\$ 204,513,170</b>  | <b>\$ 211,623,394</b>      |

**CITY OF INDUSTRY  
EXPENDITURE SUMMARIES  
FY 2018-19 PROPOSED  
EXHIBIT D**

| Expenditure Summaries By Fund / Division                   | FY 2015 Actual<br>Amount | FY 2016 Actual<br>Amount | FY 2017 Actual<br>Amount | FY 2018<br>Amended<br>Budget | FY 2019<br>Proposed<br>Budget |
|--|--------------------------|--------------------------|--------------------------|------------------------------|-------------------------------|
| <b>General Fund</b>  |                          |                          |                          |                              |                               |
| <b>Administrative Services</b>                             |                          |                          |                          |                              |                               |
| 501 City Council   | \$ 153,967               | \$ 144,974               | \$ 370,782               | \$ 373,820                   | \$ 381,940                    |
| 502 City Clerk   | 277,843                  | 120,515                  | 308,432                  | 330,095                      | 404,105                       |
| 503 City Manager   | 612,208                  | 1,240,908                | 595,679                  | 830,125                      | 998,155                       |
| 507 Central Services                                       | 2,973,574                | 2,952,378                | 2,325,984                | 1,956,400                    | 1,720,900                     |
| 508 Human Resources  | 220,078                  | 116,323                  | 1,395,331                | 9,299,930                    | 673,655                       |
| 515 Non-Departmental                                       | 13,048,967               | 3,799,317                | (4,627)                  | -                            | -                             |
| 556 SA Administrative Allowance                            | 198,724                  | 20,249                   | 23,954                   | -                            | 1,622,740                     |
| 520 City Attorney  | 2,872,986                | 3,329,696                | 1,389,268                | 1,500,000                    | 1,570,000                     |
| 528 Legislative Services                                   | -                        | -                        | 664,018                  | 680,000                      | 145,000                       |
| <b>Total Administrative Services</b>                       | <b>\$ 20,358,346</b>     | <b>\$ 11,724,360</b>     | <b>\$ 7,068,821</b>      | <b>\$ 14,970,370</b>         | <b>\$ 7,516,495</b>           |
| <b>Community Support &amp; Regional Improvements</b>       |                          |                          |                          |                              |                               |
| 621 Community Promotion                                    | \$ 1,600,066             | \$ 1,572,588             | \$ 1,453,417             | \$ 2,061,605                 | \$ 1,685,000                  |
| 620 El Encanto   | 333,085                  | 325,624                  | 244,104                  | 346,800                      | 335,100                       |
| 626 Homestead Museum                                       | 1,770,298                | 1,597,851                | 1,444,582                | 2,175,900                    | 1,778,900                     |
| <b>Total Community Support &amp; Regional Improvements</b> | <b>\$ 3,703,448</b>      | <b>\$ 3,496,064</b>      | <b>\$ 3,142,103</b>      | <b>\$ 4,584,305</b>          | <b>\$ 3,799,000</b>           |
| <b>Financial Services</b>                                  |                          |                          |                          |                              |                               |
| 505 City Treasurer   | \$ 170,909               | \$ 177,246               | \$ 1,048,334             | \$ 1,486,720                 | \$ 1,195,710                  |
| 506 Finance  | 1,554,318                | 1,477,742                | 1,460,571                | 1,127,770                    | 1,307,195                     |
| 525 Information Technology                                 | -                        | -                        | 425,936                  | 1,077,084                    | 1,444,760                     |
| <b>Total Financial Services</b>                            | <b>\$ 1,725,226</b>      | <b>\$ 1,654,988</b>      | <b>\$ 2,934,841</b>      | <b>\$ 3,691,574</b>          | <b>\$ 3,947,665</b>           |
| <b>Development Services</b>                                |                          |                          |                          |                              |                               |
| 526 Development Services                                   | \$ -                     | \$ -                     | \$ 384,267               | \$ 1,897,495                 | \$ 2,425,415                  |
| 527 Field Operations                                       | -                        | -                        | 231,296                  | 1,014,005                    | 809,660                       |
| 504 Engineering  | 140,219                  | 144,278                  | 7,914                    | 23,220                       | -                             |
| 509 Public Works Administration                            | 71,792                   | 46,330                   | 900                      | 102,500                      | -                             |
| 521 Planning   | 590,794                  | 720,087                  | 1,096,687                | 1,794,441                    | 1,302,890                     |
| 601 Public Safety  | 8,311,886                | 8,610,354                | 9,841,956                | 10,244,815                   | 10,620,975                    |
| 622 Public Works/Engineering                               | 305,435                  | 194,508                  | 431,064                  | 3,810,000                    | 4,630,000                     |
| 623 Streets And Roads                                      | 2,159,056                | 2,385,384                | 1,922,377                | 4,081,500                    | 3,250,000                     |
| 624 Contracted Services                                    | 1,697,991                | 897,795                  | 794,751                  | 4,864,375                    | 4,960,000                     |
| 625 Civic Financial Center                                 | 6,339,162                | 6,843,923                | 8,308,737                | 6,073,407                    | 4,233,000                     |
| 627 Industry Hills   | 308,141                  | 352,569                  | 252,430                  | 412,533                      | 372,000                       |
| 628 Habitat & Open Space                                   | 21,811                   | 26,185                   | 5,800                    | 992,515                      | 1,010,600                     |
| <b>Total Development Services</b>                          | <b>\$ 19,946,288</b>     | <b>\$ 20,221,413</b>     | <b>\$ 23,278,178</b>     | <b>\$ 35,310,806</b>         | <b>\$ 33,614,540</b>          |
| <b>Total General Fund Budget:</b>                          | <b>\$ 45,733,308</b>     | <b>\$ 37,096,824</b>     | <b>\$ 36,423,943</b>     | <b>\$ 58,557,055</b>         | <b>\$ 48,877,700</b>          |
| <b>SPECIAL REVENUE FUNDS</b>                               |                          |                          |                          |                              |                               |
| 101 Gas Tax Fund   | \$ 24,254                | \$ 14,537                | \$ 11,695                | \$ -                         | \$ 10,000                     |
| 102 Measure R Taxes  | 4,809                    | 4,921                    | 4,996                    | 5,000                        | 5,000                         |
| 103 Prop A Taxes   | 534,860                  | 4,774,984                | 309,043                  | 1,400,000                    | 1,112,600                     |
| 104 Prop C Taxes   | 23,601                   | 6,934                    | 7,039                    | -                            | 10,000                        |
| 105 Air Quality  | 232,290                  | 105,097                  | 5,797                    | -                            | -                             |
| 106 Measure M  | -                        | -                        | -                        | -                            | 5,000                         |
| 110 Grant Fund   | -                        | -                        | -                        | -                            | 5,261,490                     |
| <b>Total Special Revenues</b>                              | <b>\$ 819,814</b>        | <b>\$ 4,906,473</b>      | <b>\$ 338,569</b>        | <b>\$ 1,405,000</b>          | <b>\$ 6,404,090</b>           |

**CITY OF INDUSTRY  
EXPENDITURE SUMMARIES  
FY 2018-19 PROPOSED  
EXHIBIT D**

| Expenditure Summaries By Fund / Division |                                    | FY 2015 Actual<br>Amount | FY 2016 Actual<br>Amount | FY 2017 Actual<br>Amount | FY 2018<br>Amended<br>Budget | FY 2019<br>Proposed<br>Budget |
|--|------------------------------------|--------------------------|--------------------------|--------------------------|------------------------------|-------------------------------|
| <b>INTERNAL SERVICES FUND</b>            |                                    |                          |                          |                          |                              |                               |
| 320                                      | Fleet Replacement Fund             | \$ -                     | \$ -                     | \$ -                     | \$ 226,000                   | \$ 80,000                     |
| <b>Total Capital Improvements</b>        |                                    | <b>\$ -</b>              | <b>\$ -</b>              | <b>\$ -</b>              | <b>\$ 226,000</b>            | <b>\$ 80,000</b>              |
| <b>ENTERPRISE FUNDS</b>                  |                                    |                          |                          |                          |                              |                               |
| 160                                      | IPHMA                              | \$ 291,867               | \$ 759,130               | \$ 419,450               | \$ 749,975                   | \$ 661,145                    |
| 161                                      | IPUC - Electric Utility            | 4,400,704                | 3,400,238                | 4,850,137                | 6,981,920                    | 4,089,845                     |
| 360                                      | CRIA                               | 469,004                  | 277,951                  | 118,674                  | 410,675                      | 591,985                       |
| 361                                      | CRIA - Expo Center                 | 1,930,960                | 2,114,935                | 2,180,449                | 2,367,750                    | 2,455,075                     |
| 560                                      | IPUC - Reclaimed Water             | 756,507                  | 719,030                  | 706,127                  | 1,139,296                    | 871,505                       |
| 561                                      | IPUC - Potable Water               | 1,435,421                | 1,313,735                | 1,875,166                | 2,101,950                    | 2,111,035                     |
| <b>Total Enterprise Funds</b>            |                                    | <b>\$ 9,284,463</b>      | <b>\$ 8,585,019</b>      | <b>\$ 10,150,004</b>     | <b>\$ 13,751,566</b>         | <b>\$ 10,780,590</b>          |
| <b>CAPITAL IMPROVEMENTS FUND</b>         |                                    |                          |                          |                          |                              |                               |
| 120                                      | City Capital Improvements          | \$ 6,769,749             | \$ 11,768,011            | \$ 18,633,565            | \$ 20,000,000                | \$ 59,900,000                 |
| <b>Total Capital Improvements</b>        |                                    | <b>\$ 6,769,749</b>      | <b>\$ 11,768,011</b>     | <b>\$ 18,633,565</b>     | <b>\$ 20,000,000</b>         | <b>\$ 59,900,000</b>          |
| <b>FIDUCIARY FUNDS</b>                   |                                    |                          |                          |                          |                              |                               |
| 145                                      | 91-1 Tax Assessment                | \$ 512,610               | \$ 508,470               | \$ 508,220               | \$ 507,000                   | \$ 509,400                    |
| <b>Total 91-1 Tax Assessment</b>         |                                    | <b>\$ 512,610</b>        | <b>\$ 508,470</b>        | <b>\$ 508,220</b>        | <b>\$ 507,000</b>            | <b>\$ 509,400</b>             |
| <b>DEBT SERVICE FUNDS</b>                |                                    |                          |                          |                          |                              |                               |
| 135                                      | Debt Service Property Tax Override | \$ 81,885,018            | \$ -                     | \$ -                     | \$ -                         | \$ -                          |
| 140                                      | City Debt Service                  | 34,736,301               | 25,973,926               | 77,243,670               | 41,615,990                   | 41,363,795                    |
| 440                                      | IPFA                               | 17,466,837               | 11,053,168               | 108,058,464              | 107,234,740                  | 108,477,365                   |
| <b>Total Debt Service Fund</b>           |                                    | <b>\$ 134,088,156</b>    | <b>\$ 37,027,094</b>     | <b>\$ 185,302,133</b>    | <b>\$ 148,850,730</b>        | <b>\$ 149,841,160</b>         |
| <b>Total City Expenditures</b>           |                                    | <b>\$ 197,208,099</b>    | <b>\$ 99,891,892</b>     | <b>\$ 251,356,434</b>    | <b>\$ 243,297,350</b>        | <b>\$ 276,392,940</b>         |



**City of Industry**  
**CIP Project Budget Worksheet**  
**FY 19 Proposed CIP Budget**  
**Exhibit E**

| #   | Project Name   | FY 17-18<br>Adopted<br>Budget | FY 17-18<br>Amended<br>Budget | FY 18-19<br>Proposed<br>Budget |
|---|--|-------------------------------|-------------------------------|--------------------------------|
| <b>1. Grade Separations</b>   |  |                               |                               |                                |
| A   | Nogales Street Grade Separation (near Gale Avenue/Walnut Drive North)  | \$ 300,000                    | \$ 300,000                    | 75,000                         |
| B   | Fullerton Road Grade Separation (near Railroad Street and Gale Avenue)   | 1,900,000                     | 1,900,000                     | 1,760,000                      |
| C   | Fairway Drive Grade Separation (near Walnut Drive North)   | 3,500,000                     | 3,500,000                     | 3,460,000                      |
| D   | Puente Avenue Grade Separation at UPRR's Alhambra Subdivision tracks (near Valley Boulevard)   | 200,000                       | 200,000                       | 75,000                         |
| E   | Fairway Drive Grade Separation at UPRR's Alhambra Subdivision tracks (near Valley Boulevard)   | 20,000                        | 20,000                        | 20,000                         |
| F   | Turnbull Canyon Road Grade Separation at UPRR's L.A. Subdivision tracks (near Salt Lake Avenue)  | 130,000                       | 130,000                       | 150,000                        |
| <b>Subtotal:</b>  |  | <b>\$ 6,050,000</b>           | <b>\$ 6,050,000</b>           | <b>\$ 5,540,000</b>            |
| <b>2. Street Widening, Reconstruction, Resurfacing, and Slurry Seal</b> |  |                               |                               |                                |
| A   | Workman Mill Road Resurfacing and Street Lighting - Oakman Drive to Valley Boulevard (co-op project with L.A. County)  | \$ 690,000                    | \$ 690,000                    | \$ 694,000                     |
| B   | Colima Road Widening and Intersection Modifications from Stoner Creek Road to Azusa Avenue (co-op project with L.A. County)                                      | 300,000                       | 300,000                       | 10,000                         |
| C   | Walnut Drive South Street Widening and Storm Drain Improvements  | 1,500,000                     | 1,500,000                     | 1,980,000                      |
| D   | Annual Slurry Seal Project FY 19   | 400,000                       | 400,000                       | 300,000                        |
| E   | Valley Boulevard resurfacing, Azusa Way to 500' east of Hambledon Avenue   | 250,000                       | 250,000                       | 685,000                        |
| F   | Crossroads Parkway South Reconstruction or Replacement with PCC Pavement (from the north side of the bridge over the Pomona Freeway to Crossroads Parkway North) | 700,000                       | 700,000                       | 100,000                        |
| G   | Bonelli Street reconstruction and resurfacing MP 13-03   | 540,000                       | 540,000                       | 530,000                        |
| H   | Don Julian Road & Unruh Ave. Resurfacing, 6th Avenue to 7th Avenue & Don Julian/6th Avenue Traffic Signal  | 500,000                       | 500,000                       | 1,000,000                      |
| I   | San Jose Avenue Reconstruction (500' west of Nogales Street to 400' west of Charlie Road)  | 1,600,000                     | 1,600,000                     | 1,750,000                      |
| J   | Arenth Avenue Reconstruction from Fullerton Road to Nogales Street   | 7,000,000                     | 7,000,000                     | 3,990,000                      |
| K   | Reconstruct Portions of Bixby Drive and Chestnut Street (near the peaker plant)  | 600,000                       | 600,000                       | 685,000                        |
| L   | Coiner Court Reconstruction and Resurfacing  | 162,000                       | 162,000                       | 185,000                        |



**City of Industry**  
**CIP Project Budget Worksheet**  
**FY 19 Proposed CIP Budget**  
**Exhibit E**

| #  | Project Name   | FY 17-18<br>Adopted<br>Budget | FY 17-18<br>Amended<br>Budget | FY 18-19<br>Proposed<br>Budget |
|----|--|-------------------------------|-------------------------------|--------------------------------|
| M  | 6th Avenue Reconstruction from Lomitas Avenue to Valley Boulevard (co-op with L.A. County)   | 225,000                       | 225,000                       | 630,000                        |
| N  | Pellissier Place Reconstruction and Resurfacing, Peck Road to Workman Mill Road  | 100,000                       | 100,000                       | 10,000                         |
| O  | Louden Lane Resurfacing  | 133,000                       | 133,000                       | 135,000                        |
| P  | Stafford Street Resurfacing from Unruh Avenue to Hudson Avenue   | 383,000                       | 383,000                       | -                              |
| Q  | Stoner Creek Road Reconstruction from Gale Avenue to Castleton Street, and Gale Avenue (east bound right turn lane including sidewalk, landscaping and embankment pavers at the bridge under the Pomona Freeway) | 260,000                       | 260,000                       | -                              |
| R  | Rowland Avenue Reconstruction, Lawson Avenue to 800' west of Ajax Avenue   | 900,000                       | 900,000                       | 1,000,000                      |
| S  | Lemon Avenue Improvements  | 951,724                       | 951,724                       | 1,000,000                      |
| T  | Clark Avenue & 9th Avenue  | 100,000                       | 100,000                       | 105,000                        |
| U  | Citywide Street Curb & Median Re-Painting  | 600,000                       | 600,000                       | 15,000                         |
|    | Valley Boulevard PCC Pavement, Hacienda Boulevard to Turnbull Canyon Road  | -                             | 709,509                       | -                              |
|    | Baldwin Park Blvd. & Amar Road Guardrail & Intersection Improvements   | -                             | 204,733                       | -                              |
| V  | Valley Blvd - Old Valley to Azusa  | -                             | -                             | 200,000                        |
| W  | Walnut Drive North Widening, Fairway to Nogales  | -                             | -                             | 600,000                        |
| X  | East Gale Avenue (Auto Mall)   | -                             | -                             | 75,000                         |
| Y  | Annual Bustop ADA Improvements   | -                             | -                             | 525,000                        |
| Z  | Fullerton Road PCC, north of Rowland to Valley   | -                             | -                             | 400,000                        |
| AA | Business Parkway Reconstruction  | -                             | -                             | 200,000                        |
| AB | Annual Pavement Rehabilitation FY 19   | -                             | -                             | 1,300,000                      |

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| #   | Project Name  | FY 17-18<br>Adopted<br>Budget | FY 17-18<br>Amended<br>Budget | FY 18-19<br>Proposed<br>Budget |
|---|---|-------------------------------|-------------------------------|--------------------------------|
| AC  | Citywide Sign Replacement   | -                             | -                             | 695,000                        |
| AD  | Gale Avenue Realignment   | -                             | -                             | 300,000                        |
| AE  | Fairway Grade Separation Streetlight project  | -                             | -                             | 160,000                        |
| AF  | Auto Mall Car Dealership Alley Improvements   | -                             | -                             | 80,000                         |
| <b>Subtotal:</b>  |   | <b>\$ 17,894,724</b>          | <b>\$ 18,808,966</b>          | <b>\$ 19,339,000</b>           |
| <b>3. Bridge Widening, Seismic Retrofit, and Preventative Maintenance</b> |   |                               |                               |                                |
| A   | Azusa Avenue Bridge Painting (bridge spans over Valley Boulevard, UPRR R/W, San Jose Creek and Chestnut Street)   | \$ 600,000                    | \$ 600,000                    | \$ 7,360,000                   |
| B   | Grand Avenue Bridge Widening at San Jose Creek  | 250,000                       | 250,000                       | 320,000                        |
| C   | Seismic Retrofit Anaheim-Puente Over San Jose Creek   | 250,000                       | 250,000                       | 370,000                        |
| D   | Nelson Avenue Over Puente Creek   | 419,000                       | 419,000                       | 420,000                        |
| <b>Subtotal:</b>  |   | <b>\$ 1,519,000</b>           | <b>\$ 1,519,000</b>           | <b>\$ 8,470,000</b>            |
| <b>4. Traffic Signal and Traffic Related Improvements</b>                 |   |                               |                               |                                |
|   | Don Julian Road and 6th Avenue Traffic Signal and Intersection Modifications (new signal; includes R/W)   | \$ 570,000                    | \$ 570,000                    | \$ -                           |
| A   | Traffic Signal and Intersection Modifications at Nelson Avenue and Sunset Avenue (to add left turn pockets on Nelson Avenue; shared with La Puente)                 | 1,000,000                     | 1,000,000                     | 1,000,000                      |
| B   | Traffic Signal and Intersection Modifications at Nelson Avenue and Puente Avenue (to add left turn pockets on Nelson Avenue; shared with La Puente and L.A. County) | 1,000,000                     | 1,000,000                     | 1,000,000                      |
| C   | Azusa Avenue and Temple Avenue Intersection Modifications (for dual right turn lanes for eastbound Temple Avenue to southbound Azusa Avenue)                        | 1,000,000                     | 1,000,000                     | 950,000                        |
| <b>Subtotal:</b>  |   | <b>\$ 3,570,000</b>           | <b>\$ 3,570,000</b>           | <b>\$ 2,950,000</b>            |
| <b>5. Storm Drain &amp; Stormwater Improvements</b>                       |   |                               |                               |                                |
| A   | Ajax Avenue Storm Drain   | \$ 560,000                    | \$ 560,000                    | \$ 325,000.0                   |

**City of Industry**  
**CIP Project Budget Worksheet**  
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**Exhibit E**

| #                                 | Project Name  | FY 17-18<br>Adopted<br>Budget | FY 17-18<br>Amended<br>Budget | FY 18-19<br>Proposed<br>Budget |
|-----------------------------------|---|-------------------------------|-------------------------------|--------------------------------|
|                                   | Grade Separation Pump House Upgrades  | 450,000                       | 450,000                       | -                              |
| B                                 | Regional Infiltration Basin - MS4 Requirement (San Angelo Park)             | 1,400,000                     | 1,400,000                     | 150,000                        |
| C                                 | Catch Basin Retrofits Phase I - MS4 Requirement                             | 550,000                       | 550,000                       | 200,000                        |
| D                                 | Multi-Benefit Stormwater Capture Projects for USGR EWMP (30% design)        | -                             | 680,000                       | 175,000                        |
|                                   | City of Industry Stormwater Capture Project                                 | -                             | 650,000                       | -                              |
| E                                 | Four Grade Separation Pump House Upgrades                                   | -                             | 250,444                       | 1,730,000                      |
| F                                 | Catch Basin Retrofits Phase II - MS4 Requirement                            | -                             | -                             | 1,300,000                      |
| G                                 | Kella Avenue Storm Drain  | -                             | -                             | 150,000                        |
| <b>Subtotal:</b>                  |   | <b>\$ 2,960,000</b>           | <b>\$ 4,540,444</b>           | <b>\$ 4,030,000</b>            |
| <b>6. IPUC - Water Utility</b>    |   |                               |                               |                                |
| A                                 | Starhill Lane & 3rd Avenue Waterline Improvements                           | \$ 58,000                     | \$ 58,000                     | \$ 545,000                     |
| B                                 | 4th Avenue & Trailside Waterline Improvements                               | -                             | -                             | 648,000                        |
| C                                 | Don Julian & basetdale Waterline Improvements                               | -                             | -                             | 270,000                        |
| D                                 | Lomas Generator   | -                             | -                             | 338,000                        |
| <b>Subtotal:</b>                  |   | <b>\$ 58,000</b>              | <b>\$ 58,000</b>              | <b>\$ 1,801,000</b>            |
| <b>7. IPUC - Electric Utility</b> |   |                               |                               |                                |
| A                                 | Electric Vehicle ("EV") Pay for Use Charging Stations at the Metrolink      | \$ 310,000                    | \$ 310,000                    | \$ 385,000                     |
| B                                 | Azusa-Chestnut Development (Distribution lines & service connections)       | 150,000                       | 150,000                       | 30,000                         |
| C                                 | City Streelights Purchase & LED upgrade                                     | 2,880,000                     | 2,880,000                     | 3,230,000                      |
| D                                 | IBC East Side Street Light, Cabling, & Fiber Optic Substructure Plan (PUI)  | -                             | -                             | 155,000                        |
| E                                 | Grand Crossing Substation - Phase 1,2,3 Substructure & Cabling (PUI)        | -                             | -                             | -                              |
| F                                 | Metrolink Station Video Security System, Installation & Commission Services | -                             | -                             | 98,000                         |



**City of Industry**  
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**Exhibit E**

| #   | Project Name  | FY 17-18<br>Adopted<br>Budget | FY 17-18<br>Amended<br>Budget | FY 18-19<br>Proposed<br>Budget |
|---|---|-------------------------------|-------------------------------|--------------------------------|
| G   | Expansion of Solar Energy System at Metrolink Station   | -                             | -                             | 200,000                        |
| <b>Subtotal:</b>  |   | <b>\$ 3,340,000</b>           | <b>\$ 3,340,000</b>           | <b>\$ 4,098,000</b>            |
| <b>8. Expo Center at Industry Hills</b>                   |   |                               |                               |                                |
| A   | Sewer Design - Expo Center Sewer Main Replacement   | \$ 440,000                    | \$ 440,000                    | \$ 640,000                     |
| B   | Painting the Grand Arena  | 760,000                       | 760,000                       | 1,200,000                      |
| C   | Parking Lot Improvements  | 1,520,000                     | 1,520,000                     | 1,580,000                      |
| D   | Pavillion Building Upgrades   | 750,000                       | 750,000                       | -                              |
| E   | Avalon Room   | 610,000                       | 610,000                       | 1,600,000                      |
| F   | Patio Café Improvements   | -                             | -                             | 2,625,000                      |
| G   | Expo Center Gate Entrance Improvements  | 220,000                       | 220,000                       | 295,000                        |
| H   | Grand Arena Building Improvements   | 600,000                       | 600,000                       | -                              |
|   | Design Build Services for Solar Carport Canopy Power Generation System at City Hall   | 1,692,500                     | 1,692,500                     | -                              |
| I   | Expo Barn Facilities Lighting Design & Specification Services   | -                             | -                             | 155,000                        |
| J   | Industry Hills Trail Grading Improvements Design  | -                             | -                             | 440,000                        |
| K   | Industry Hills Trail Lighting Design  | -                             | -                             | 800,000                        |
| <b>Subtotal:</b>  |   | <b>\$ 6,592,500</b>           | <b>\$ 6,592,500</b>           | <b>\$ 9,335,000</b>            |
| <b>9. Industry Hills Golf &amp; Convention Facilities</b> |   |                               |                               |                                |
| A   | Repair settlement damage at the parking structure and adjacent employee parking area, including repairs of the perimeter parking lot lighting                         | \$ 300,000                    | \$ 300,000                    | \$ 375,000                     |
| B   | Repair settlement damage at the laundry building  | 300,000                       | 300,000                       | 375,000                        |
| <b>Subtotal:</b>  |   | <b>\$ 600,000</b>             | <b>\$ 600,000</b>             | <b>\$ 750,000</b>              |
| <b>10. Open Spaces/Tonner Canyon/Tres Hermanos</b>        |   |                               |                               |                                |
| A   | Replacement of Steel Waterline Crossing over Brea Creek (\$175,000) and Upgrades of the Booster Pump Station at Brea Canyon Road (\$40,000) (Just East of the 57 Fwy) | \$ 325,000                    | \$ 325,000                    | \$ 325,000                     |

**City of Industry**  
**CIP Project Budget Worksheet**  
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**Exhibit E**

| #                                  | Project Name  | FY 17-18<br>Adopted<br>Budget | FY 17-18<br>Amended<br>Budget | FY 18-19<br>Proposed<br>Budget |
|------------------------------------|---|-------------------------------|-------------------------------|--------------------------------|
| B                                  | Replacement of Water Lines and Valves   | 700,000                       | 700,000                       | 340,000                        |
| C                                  | Follows Camp  | -                             | -                             | 350,000                        |
| D                                  | Arnold Reservoir Rip Rap  | -                             | -                             | 350,000                        |
| <b>Subtotal:</b>                   |   | <b>\$ 1,025,000</b>           | <b>\$ 1,025,000</b>           | <b>\$ 1,365,000</b>            |
| <b>11. Civic Center Facilities</b> |   |                               |                               |                                |
| A                                  | City Hall Emergency Standby Power Generator   | \$ 320,000                    | \$ 434,316                    | \$ 305,000                     |
| B                                  | Design Build Services for Solar Carport Canopy Power Generation System at City Hall | 1,692,500                     | 1,692,500                     | 430,000                        |
| C                                  | LED Lighting Upgrade & Water Closet Replacement                                     | -                             | 14,535                        | -                              |
| D                                  | City Hall Signage & Painting  | -                             | -                             | 130,000                        |
| <b>Subtotal:</b>                   |   | <b>\$ 2,012,500</b>           | <b>\$ 2,141,351</b>           | <b>\$ 865,000</b>              |
| <b>12. Facilities Improvements</b> |   |                               |                               |                                |
| A                                  | El Encanto Convalescent Hospital Roof Repair  | \$ -                          | \$ 34,440                     | \$ 100,000                     |
| B                                  | El Encanto Underground Electrical (Parking Lot Lighting)                            | -                             | -                             | 82,000                         |
| C                                  | Hudson Building Design, Phase 1   | -                             | -                             | 185,000                        |
| D                                  | Hatcher Warehouse Upgrades  | -                             | -                             | 100,000                        |
| E                                  | El Encanto - carpet, molding, wall covering & Hand Rails                            | -                             | -                             | 465,000                        |
| F                                  | El Encanto - Sub Acute Dialysis Center  | -                             | -                             | 280,000                        |
| G                                  | Hudson Building, Phase 2  | -                             | -                             | 100,000                        |
| H                                  | Hatcher Yard Facility Demolition  | -                             | -                             | 45,000                         |
| <b>Subtotal:</b>                   |   | <b>\$ -</b>                   | <b>\$ 34,440</b>              | <b>\$ 1,357,000</b>            |
| <b>GRAND TOTALS</b>                |   | <b>\$ 45,621,724</b>          | <b>\$ 48,279,701</b>          | <b>\$ 59,900,000</b>           |

*JOINT SPECIAL MEETING OF THE  
CITY OF INDUSTRY CITY COUNCIL, SUCCESSOR  
AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT  
AGENCY, INDUSTRY PUBLIC UTILITIES COMMISSION,  
AND INDUSTRY PUBLIC FACILITIES AUTHORITY*

ITEM NO. 5.2





# CITY OF INDUSTRY

## MEMORANDUM

**TO:** Honorable Mayor Radecki and Members of the City Council and Honorable Chairman and Members of the Successor Agency to the Industry Urban-Development Agency Board

**FROM:** Troy Helling, Acting City Manager and Acting Executive Director

**STAFF:** Clement N. Calvillo, President, CNC Engineering *CNC*  
Joshua Nelson, Contract City & Agency Engineer, CNC Engineering *JN*  
Upendra Joshi, Project Manager, CNC Engineering *UJ*

**DATE:** June 21, 2018

**SUBJECT:** Consideration of a Traffic Mitigation Agreement between the Successor Agency to the Industry Urban-Development Agency, the City of Industry, and the City of Diamond Bar for traffic mitigations in the City of Diamond Bar that are required for the Environmental Impact Reports for the Grand Crossing Development (Industry East) and the Industry Business Center (MP 99-31 #65)

---

### **Background:**

As the owner of the Industry Business Center (IBC) and Industry East (IE) properties and as a condition of the certified Environmental Impact Report (EIR) for each project pursuant to the California Environmental Quality Act ("CEQA") the Successor Agency is responsible to comply with the Mitigation Monitoring Programs ("MMP") adopted by the City of Industry. The Successor Agency has entered into a lease agreement for each property, and pursuant to the terms of each of those leases, is required to provide the mitigations needed to satisfy the requirements of CEQA, the EIR and the MMP. The EIRs for both the Industry East and IBC Projects specified percentages of project mitigation that are the responsibility of the Successor Agency and the percentages that are the responsibility of Diamond Bar. The City of Industry, as the lead agency for the EIR, is responsible for making sure the measures to mitigate the traffic environmental impacts are implemented. By signing this Agreement, Diamond Bar agrees that, upon payment and construction of the projects identified in this Agreement, the Successor Agency and the City of Industry will be relieved of any further EIR traffic mitigation obligations located in Diamond Bar.

### **Discussion:**

Cost estimates were prepared for all the mitigations and the specified project percentages were applied to those estimates to determine the Successor Agency's financial

obligations within Diamond Bar. The total financial obligations of the Successor Agency will be fulfilled through a payment to Diamond Bar and construction of certain projects.

The Successor Agency, using bond proceeds, available grant funds, and various other funds will construct the following projects:

- i. Lemon Avenue Ramps Project (currently under construction) (No. 5, 22 and 23 of IBC and No. 5, 6 and 7 of IE in Attachment 1)
- ii. Grand Avenue at SR-60 WB Off-Ramp Project (currently under construction) (No. 9 and 10 of IE and No. 31 and 32 of IBC in Attachment 1)
- iii. Grand Avenue at SR-60 WB On-ramp Project (currently under construction) (No. 9 and 10 of IE and No. 31 and 32 of IBC in Attachment 1)
- iv. Grand Avenue at Golden Springs Road (Currently under final design as an early phase of SR 57/60 Confluence Project) (No. 19 of IBC and No. 8 of IE in Attachment 1)

This a three (3) party agreement between the Successor Agency, the City of Industry and the City of Diamond Bar. The City of Industry is responsible for making sure the Successor Agency implements the mitigations which is the reason for including them in the agreement.

**Fiscal Impact:**

Traffic Mitigation improvements have been approved in Lines 218, 254 and 275 in the latest Recognized Obligation Payment Schedule ("ROPS") totaling \$12,552,266. The payment to Diamond Bar totaling \$6,551,163.40 will be deducted from this amount. The remainder will go towards projects in Pomona and the City of Walnut.

**Recommendation:**

If the Successor Agency, the City of Industry and the City of Diamond Bar approves this agreement, it will then be taken before the Oversight Board to the Successor Agency to the Industry Urban-Development Agency, for consideration. If approved, it will be submitted to the Department of Finance for approval. We recommend that the Successor Agency to the Industry Urban-Development Agency and the City of Industry approve the agreement. In addition, Diamond Bar would then be listed in the Recognized Obligation Payment Schedule for 2019-2020, unless we are able to amend ROPS 18-19B.

**Exhibits:**

- A. Traffic Mitigation Agreement between the Successor Agency to the Industry-Urban Development Agency, the City of Industry, and the City of Diamond Bar

**EXHIBIT A**

Traffic Mitigation Agreement between the Successor Agency to the Industry-Urban Development Agency, the City of Industry, and the City of Diamond Bar

[Attached]

**TRAFFIC MITIGATION AGREEMENT BETWEEN THE  
SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE  
CITY OF INDUSTRY, AND THE CITY OF DIAMOND BAR**

This TRAFFIC MITIGATION AGREEMENT ("Agreement"), is made and effective as of June \_\_\_\_\_, 2018 ("Effective Date"), between the Successor Agency to the Industry Urban-Development Agency, a public body ("Agency"), the City of Industry, a municipal corporation ("Industry"), and the City of Diamond Bar, a municipal corporation ("Diamond Bar"). Agency, Industry and Diamond Bar are hereinafter collectively referred to as the "Parties", and individually as "Party".

**RECITALS**

**WHEREAS**, the Agency is the owner of certain real property generally located at Grand Avenue and the intersections of State Routes 60 and 57, in the City of Industry and as depicted in Attachment 1, which is incorporated herein by reference ("Property"); and

**WHEREAS**, in or about 2000, Industry certified an Environmental Impact Report ("IE EIR") pursuant to the California Environmental Quality Act (Cal. Pub. Resources Code §§ 21000, *et seq.*) ("CEQA") for the Industry East ("IE") Project, for the development of an industrial park at the Property; and

**WHEREAS**, as part of the IE EIR, in or about 2000, Industry adopted a Mitigation Monitoring Program ("IE MMP") for the IE Project to ensure the implementation of measures to mitigate the environmental impacts of the IE Project; and

**WHEREAS**, in or about 2004, Industry certified an Environmental Impact Report ("IBC EIR") pursuant to CEQA for the Industry Business Center East ("IBC") Project, for the development of industrial, retail and office space at the Property; and

**WHEREAS**, in or about 2004, Industry adopted a Mitigation Monitoring Program ("IBC MMP") for the IBC Project, to ensure the implementation of measures to mitigate the environmental impacts of the IBC Project; and

**WHEREAS**, in or about April 2005, the Agency entered into a lease agreement with Industry East Land, LLC. ("Lease") for the Property, which permits Industry East Land, LLC to manage and develop the IE and IBC Projects at the Property; and

**WHEREAS**, pursuant to the terms of the Lease, the Agency is required to provide the mitigation identified in the IE and IBC EIRs, to satisfy the requirements of CEQA, the EIRs and the MMPs; and

**WHEREAS**, the IE and IBC EIRs set forth various traffic improvements to be constructed within Diamond Bar and the fair share cost percentages to be paid by the IE and IBC Projects for the construction of other traffic improvements ("Projects' Traffic Mitigation"), which Projects' Traffic Mitigation is set forth in Attachment 2, entitled "List of Traffic Mitigation Measures", and is hereby incorporated herein by reference; and

**WHEREAS**, Attachment 2 sets forth the fair share payments to be made by the IE and IBC Projects for implementation of the Projects' Traffic Mitigation, which payments total \$6,551,544 (hereafter, "Projects' Mitigation Payment"); and

**WHEREAS**, the Parties desire to enter into this Agreement to fulfill the Projects' Traffic Mitigation requirements, through a lump sum payment to Diamond Bar of the Projects' Mitigation Payment, and completion of those traffic improvement projects by the Agency in Section 3 below.

**NOW, THEREFORE**, for and in consideration of the mutual covenants and conditions herein contained, Agency, Industry and Diamond Bar agree as follows:

**1. TERM**

This Agreement shall commence on the Effective Date, and shall remain and continue in effect until tasks described herein are completed, unless sooner terminated pursuant to the provisions of this Agreement.

**2. AGENCY'S RESPONSIBILITIES**

As fulfillment of its percentage of mitigation responsibilities located in Diamond Bar for the IE and IBC Projects, Agency is responsible for the following items:

(a) Agency shall pay to Diamond Bar the Projects' Mitigation Payment within 30 days following the approval of this Agreement by the California Department of Finance. The Projects' Mitigation Payment shall serve as full satisfaction of all payments required by the IE and IBC EIRs and as further identified in Attachment 2.

(b) Construction of the following projects shall satisfy the Agency's corresponding required Projects' Traffic Mitigation set forth in Attachment 2:

- i. Lemon Avenue Ramps Project (currently under construction) shall satisfy the following Projects' Traffic Mitigation -- Nos. 5, 22 and 23 of IBC and Nos. 5, 6 and 7 of IE.
- ii. Grand Avenue at SR-60 WB Off-ramp Project (currently under construction) shall satisfy the following Projects' Traffic Mitigation -- Nos. 9 and 10 of IE and Nos. 30 and 31 of IBC.
- iii. Grand Avenue at SR-60 WB On-ramp Project (currently under construction) shall satisfy the following Projects' Traffic Mitigation -- Nos. 9 and 10 of IE and Nos. 30 and 31 of IBC.
- iv. Grand Avenue at Golden Springs Road (Currently under final design as an early phase of SR 57/60 Confluence Project) shall satisfy the following Projects' Traffic Mitigation -- No. 19 of IBC and No. 8 of IE.

### **3. DIAMOND BAR'S RESPONSIBILITIES**

(a) By signing this Agreement Diamond Bar agrees that upon payment of the Projects' Mitigation Payment and construction of the projects identified in Section 3 above, that the Projects' Traffic Mitigation as set forth in the IE and IBC EIRs is fully satisfied and Agency and Industry shall then be relieved of any further CEQA mitigation obligations located in Diamond Bar related to the IE and IBC Projects.

(b) Upon acceptance of the Projects' Mitigation Payment, Diamond Bar shall be responsible for the planning, design, and construction of all projects listed in Attachment No. 2 which identify a fair share project obligation.

### **4. FULFILLMENT OF OBLIGATIONS UNDER CEQA**

The Parties hereby acknowledge and agree that upon receipt of the Projects Mitigation Payment and the Agency's construction of the Construction Projects identified in Section 3 above, Agency and Industry shall be deemed to have fully satisfied, and completed, all of its mitigation measures located in Diamond Bar for the IE and IBC projects, as memorialized in Attachment 1. Agency and Industry shall then be relieved of any further CEQA mitigation obligations located in Diamond Bar related to the IE and IBC Projects.

### **5. TIME OF PERFORMANCE: TERMINATION**

(a) In the event that any Party defaults in the performance of any of its obligations under this Agreement or materially breaches any of the provisions of this Agreement, the non-defaulting Party shall have the option to terminate this Agreement upon 30 days written notice or exercise any other remedy it may have under applicable law, including specific performance.

### **6. RELEASE OF CLAIMS**

In consideration of this Agreement, the Parties, which includes their respective officials, employees and agents, hereby release and forever discharge each other from any and all claims, losses, liabilities, damages, fines, penalties, actions, causes of action, judgments, costs and expenses (including, without limitation, attorneys' fees and costs) (collectively "Claims") the Parties may have under CEQA or any other legal theory relating to fulfillment of the Projects' Traffic Mitigation. The Parties expressly agree that this Agreement fulfills and fairly mitigates all traffic impacts from the IE and IBC Projects within Diamond Bar and any mitigation measures located in Diamond Bar and that they shall not assert or encourage any third parties to assert any Claims to the contrary; provided that Diamond Bar does not waive any Claims it may have if the IE or IBC Projects are modified in a manner that creates additional significant traffic impacts to Diamond Bar not addressed in the IE and/or IBC EIRs or MMPs. To the extent applicable, each of the Parties expressly waives any rights or benefits under Civil Code § 1542, which provides as follows:



“A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.”

In connection with this waiver, each of the Parties acknowledges that Claims and facts in addition to or different from those which are now known or believed to exist may hereafter be discovered with respect to the subject matter of this Agreement or the other Parties hereto.

## **7. INDEMNIFICATION**

Diamond Bar shall indemnify, protect, defend and hold harmless the Agency and Industry, and any and all of their officials, employees and agents (“Indemnified Parties”) from and against any and all claims, losses, liabilities, damages, fines, penalties, actions, causes of action, judgments, costs and expenses (including, without limitation, attorneys’ fees and costs) (collectively “Claims”) arising out of or relating to the Projects Mitigation Payment. If any action or proceeding is brought against the Agency and/or Industry arising out of or relating to the Projects Mitigation Payment, Diamond Bar, upon notice from the Agency and/or Industry, must defend the Agency and Industry at Diamond Bar’s expense by counsel acceptable to the Agency and Industry, such acceptance not to be unreasonably withheld, provided that the indemnity and defense obligations shall not apply to any claim that the Projects Mitigation Payment was unlawful. The indemnity obligations of Diamond Bar in this Section 7 will survive the expiration or termination of this Agreement.

## **8. NOTICES**

Any notices which any Party may desire to give to the other Party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

|                     |   |
|---------------------|---|
| To Agency/Industry: | Successor Agency to the Industry Urban<br>Development Agency<br>15625 E. Stafford, Suite 100<br>City of Industry, CA 91744<br>Attention: Executive<br>Director/City Manager |
| With a Copy To:     | James M. Casso, City Attorney<br>Casso & Sparks, LLP<br>13200 Crossroads Parkway North, Suite 345<br>City of Industry, CA 91746   |
| To Diamond Bar:     | City of Diamond Bar<br>21810 Copley Drive<br>Diamond Bar, CA 91765<br>Attention: City Clerk   |

With a Copy To:

David DeBerry, City Attorney  
Woodruff, Spradlin & Smart  
555 Anton Boulevard, Suite 1200  
Costa Mesa, CA 92626

**9. ASSIGNMENT**

The rights and obligations of the Parties under this Agreement may not be assigned or transferred without the prior written consent of the other party or Parties, which consent may be withheld in such Party's reasonable discretion due to the unique, personal rights and obligations under this Agreement.

**10. GOVERNING LAW/ATTORNEYS' FEES**

The Parties understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court in Los Angeles County, California. If any action at law or suit in equity is brought to enforce or interpret the provisions of this Agreement, or arising out of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and all related costs, including costs of expert witnesses and consultants, as well as costs on appeal, in addition to any other relief to which it may be entitled.

**11. ENTIRE AGREEMENT**

This Agreement contains the entire understanding between the Parties relating to the obligations of the Parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written and pertaining to the subject of this Agreement or with respect to the terms and conditions of this Agreement, are merged into this Agreement and shall be of no further force or effect. Each Party is entering into this Agreement based solely upon the representations set forth herein and upon each Party's own independent investigation of any and all facts such Party deems material.

**12. SEVERABILITY**

If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision shall be amended to, and solely to, the extent necessary to cure such invalidity or unenforceability, and in its amended form shall be enforceable. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

**13. COUNTERPARTS**

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same

instrument.

**14. CAPTIONS**

The captions appearing at the commencement of the sections hereof, and in any paragraph thereof, are descriptive only and shall have no significance in the interpretation of this Agreement.

**15. WAIVER**

The waiver by Agency, Industry or Diamond Bar of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition herein contained. No term, covenant or condition of this Agreement shall be deemed to have been waived by Agency, Industry or Diamond Bar unless in writing.

**16. REMEDIES**

Each right, power and remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative and shall be in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise. The exercise, the commencement of the exercise, or the forbearance of the exercise by any Party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by such Party of any of all of such other rights, powers or remedies.

**17. AUTHORITY TO EXECUTE THIS AGREEMENT**

The person or persons executing this Agreement represent and warrant that he/she has the authority to execute this Agreement on behalf of his/her respective party, and has the authority to bind his/her respective party to the performance of its obligations hereunder.

**(SIGNATURES ON FOLLOWING PAGE)**

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the Effective Date.

**“AGENCY”**

Successor Agency to the Industry Urban-Development Agency

By: \_\_\_\_\_  
Mark D. Radecki, Chairman

**“DIAMOND BAR”**

City of Diamond Bar

By: \_\_\_\_\_  
Ruth M. Low, Mayor

**Attest:**

By: \_\_\_\_\_  
Diane M. Schlichting, Agency Secretary

**Attest:**

By: \_\_\_\_\_  
Tommye A. Cribbins, City Clerk

**Approved as to form:**

By: \_\_\_\_\_  
James M. Casso, Agency General Counsel

**Approved as to form:**

By: \_\_\_\_\_  
David A. DeBerry, City Attorney

**“INDUSTRY”**

City of Industry

By: \_\_\_\_\_  
Mark D. Radecki, Mayor

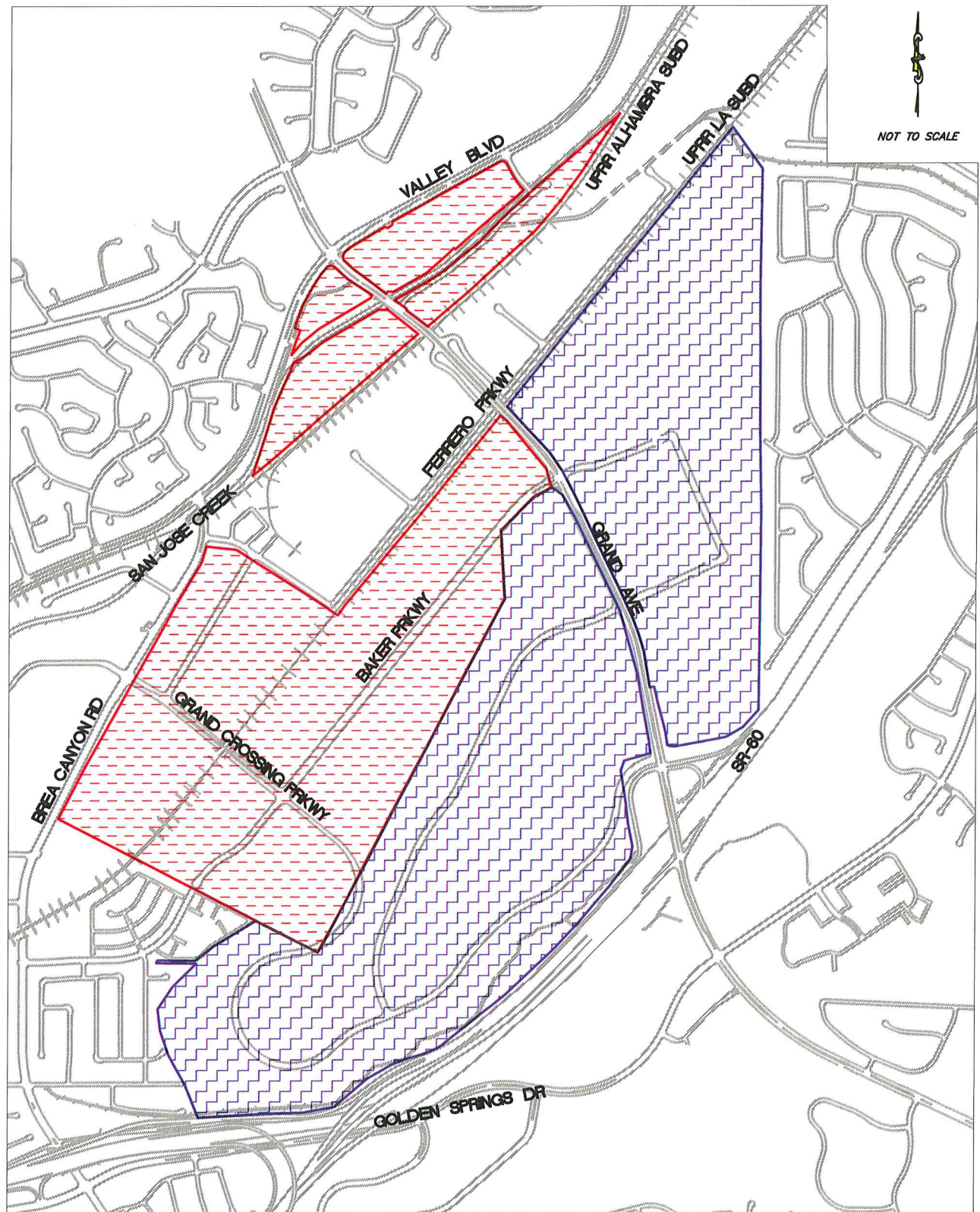
**Attest:**

By: \_\_\_\_\_  
Diane M. Schlichting, City Clerk

**Approved as to form:**

By: \_\_\_\_\_  
James M. Casso, City Attorney

K:\MSR\PROJ\903\_INDUSTRY EAST TRAFFIC MITIGATIONS\ENGINEERING\PROJECT LOCATION\MP 99-31#65 LOCATION MAP.DWG 6/15/2018 3:23:23 PM USER: 1 (8.50 X 11.00 INCHES) DWG TO PDF.PCS ACAD2013.CTB



**Legend**

-  **Industry East (400 Acres)**
-  **Industry Business Center (600 Acres)**

**ATTACHMENT #1**

Prepared by:

**CNC**  
ENGINEERING  
Consulting Civil Engineers - Surveyors

255 N. Hacienda Blvd., Ste. 222  
City of Industry, Ca. 91744  
Phone (626) 333-0336  
Fax (626) 336-7076

|  |                                     |                     |
|--|-------------------------------------|---------------------|
| <b>TRAFFIC MITIGATION FOR IE AND IBC</b>   |                                     |                     |
| <b>AGREEMENT BETWEEN THE SUCCESSOR AGENCY TO THE<br/>INDUSTRY URBAN-DEVELOPMENT AGENCY,<br/>THE CITY OF INDUSTRY AND THE CITY OF DIAMOND BAR</b> |                                     |                     |
| DRAWN BY: RU   | CHECKED BY: U.J.<br>DATE: JUNE 2018 | JOB NO. MP 99-31#65 |
|  |                                     | SHT. 1 OF 1         |

## ATTACHMENT 2

### LIST OF TRAFFIC MITIGATION MEASURES

#### Traffic Mitigation as part of Industry East (IE):

- 1) **Grand Avenue at Diamond Bar Boulevard**
  - Synchronize with adjacent signals.
  - Add 1 NB thru, right turn overlap phasing on Grand Avenue.
  - Add 2 SB thru lanes with right turn overlap on Grand Avenue, 1 EB thru, free right turn on Diamond Bar Boulevard.
  - Add 1 WB thru lane with right turn overlap phasing on Diamond Bar Boulevard.
  - Total Project Cost: \$13,221,000.00
  - Project Obligation: 8.24%=\$1,089,410.40.
  
- 2) **Brea Canyon Road at Lycoming Road**
  - Install protected phasing and synchronize with adjacent signals.
  - Add 1 NB left turn, 1 thru lane on Brea Canyon Road.
  - Add 1 SB thru lanes on Brea Canyon Road.
  - Add 1 WB left turn lane on Lycoming Road.
  - Add 1 EB right turn lane on Lycoming Road.
  - Total Project Cost: \$4,616,000.00
  - Project Obligation: 48.85%=\$2,254,916.00.
  
- 3) **Brea Canyon Road at Pathfinder Road**
  - Add 1 EB left turn Lane on Pathfinder Road.
  - North/South Split Phase.
  - Total Project Cost: \$398,000.00
  - Project Obligation: 15.05%=\$59,899.00.
  
- 4) **Brea Canyon Road at Washington Street**
  - Add 1 NB right turn overlap phasing on Brea Canyon Road.
  - Add 1 SB thru on Brea Canyon Road.
  - Add 1 WB left turn lane and right turn overlap phasing on Washington North/South protected phasing and signal coordination.
  - Project Obligation: Grade separated as part of Brea Canyon Road Grade Separation Project.
  
- 5) **Brea Canyon Road at SR-60 Westbound Ramps**
  - Add 1 SB thru, 1 free right turn lane on Brea Canyon Road.
  - Add 1 WB free right turn lane on the WB Ramp.
  - Signal Coordination.
  - Project Obligation: Mitigated by the Lemon Avenue Ramps project.



- 6) **SR-60 Eastbound Ramps at Golden Springs Drive**
- Add SB left turn on EB ramp, 1 EB left turn lane on Golden Springs Drive.
  - Add 1 WB thru, 1 right turn lane with right turn overlap on Golden Springs Drive.
  - Signal Coordination.
  - Project Obligation: Mitigated by the Lemon Avenue Ramps project.
- 7) **Brea Canyon Road at Golden Springs Drive**
- Add 1 NB left turn, right turn overlap phasing, add 1 SB right turn overlap phasing on Brea Canyon Road.
  - Add 1 EB thru lane on Golden Springs Drive.
  - Add 1 WB left turn, 1 thru, 1 right turn with overlap phasing on Golden Springs North/South Protected Phasing.
  - Project Obligation: Mitigated by the Lemon Avenue Ramps project.
- 8) **Grand Avenue at Golden Springs Drive**
- Add 1 NB thru, *1 right turn lane on Grand Avenue\**.
  - Add 1 SB thru\*, *1 right turn lane on Grand Avenue\**.
  - Add 1 EB left turn, *1 thru lane\**, 1 right turn lane with right turn overlap on Golden Springs Road.
  - Add *1 WB left turn\**, 1 thru, 1 right turn lane with right turn overlap on Golden Springs Road.
  - Signal Coordination.
  - Project Obligation: Mitigated by the SR 57/60 Confluence Project and the Grand Avenue at Golden Springs Road Construction Project. *\*Italicized and starred items were determined to not be needed due to the construction of the full SR57/60 Confluence Project*
- 9+10) **Grand Avenue at SR-60 WB Ramps**
- Add 2 NB thru lane on Grand Avenue with signal coordination.
  - Add 1 SB thru, 1 right turn lane on Grand Avenue.
  - Add 1 EB right turn, right turn overlap phasing.
  - Add 1 WB left turn, 1 thru, 1 right turn on WB off ramps.
- Grand Avenue at SR-60 EB Ramps**
- Add 2 NB thru, 1 right turn lane on Grand Avenue.
  - Add 1 SB left turn, 1 thru lane on Grand Avenue.
  - Add 1 EB left turn, 1 right turn lane on SR-60 EB off ramp.
  - Signal Coordination.
  - Project Obligation: These two intersection mitigations would require the widening of the Grand Avenue bridge over the SR 57/60. This widening is not technically feasible until the full SR 57/60 Confluence Project is constructed.

So the alternative mitigation is for the Agency to pay for the design and construction of the construction projects noted in Section 3 (b) of this Agreement using bond proceeds and available grant funds. Any remaining bond proceeds will be used to further the design of the SR 57/60 Confluence Project.

*Traffic Mitigation as part of Industry Business Center (IBC):*

- 1) **Diamond Bar Boulevard at Grand Avenue**
  - 2015: Restripe the NB approach to provide two left-turn lanes, three through lanes, and one free-flow right-turn lane. Widen the EB departure to accommodate the NB free-flow right-turn lane. Additional ROW (11 feet) is required from the existing parking lot on the south side of Grand Avenue.
  - 2025: None.
  - Total Project Cost: \$79,000.00.
  - Project Obligation: 9.2%=\$7,268.00.
  
- 2) **Brea Canyon Road West at Pathfinder Road**
  - 2015: None.
  - 2025: Widen the WB approach to provide a second right-turn lane. Additional ROW (11 feet) is required from the existing parking lot on the north side of Pathfinder Road.
  - Total Project Cost: \$575,000.00.
  - Project Obligation: 49.6%=\$285,200.00.
  
- 3) **SR-57 Southbound Ramps at Sunset Crossing Road**
  - 2015: Install traffic signal.
  - 2025: Install traffic signal.
  - Total Project Cost: \$390,000.00.
  - Project Obligation: 5.7%=\$22,230.00.
  
- 4) **Diamond Bar Boulevard at Golden Springs Drive**
  - 2015: Restripe the NB approach to provide a second left-turn lane, and modify the median. Widen the WB approach to provide an exclusive right-turn lane. Widen on the EB approach to provide an exclusive right-turn lane. Widen on the EB approach to provide a second left-turn lane. Additional ROW (7 feet) is required from the existing gas station on the north side of Golden Springs Drive. Additional ROW (9 feet) is required from the existing middle school on the south side of Golden Springs Drive.
  - 2025: Restripe the NB approach to provide a second left-turn lane, and modify the median. Widen on the SB approach to provide a second right-turn lane. Widen the EB approach to provide a second left-turn lane. Additional ROW (15 feet) is required from the existing middle school on the south side of Golden

Springs Drive. Additional ROW (9 feet) is required from the existing landscaping on the west side of Diamond Bar.

- Total Project Cost: \$2,472,000.00
- Project Obligation: 12.2%=\$301,584.00.

**5) Brea Canyon Road at Golden Springs Drive**

- 2015: Widen the WB approach to provide an exclusive right-turn lane. Widen the EB approach to provide a third left-turn lane and exclusive right-turn lane. Additional ROW (11 feet) is required from the existing gas station on the north side of Golden Springs Drive. Additional ROW (21 feet) is required from the existing landscaping on the south side of Golden Springs Drive.
- 2025: Widen the NB approach and departure to provide a third through lane. Widen the WB approach to provide a second right-turn lane. Widen the EB approach to provide an exclusive right-turn lane. Additional ROW (11 feet) is required on the existing gas station on the east side of Brea Canyon Road. Additional ROW (11 feet) is required from the existing gas station on the north side of Golden Springs Drive. Additional ROW (11 feet) is required from the existing landscaping on the south side of Golden Springs Drive.
- Project Obligation: Mitigated by the Lemon Avenue Ramps project.

**6) Grand Avenue at Diamond Bar Villas (Lavender Drive)**

- 2015: Convert the NB and SB right-turn lanes to provide a third through lane in each direction. Restripe the NB and SB departures to receive the third through lane.
- 2025: Same as 2015.
- Total Project Cost: \$384,000.00
- Project Obligation: 51.1%=\$196,224.00.

**7) Montefino Avenue at Grand Avenue**

- 2015: Restripe the WB approach and departure to provide a third through lane. Convert the EB right-turn lane to a shared through/right-turn lane. Restripe the EB departure to receive the third through lane.
- 2025: Same as 2015.
- Total Project Cost: \$26,000.00
- Project Obligation: 61.6%=\$16,016.00.

**8) Rolling Knoll Road at Grand Avenue**

- 2015: Restripe the WB approach and departure to provide a third through lane. Convert the EB right-turn lane to a shared through/right-turn lane. Restripe the EB departure to receive the third through lane.
- 2025: Same as 2015.
- Total Project Cost: \$233,000.00
- Project Obligation: 32.9%=\$76,657.00.

- 9) **Shotgun Lane at Grand Avenue**
- 2015: Restripe the EB and WB approaches and departures to provide a third through lane in each direction, and modify the median.
  - 2025: Same as 2015.
  - Total Project Cost: \$452,000.00
  - Project Obligation: 32%=\$144,640.00.
- 10) **Summitridge Drive at Grand Avenue**
- 2015: Restripe the EB and WB approaches and departures to provide a third through lane in each direction, and modify the median.
  - 2025: Same as 2015.
  - Total Project Cost: \$434,000.00
  - Project Obligation: 34.2%=\$148,428.00.
- 11) **Diamond Bar Boulevard at Montefino Avenue**
- 2015: Restripe the EB approach to provide an exclusive right-turn lane, and remove on-street parking.
  - 2025: Same as 2015.
  - Total Project Cost: \$26,000.00
  - Project Obligation: 6.9%=\$1,794.00.
- 12) **Diamond Bar Boulevard at Quail Summit Drive**
- 2015: Restripe the NB approach to convert the exclusive right-turn lane to a shared through/right-turn lane. Restripe the NB departure to accommodate the third through lane. Restripe the SB approach and departure to provide a third through lane, and remove the bike lane.
  - 2025: Same as 2015.
  - Total Project Cost: \$299,000.00
  - Project Obligation: 6.5%=\$19,435.00.
- 13) **Diamond Bar Boulevard at Mountain Laurel**
- 2015: Convert the NB right-turn lane to a shared through/right-turn lane. Restripe the NB departure to accommodate the third through lane. Restripe the SB approach and departure to provide a third through lane, and remove the bike lane.
  - 2025: Same as 2015.
  - Total Project Cost: \$851,000.00
  - Project Obligation: 6.7%=\$57,017.00.
- 14) **Diamond Bar Boulevard at Kiowa Crest Drive**
- 2015: Restripe the EB approach to provide an exclusive left-turn lane and a shared through/right-turn lane. Remove on-street parking.
  - 2025: Same as 2015.
  - Total Project Cost: \$554,000.00
  - Project Obligation: 3.4%=\$18,836.00.

- 15) **Diamond Bar Boulevard at Pathfinder Road**
- 2015: Restripe the NB approach and departure to provide a third through lane. Remove the bike lane. Restripe the WB approach to provide a shared left-turn/through lane, and an exclusive right-turn lane.
  - 2025: Same as 2015.
  - Total Project Cost: \$573,000.00
  - Project Obligation: 19.2%=\$110,016.00.
- 16) **Brea Canyon Road at Diamond Bar Boulevard**
- 2015: Restripe the EB approach to provide an exclusive right-turn lane, and remove the bike lane.
  - 2025: Restripe the SB approach to provide a second left-turn lane. Restripe the EB approach to provide an exclusive right-turn lane, and remove the bike lane.
  - Total Project Cost: \$1,280,000.00
  - Project Obligation: 3.8%=\$48,640.00.
- 17) **Brea Canyon Road at Silver Bullet Drive**
- 2015: Restripe the NB and WB approaches to provide an exclusive right-turn lane. Remove on-street parking.
  - 2025: Same as 2015.
  - Total Project Cost: \$26,000.00
  - Project Obligation: 5.2%=\$1,352.00.
- 18) **Brea Canyon Road at Washington Street**
- 2015: Convert the NB right-turn lane to a shared through/right-turn lane. Restripe the NB departure to receive the third through lane.
  - 2025: Same as 2015.
  - Project Obligation: Mitigation completed.
- 19) **Grand Avenue at Golden Springs Drive (DB)**
- 2015: Widen the NB approach and departure to provide a fourth and fifth through lane. Widen the SB approach and departure to provide a fourth through lane and a free-flow right-turn lane. Widen the WB approach to provide two right-turn lanes. Widen the EB approach to provide a second right-turn lane. Additional ROW (22 feet) is required on the east side of Grand Avenue from the existing gas station. Additional ROW (22 feet) is required on the west side of Grand Avenue from the existing landscaping. Additional ROW (22 feet) is required from the existing parking lot on the north side of Golden Springs Drive. Additional ROW (11 feet) is required from the existing landscaping on the south side of Golden Springs Drive.
  - 2025: Same as 2015, plus widen the NB approach to provide an exclusive right-turn lane. Additional ROW (11 feet) is required from the existing gas station on the east side of Grand Avenue.
  - Project Obligation: Mitigated by SR 57/60 Confluence Project and the Grand Avenue at Golden Springs Road Construction Project.



- 20) **Diamond Bar Boulevard at Sunset Crossing Road**
- 2015: Restripe the NB approach and departure to provide a third through lane. Remove the bike lane on the NB departure.
  - 2025: Same as 2015.
  - Total Project Cost: \$299,000.00
  - Project Obligation: 49.5%=\$148,005.00.
- 21) **Diamond Bar Boulevard at Gentle Springs Lane Palomino Drive**
- 2015: None.
  - 2025: Restripe the WB approach to provide an exclusive right-turn lane, and remove on street parking.
  - Total Project Cost: \$26,000.00
  - Project Obligation: 60.2%=\$15,652.00.
- 22) **Lemon Avenue at Golden Springs Drive**
- 2015: None.
  - 2025: Convert WB right-turn lane to a shared through/right-turn lane, and remove the bike lane.
  - Project Obligation: Mitigated by the Lemon Avenue ramps project.
- 23) **SR-60 EB Ramps at Golden Springs Drive**
- 2015: None.
  - 2025: Convert the EB right-turn lane to a shared through/right-turn lane. Widen the EB departure to receive the fourth through lane. Additional ROW (11 feet) is required from the existing parking lot on the south side of Golden Springs Drive.
  - Project Obligation: Mitigated by the Lemon Avenue ramps project.
- 24) **Longview Drive at Grand Avenue**
- 2015: None.
  - 2025: Restripe the WB approach to provide a third through lane.
  - Total Project Cost: \$26,000.00
  - Project Obligation: 34.2%=\$8,892.00.
- 25) **Brea Canyon Road at Lycoming Street**
- 2015: Convert the SB right-turn lane to a shared through/right-turn lane. Widen the SB departure to receive the fourth through lane. Additional ROW (11 feet) is required from the existing landscaping on the west side of Brea Canyon Road.
  - 2025: Same as 2015.
  - Total Project Cost: \$1,503,000.00
  - Project Obligation: 44.1%=\$662,823.00
- 26) **Diamond Bar Boulevard at SR-57 NB Ramps**
- 2015: None.
  - 2025: Restripe the SB approach and departure to provide a third through lane. Remove the bike lane on the SB departure.

- Total Project Cost: \$26,000.00
- Project Obligation: 46.1%=\$11,986.00

**27) Diamond Bar Boulevard at SR-60 WB Ramps**

- 2015: None.
- 2025: Restripe the NB approach and departure to provide a third through lane, and remove the bike lane. Widen the WB approach to provide a second right-turn lane. Additional ROW (11 feet) is required on the north side of the SR-60 WB off-ramps.
- Total Project Cost: \$589,000.00
- Project Obligation: 56.9%=\$335,141.00

**28) Diamond Bar Boulevard at SR-60 EB Ramps**

- 2015: Restripe the SB approach to provide a second left-turn lane, and remove the bike lane.
- 2025: Same as 2015.
- Total Project Cost: \$26,000.00
- Project Obligation: 60.2%=\$15,652.00

**29) Brea Canyon Road at SR-60 WB Ramps**

- 2015: Widen the NB approach and departure to provide a third through lane. Additional ROW (11 feet) is required on the east side of the SR-60 WB ramps.
- 2025: Same as 2015.
- Total Project Cost: \$930,000.00
- Project Obligation: 53.1%=\$493,830.00

**30&31) Grand Avenue at SR-60 WB Ramps**

- 2015: Widen the NB approach to provide a second left-turn lane. Convert the SB right-turn lane to provide a fourth through lane. Widen the SB departure to receive the fourth through lane. Widen the WB approach to provide a third left-turn lane. Widen the EB approach to provide a second left-turn lane and a free-flow right-turn lane. Widen the SB departure further to accommodate the EB free-flow right-turn lane. Additional ROW (10 feet) is required on the east side of Grand Avenue. Additional ROW (22 feet) is required on the west side of Grand Avenue. Additional ROW (10 feet) is required on the north side of the SR-60 WB ramps. Additional ROW (21 feet) is required on the south side of Old Brea Canyon/Grand Crossing.
- 2025: Widen the NB approach to provide a second left-turn lane. Convert the NB right-turn lane to provide a fifth through lane. Widen the NB departure to receive the fifth through lane. Convert the SB right-turn lane to provide a fourth through lane. Widen the SB departure to receive the fourth through lane. Widen the EB approach to provide a second left-turn lane, second through lanes, and a free-flow right-turn lane. Widen the WB approach to provide a third left-turn lane. Widen the SB departure further to accommodate the EB free-flow right-

turn lane. Additional ROW (10 feet) is required on the east side of Grand Avenue. Additional ROW (22 feet) is required on the west side of Grand Avenue. Additional (10 feet) is required on the north side of the SR-60 WB ramps. Additional ROW (21 feet) is required on the south side of Old Brea Canyon/Grand Crossing.

**Grand Avenue at SR-60 EB Ramps**

- 2015: Widen the SB approach to provide a third left-turn lane. Widen the EB departure to receive the third SB left-turn lane. Restripe the EB approach to provide three left-turn lanes and one right-turn lane. Additional ROW (11 feet) is required on the SR-60 EB on-ramp.
- 2025: Restripe the EB approach to provide three left-turn lanes and one right-turn lane.
- Project Obligation: These two intersection mitigations would require the widening of the Grand Avenue bridge over the SR 57/60. This widening is not technically feasible until the full SR 57/60 Confluence Project is constructed. So the alternative mitigation is for the Agency to pay for the design and construction of the construction projects noted in Section 3 (b) of this Agreement using bond proceeds and available grant funds. Any remaining bond proceeds will be used to further the design of the SR 57/60 Confluence Project.

*JOINT SPECIAL MEETING OF THE  
CITY OF INDUSTRY CITY COUNCIL, SUCCESSOR  
AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT  
AGENCY, INDUSTRY PUBLIC UTILITIES COMMISSION,  
AND INDUSRY PUBLIC FACILITIES AUTHORITY*

ITEM NO. 5.3



SUCCESSOR AGENCY TO THE  
**INDUSTRY URBAN - DEVELOPMENT  
AGENCY**  
**MEMORANDUM**

**TO:** Honorable Chairman and Members of the Successor Agency to the Industry Urban-Development Agency Board

**FROM:** Troy Helling, Acting Executive Director

**STAFF:** Joshua Nelson, Contract Agency Engineer, CNC Engineering *JN*  
Mathew Hudson, Design Engineer, CNC Engineering *MH*

**DATE:** June 21, 2018

**SUBJECT:** Consideration of a Build Over Agreement between the Successor Agency to the Industry Urban-Development Agency and County Sanitation District No. 21 of Los Angeles County for two utility crossings for the Industry Business Center Project

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**Background:**

On September 24, 2015 the Successor Agency to the Industry Urban-Development Agency ("Agency") awarded contract IBC-0384, Industry Business Center Roadways, Sewer, Dry Utilities, Slope Landscaping, and Grand Avenue Widening to All American Asphalt. This project began in July of 2016 and is currently ongoing. A part of the project is to install utilities to serve the future development on the East Side of Grand Avenue. A new sewer pipeline and electrical conduit line will cross underneath the Union Pacific Railroad ("UPRR") tracks on the north side of the property and through a County of Los Angeles Sanitation District easement in order to connect to an existing sewer pipeline and electrical conduit line located in Ferrero Parkway. The Sanitation District owns a 10-foot wide easement for a 36-inch trunk sewer pipeline located between Ferrero Parkway and UPRR right-of-way. In order to connect to existing facilities, the sewer pipeline and the electrical conduit will cross above the trunk sewer.

**Discussion:**

In order for the new sewer pipeline and electrical conduit line to cross over the Sanitation District's 36-inch trunk sewer, a Build Over Agreement must be entered into between the Successor Agency and the County Sanitation District No. 21 of Los Angeles County.

Staff and Agency counsel have reviewed the Build Over Agreement and find it to be in order.



**Fiscal Impact:**

No fiscal Impact.

**Recommendation:**

Approve the Build Over Agreement.

**Exhibits:**

- A. Site Map
- B. Build Over Agreement

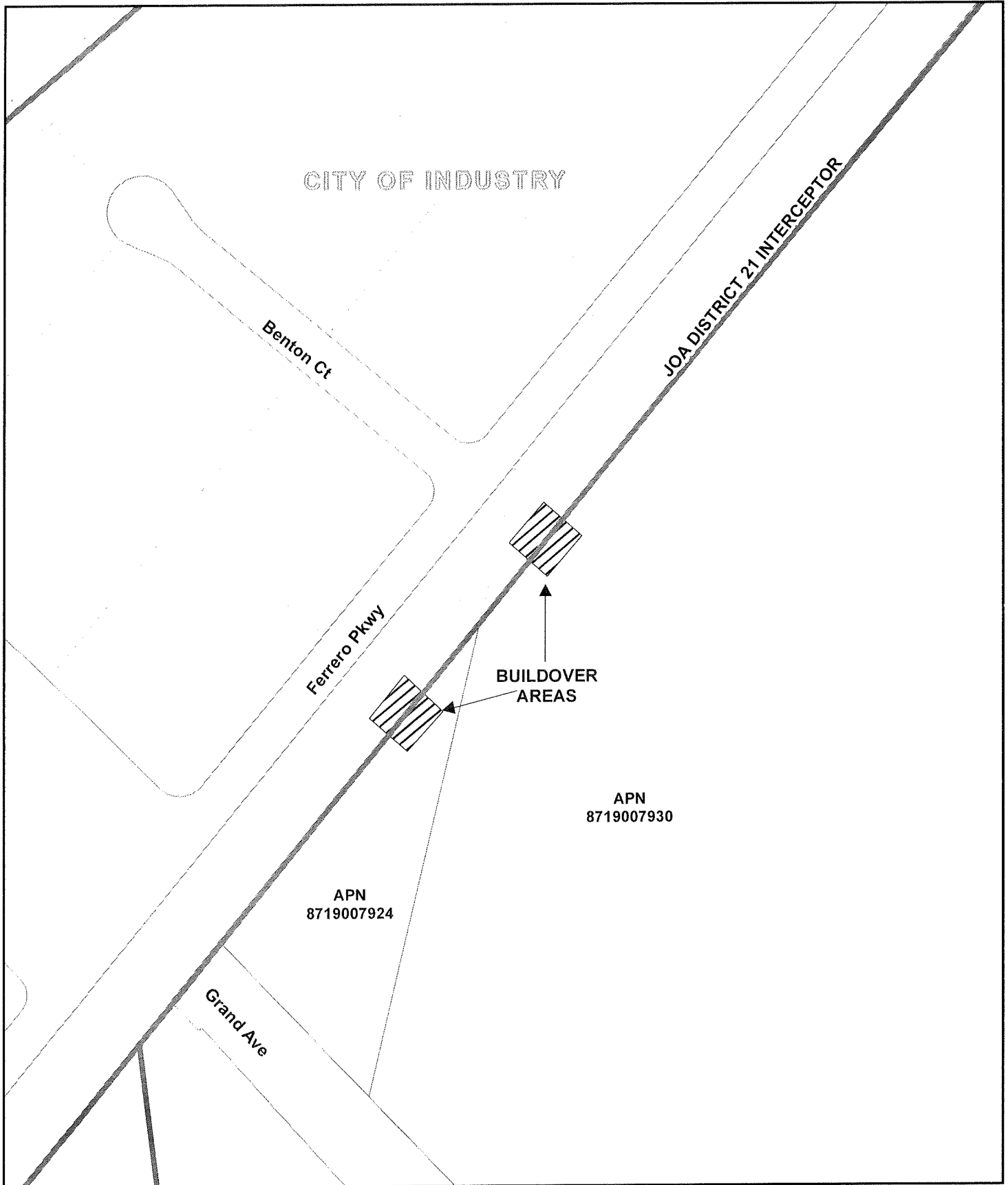
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TH/JN/MH:jv

**EXHIBIT A**

Site Map

[Attached]



**PROPOSED BUILDOVER**  
**JOA - 1A DISTRICT 21 INTERCEPTOR SEWER**  
 COUNTY SANITATION DISTRICT NO. 21 OF LOS ANGELES COUNTY  
 GRACE ROBINSON HYDE - CHIEF ENGINEER & GENERAL MANAGER  
**EXHIBIT "B"**



**EXHIBIT B**

Build Over Agreement

[Attached]

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

COUNTY SANITATION DISTRICTS  
OF LOS ANGELES COUNTY  
1955 Workman Mill Road  
Whittier, CA 90601  
Attention: Property Management Group

Exempt from Doc. Transfer Tax per R&TC §11922  
Exempt from Recording Fee per Gov. C. §§ 6103 & 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

APNs 8719-007-924, 8719-007-930

### BUILD OVER AGREEMENT NO. 292

This Buildover Agreement (“**Agreement**”) is dated \_\_\_\_\_, 2018 (“**Effective Date**”) and is between the Successor Agency to the Industry Urban Development Agency (the “**Owner**”) and County Sanitation District No. 21 of Los Angeles County (the “**District**”). The Owner and the District are collectively referred to in this Agreement as the “**Parties**.”

The Owner is vested with fee title to the following described real property in the City of Industry, County of Los Angeles, State of California described in Exhibit A (the “**Property**”):

The District is a county sanitation district organized and existing under the provisions of the County Sanitation District Act, Health and Safety Code Sections 4700 et seq., and is the holder of permanent easements (the “**Easement Area**”) for sanitary sewer purposes in and under the Property, located as shown on Exhibit B. -The Easements were recorded July 17, 1972 in Book D5534, Page 531 and August 15, 1973 in Book D5984, Page 255 of Official Records, in the office of the County Recorder of Los Angeles County.

The Owner desires to construct two horizontally jacked steel casings for buried utilities on the Property (the “**Improvements**”).

~~Construction of the Improvements has the potential to impair the operation of, injure, or damage the District’s sewer and other facilities that are located in the Easement Area unless construction is carried out in strict conformance with the provisions of this Agreement.~~

The District is willing to permit construction of the Improvements in the Easement Area upon the Owner’s execution of this Agreement.

The Parties therefore agree as follows:

1. The Owner shall prepare and submit detailed plans of the Improvements to the District’s Chief Engineer and General Manager (“**Chief Engineer**”) for review and approval. Upon the Chief Engineer’s approval of the plans, the Owner may construct the Improvements in the Easement Area in strict conformance with the approved plans. Upon the Owner’s completion of the construction of the Improvements in strict conformance with the



approved plans, the Owner may operate and maintain the Improvements in the Easement Area in accordance with the terms of this Agreement.

2. The District makes no representation to the Owner concerning the nature, type, condition or degree of compaction of the backfill located within the Easement Area. If the backfill within the Easement Area settles, or is unstable or unusable for the Owner's proposed use, or if the Owner for any reason removes or treats the backfill, then the Owner shall be solely responsible for the related cost and expense with no right of reimbursement from the District.
3. The Owner shall indemnify, defend, and hold harmless the District, its officers, agents, and employees, from and against any claims, actions, cost, liabilities, losses, damages or expenditures sustained or incurred by the District arising from or relating to the construction, operation, or maintenance of the Improvements.
4. The District shall indemnify, defend, and hold harmless the Owner, its officers, agents, and employees, from and against any claims, actions, cost, liabilities, losses, damages or expenditures sustained or incurred by the Owner arising from or relating to District's failure to comply with the provisions of the easement for the Easement Area.
- 4.5. The Owner shall not make or prosecute any claims, demands, or actions against the District, or any of its officers, employees, or agents for any injury to or death of any person or damage to property that arises out of the construction of the Improvements or the exercise of the rights provided by this Agreement, including but not limited to damages to or destruction of the Improvements except to the extent that such claims arise from the gross negligence or willful misconduct of the District, its employees, agents and contractors, and/or District's failure to comply with the provisions of the easement for the Easement Area.
- 5-6. The Owner, for itself and its successors and assigns, hereby grants to the District, its agents, representatives, officers and employees all rights of ingress and egress over the Property to the Easement Area including those portions of the Easement Area occupied by the Improvements, for any purpose.
- 6-7. The Owner shall not perform, or allow to be performed, any grading, soil removal, soil fill, or other construction activities within the Easement Area without on-site oversight, inspection, and approval of the proposed activities by a District inspector. The Owner shall contact Mr. Ignacio Murillo, Field Engineering Supervising Engineer, at (310) 830-8050, a minimum of two weeks prior to the start of any construction to make the necessary arrangements. The Owner acknowledges that gravity sewers are not necessarily identified in the state-mandated underground excavation notification system. The Owner shall give the District written notice of the date the Owner intends to commence construction at least two weeks prior to the start of any construction in the Easement Area.
- 7-8. The Owner shall support and protect the sewer in place during construction of the Improvements, and shall exercise extreme caution during excavation in the vicinity of the District's facilities. The Owner shall accept all liability and will be responsible for all costs

and expenses for any repairs of the District's facilities resulting from the Owner's construction of the Improvements, unless such repairs were caused by the District's failure to comply with the underlying easement. The determination of the existence of any damage and the proper method of repair will be at the sole discretion of the Chief Engineer.

8.9. The benefits and the burdens created by this Agreement touch and concern the land described in the Easements. This Agreement constitutes a covenant running with the land and is binding upon the Owner's heirs, executors, administrators, successors in interest and assigns. The District shall record this Agreement.

The Parties are signing this Buildover Agreement as of the Effective Date.

**Successor Agency to the Industry Urban  
Development Agency**

By: \_\_\_\_\_  
Print Name:  
Title:

**County Sanitation District No. 21  
of Los Angeles County**

By: \_\_\_\_\_  
Grace Robinson Hyde  
Chief Engineer and General Manager

Signed on behalf of County Sanitation District No. 21 of Los Angeles County by the Chief Engineer and General Manager, pursuant to authority conferred by action of the Board of Directors of said District adopted on September 27, 1967.

*(All signatures must be notarized)*