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# SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY

REGULAR MEETING AGENDA  
JUNE 28, 2018 8:30 A.M.

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

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## **Addressing the Agency:**

- **Agenda Items:** Members of the public may address the Successor Agency on any matter listed on the Agenda. In order to conduct a timely meeting, there will be a three-minute time limit per person for any matter listed on the Agenda. Anyone wishing to speak to the Successor Agency is asked to complete a Speaker's Card which can be found at the back of the room and at each podium. The completed card should be submitted to the Secretary prior to the Agenda item being called and prior to the individual being heard by the Successor Agency.
  
- **Public Comments (Non-Agenda Items Only):** Anyone wishing to address the Successor Agency on an item not on the Agenda may do so during the "Public Comments" period. In order to conduct a timely meeting, there will be a three-minute time limit per person for the Public Comments portion of the Agenda. State law prohibits the Successor Agency from taking action on a specific item unless it appears on the posted Agenda. Anyone wishing to speak to the Successor Agency is asked to complete a Speaker's Card which can be found at the back of the room and at each podium. The completed card should be submitted to the Secretary prior to the Agenda item being called by the Secretary and prior to the individual being heard by the Successor Agency.

## **Americans with Disabilities Act:**

- In compliance with the ADA, if you need special assistance to participate in any meeting (including assisted listening devices), please contact the Office of the Secretary to the Successor Agency (626) 333-2211. Notification of at least 72 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 Government Code Section 54957.5(b), 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 Secretary of the Successor Agency during regular business hours, Monday through Friday, 8:00 a.m. to 5:00 p.m., with the exception of every other Friday closing at 4:00 p.m.

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1. Call to Order
  2. Flag Salute
  3. Roll Call
  4. Public Comments

5. **BOARD MATTERS**

- 5.1 Consideration of Resolution No. SA 2018-16 – A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE INDUSTRY PUBLIC FACILITIES AUTHORITY, AND INDUSTRY PUBLIC UTILITIES COMMISSION APPROVING AND ADOPTING THE CITY'S FISCAL YEAR 2018-19 PROPOSED OPERATING BUDGET AND FISCAL YEAR 2018-19 PROPOSED CAPITAL IMPROVEMENT PROGRAM BUDGET

*RECOMMENDED ACTION: Approve Resolution No. SA 2018-16.*

- 5.2 Consideration of Resolution No. SA 2018-17 – A RESOLUTION OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY APPROVING THE PURCHASE AND SALE AGREEMENT BETWEEN THE AGENCY AND THE CITY OF INDUSTRY FOR 15660 STAFFORD STREET, CITY OF INDUSTRY AND NOTICE OF EXEMPTION REGARDING SAME

*RECOMMENDED ACTION: Approve Resolution No. SA 2018-17.*

- 5.3 Consideration of a Maintenance Services Agreement with Janus Pest Management, Inc., for pest control services at Arnold Reservoir, in an amount not-to-exceed \$20,300.00 from June 28, 2018 to June 27, 2019 (Agreement No. DS-18-057-A)

*RECOMMENDED ACTION: Approve the Agreement.*

- 5.4 Consideration of Amendment No. 4 to the Agreement for Consulting Services with PBLA Engineering, Inc., for the Industry Business Center Project in the amount of \$400,000.00, for a total Agreement amount not-to-exceed \$3,806,835.00, on a time and material basis (14-PBLA 13-01 D MP 9931 #16)

*RECOMMENDED ACTION: Approve the Amendment.*

- 5.5 Consideration of Amendment No. 1 to Cooperative Agreement No. 07-4959 between the Successor Agency to the Industry Urban-Development Agency and Caltrans for the SR 57/60 Confluence Project Westbound Grand Avenue Slip On-Ramp

*RECOMMENDED ACTION: Approve the Amendment.*

5.6 Consideration of Amendment No. 1 to Cooperative Agreement No. 07-5033 between the Successor Agency to the Industry Urban-Development Agency, the City of Industry, and Caltrans for the SR 57/60 Confluence at Grand Avenue Westbound Off-Ramp Project

*RECOMMENDED ACTION: Approve the Amendment.*

6. **CLOSED SESSION**

6.1 Conference with real property negotiators pursuant to Government Code Section 54956.8

Property:	15600 Stafford Street and 100 North Hacienda Boulevard, City of Industry, CA. Also known as Assessor Parcel Numbers 8208-025-902, 8208-025-922, and 8208-025-948
City Negotiating Party:	Troy Helling, Acting City Manager James M. Casso, City Attorney
Negotiating Parties:	Successor Agency to the Industry Urban-Development Agency
Under Negotiation:	Price and Terms of Payment

7. Adjournment. Next regular Successor Agency meeting will be on Thursday, July 26, 2018 at 8:30 a.m.

*SUCCESSOR AGENCY*

ITEM NO. 5.1





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

## MEMORANDUM

TO: Honorable Mayor and Members of the City Council

FROM: Troy Helling, Acting City Manager *TH*

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

DATE: June 28, 2018

**SUBJECT: Consideration of Resolution No. SA 2018-16 – A Joint Resolution of the City Council of the City of Industry, California, the Successor Agency to the Industry Urban-Development Agency, the Industry Public Facilities Authority, and Industry Public Utilities Commission Approving and Adopting the City’s Fiscal Year 2018-19 Proposed Operating Budget and Fiscal Year 2018-19 Proposed Capital Improvement Program Budget**

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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 presented the FY 19 Proposed Operating Budget at a Special Budget Workshop Meeting on June 21, 2018. The purpose of the Budget Workshop was to give Council an opportunity to thoroughly review the proposed budget, ask questions, and provide comments and direction to staff. The City Council received the budget presentation and gave direction to staff, in which the FY 19 Proposed Operating Budget will be presented to Council at the June 28, 2018 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 Actuals</b>	<b>FY 16/17 Actuals</b>	<b>FY 17/18 Amended</b>	<b>FY 18/19 Proposed</b>
General Fund	\$37.1	\$36.4	\$58.6	\$48.9
Industry Public Utilities Commission ("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	\$11.8	\$18.6	\$20.0	\$59.9
<b>CIP Program Totals</b>	<b>\$11.8</b>	<b>\$18.6</b>	<b>\$20.0</b>	<b>\$59.9</b>
Successor Agency ("SA")	\$52.7	\$108.3	\$177.7	\$180.9
<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.

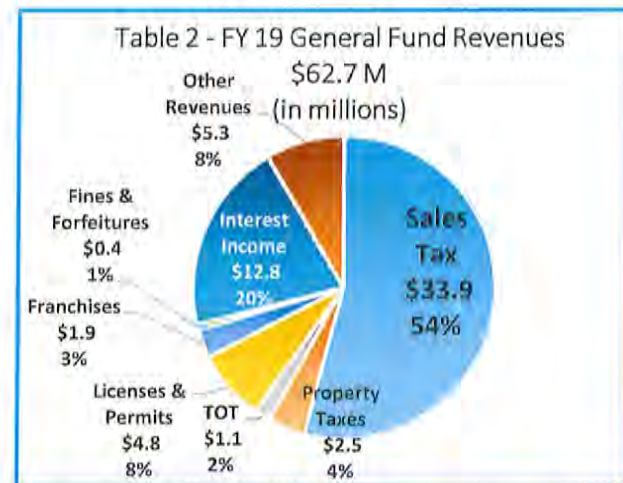
The FY 19 Proposed Operating Budget for the General Fund reflects a balanced budget that totals \$48.9 million in expenditures and will be supported by \$62.7 million in revenues. Due to the City’s strong revenue base, the City is projected to have a \$13.8 million operating surplus in FY 19. However, 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.

<b>Table 3 – General Fund Expenditures</b>				
<i>(Figures in Millions)</i>				
	<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 & Regional Improvements	3.5	3.1	4.6	3.8
<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 approve and adopt Resolution No. SA 2018-16, adopting the Proposed Operating Budget and Proposed CIP Budget for the City of Industry for Fiscal Year 2018-2019. In addition, staff recommends the City Council approve and ratify all City-affiliated entities' budgets, as approved by each respective board and commission respectively.

#### Attachments:

1. Resolution No. SA 2018-16 – Resolution Approving the FY 19 Operating Budget and FY 19 CIP Budget
2. FY 2018-19 Budget Workshop Presentation
3. Exhibit A – FY 2018-19 Proposed Citywide Organizational Charts
4. Exhibit B – FY 2018-19 Projected Fund Balances
5. Exhibit C – FY 2018-19 Proposed Revenue Summaries
6. Exhibit D – FY 2018-19 Proposed Expenditure Summaries
7. Exhibit E – FY 2018-19 Proposed CIP Budget Project Summary

## RESOLUTION NO. SA 2018-16

### A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE INDUSTRY PUBLIC FACILITIES AUTHORITY, AND INDUSTRY PUBLIC UTILITIES COMMISSION APPROVING AND ADOPTING THE CITY'S FISCAL YEAR 2018-19 PROPOSED OPERATING BUDGET AND FISCAL YEAR 2018-19 PROPOSED CAPITAL IMPROVEMENT PROGRAM BUDGET

**WHEREAS**, the FY 2018-19 ("FY 19") Proposed Operating Budget for the City of Industry ("City") was developed under the context of a "Zero-Based Budget" policy approach, which aligns the budgets of the City's planned operations and services for the fiscal year to projected "realistic" costs of providing those services to the community; and

**WHEREAS**, the FY 19 Budget Process was a collaborative, Citywide process in which all departments and affiliated City entities were responsible for developing and submitting their budgets; and

**WHEREAS**, the FY 19 Budget Process began in February 2018, in which the Finance Department ("Finance") developed the budget policy, budget calendar, and prepared and distributed all budget instructions, budget forms, and capital project request forms to all departments; and

**WHEREAS**, Departments submitted their budget proposals and capital budget requests to Finance by April 2018, in which Finance reviewed all department budget requests, making recommendations as needed; and

**WHEREAS**, in May 2018, Finance and the City Manager reviewed each budget request with respect to the City's total budget and Citywide fiscal condition and finalized the FY 19 Proposed Operating Budget; and

**WHEREAS**, Finance, Engineering and the City Manager also reviewed all capital project budget requests and finalized the FY 19 Proposed Capital Improvement Program ("CIP") Budget; and

**WHEREAS**, The FY 19 Proposed Budget is a balanced budget and 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; and

**WHEREAS**, the City Council received a presentation on the City's FY 19 Proposed Operating Budget and FY 19 Proposed CIP Budget at the Special Budget Workshop

Meeting held on June 21, 2018; in which staff received feedback and direction from the City Council; and

**WHEREAS**, staff incorporated said changes and direction from the City Council into the FY 19 Proposed Operating Budget and FY 19 Proposed CIP Budget and are hereby presented for budget adoption at the June 28, 2018 City Council Meeting.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AUTHORITY, THE INDUSTRY PUBLIC FACILITIES AUTHORITY, AND INDUSTRY PUBLIC UTILITIES COMMISSION DOES HEREBY FIND, DETERMINE, AND RESOLVE AS FOLLOWS:**

**Section 1.** The above recitals are true and correct and are incorporated herein by reference.

**Section 2.** By approving Resolution No. SA 2018-16, the City of Industry's Proposed Operating Budget for all Citywide Funds totals **\$216,492,940** in expenditures that will be supported by **\$211,626,480** in revenues and **\$4,866,460** in available reserves is hereby approved and adopted for Fiscal Year 2018-2019, as reflected in Exhibit B - Exhibit D hereto attached to this resolution. By approving the Citywide Proposed Operating Budget, the following proposed budgets for the General Fund, IPFA, and IPUC are hereby approved and adopted as outlined below:

- A. 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.
- B. The IPUC budget will total **\$7,072,385** in expenditures and supported by **\$8,899,150** in revenues.
- C. 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.

**Section 3.** By approving Resolution SA 2018-16, the Proposed CIP Program Budget of **\$59,900,000** in total project costs that will be supported by **\$8,433,865** in revenues, **\$1,365,000** Transfers In from the General Fund, and **\$50,101,135** of available bond proceeds from the 2015 Sales Tax Revenue bond proceeds is hereby approved and adopted for Fiscal Year 2018-2019. A detailed project list is presented and hereto attached as Exhibit E to this resolution.

**Section 4.** By approving Resolution SA 2018-16, the Proposed Successor Agency Budget of **\$180,887,285** in expenditures and will be supported revenues consisting of RPTTF tax increment revenues, tax override revenues, available bond proceeds, lease income from SA owned properties, and property sales is hereby approved and adopted



for Fiscal Year 2018-2019. Any expenditures above the revenues received will be supported by property sales.

**Section 5.** The City Council hereby approves and ratifies the following City-affiliated entities' budgets for Fiscal Year 2018-2019, as approved and adopted at their respective board meetings: Civic Recreational-Industrial Authority ("CRIA"), and Industry Property & Housing Management Authority ("IPHMA").

**Section 6.** The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

**PASSED, APPROVED AND ADOPTED** by the City Council of the City of Industry, the Successor Agency to the Industry Urban-Development Agency, the Industry Public Facilities Authority, and Industry Public Utilities Commission at a regular meeting held on June 28, 2018, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS

ABSTAIN: COUNCIL MEMBERS

ABSENT: COUNCIL MEMBERS

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Mark D. Radecki, Board Chair

**ATTEST:**

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Diane Schlichting, Agency Secretary



**60 YEARS**

Jobs, Enterprise & Regional Infrastructure

## FY 2018-19 Proposed Operating Budget

City of Industry Budget Workshop | June 21, 2018

- » **OVERVIEW OF OVERALL BUDGET DEVELOPMENT PROCESS**
- » **CITYWIDE BUDGET**
- » **GENERAL FUND BUDGET**
  - > Revenues
  - > FY 19 Budget Highlights
- » **CIP BUDGET**
- » **OTHER ENTITY BUDGETS (IPUC, IPHMA, CRIA, & IPFA)**

**FY 2018-19 (FY 19)  
PROPOSED  
BUDGET  
PRESENTATION  
OVERVIEW**



# OVERVIEW OF BUDGET PROCESS

## ❖ Definition of a Budget

- 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.

## ❖ "Zero-Based Budget" Budget Policy

- 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.

## ❖ Citywide Effort & Collaborative Process

## ❖ 5-6 Month Long Process

## ❖ 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;
- 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.

## "BUDGET FLOW CHART"





# FY 2018-19 PROPOSED CITYWIDE BUDGET

## ❖ Citywide Proposed Revenues - \$211.6 million

- General Fund - \$62.7M
- Special Revenues (Prop A, Gas Tax, Grants, etc) - \$5.3M
- Enterprise Funds - \$11.1M
- Debt Services Funds - \$123.5M
- CIP Fund - \$8.4M
- Fiduciary Funds - \$0.6M

## ❖ Citywide Proposed Expenditures - \$216.5 million (excluding the CIP Budget and Successor Agency)

- General Fund - \$48.9 M
- IPUC (Water & Electric Utility) - \$7.1M
- Debt Services Fund City – \$41.3M
- Debt Services for IPFA – 108.5M (Includes \$30M Early Redemption)
- Other Funds (Prop A, Prop C, Grant Fund, etc) - \$10.7M

## Other Entities' Budgets

### ❖ CIP Program - \$59.9 M

### ❖ Other City Entities

- CRIA - \$3.05 M
- IPHMA (Housing) - \$0.7 M

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# GENERAL FUND BUDGET – FY 19 BUDGET HIGHLIGHTS



## FY 2018-19 PROPOSED GENERAL FUND BUDGET – OVERVIEW

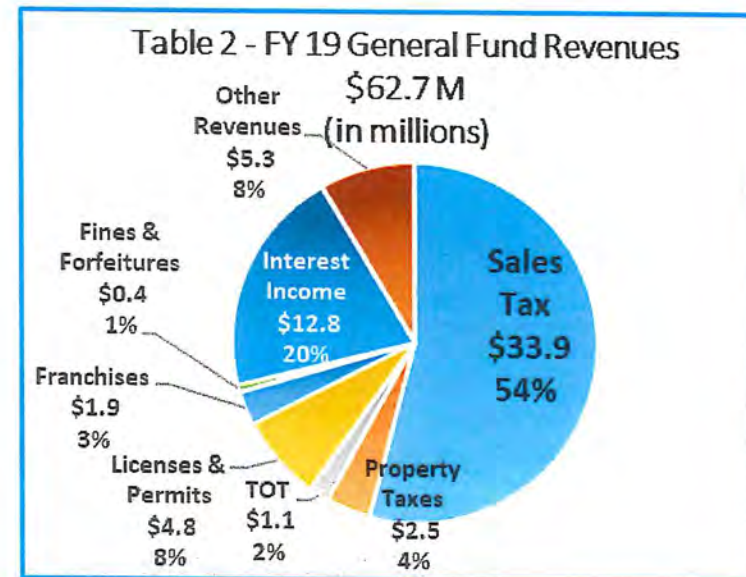
- *Reflects the City's commitment to its #1 priority of Public Safety*
- *Significant and Continuing Investment to Non-Profit Organizations & Surrounding Communities for Charitable Causes*
  - ✓ *4<sup>th</sup> of July, Gabriel Foundation & Industry Pro Rodeo, YAL, Meals on Wheels, etc.*
- *Continuing to Operate the City in line with standard city business practices & governmental & fiscal transparency*
- *Continued Self-Assessment & Streamlining of the City's Organizational Structure and Operations to achieve greater efficiencies in our operations & service deliveries.*



# FY 2018-19 PROPOSED GENERAL FUND BUDGET - REVENUES

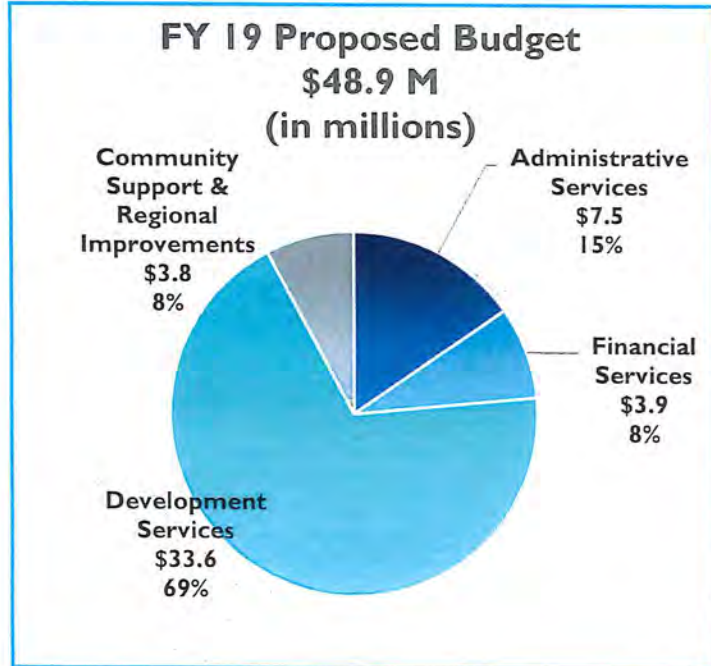
## Total Revenues - \$62,686,030

- Sales Taxes - \$33.9 M
  - \$1.0M Increase (3.1%)
  - Continued sales tax growth
  - New Major Retailer (Fulfillment Center)
- Licenses & Permits - \$4.8 M
  - \$1.5M Increase (45%)
  - Largely due to City now recording all Permits in our Financial System
  - Development & construction continue in the City
- Increase also due to recording of all non-operational revenue (i.e. SA Admin Allowance, reimbursements) in General Fund
- All other Revenues are performing consistently and showing growth.





# FY 2018-19 PROPOSED GENERAL FUND BUDGET - EXPENDITURES



## **Total Operating Expenditures - \$48,877,700**

- Removes 1-Time \$8.5M OPEB Payout for all Employees' projected pension (savings of \$10.2M in interest over 30 years)
- Reduction of Professional Services - \$1.3M savings
- Continued Commitment to Public Safety
  - Annual Public Safety Contract Increase - \$260K
  - Continued support of the YAL Program
- Cost of Living Increase (COLA) of 4% for all Employees and Boards
  - Based on CPI-U from April '17 to April '18 (LA-Long Beach-Anaheim Areas)
- City Reorganization/Staffing
  - New positions added in FY 18 fully funded in FY 19 (i.e. Assistant City Manager & Deputy City Clerk)
  - Continued streamlining of the City's organizational structure and staffing levels to achieve greater efficiencies in operations

# FY 2018-19 PROPOSED GENERAL FUND BUDGET - EXPENDITURES

## **Other Changes**

- *Removes 1-Time expenses, such as the 60<sup>th</sup> Anniversary funding and vehicle purchases*
- *Includes two (2) new Code Enforcement vehicles*
- *Development Services*
  - *Full funding of the City's One-Stop Shop*
  - *Full funding for Stormwater/NPDES Compliance*
- *Financial Services*
  - *User Fee and Charges and Cost Allocation Plan Studies*
  - *Community Development & HR/Payroll implementation*
- *All major service contract providers include built-in CPI-based increases*
- *Continues to address and adequately fund Deferred Maintenance at all City Facilities*

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# CAPITAL IMPROVEMENT PROGRAM – FY 19 PROPOSED CIP BUDGET





# FY 2018-19 PROPOSED CIP BUDGET

## ❖ CIP Budget - \$59.9 million

- 2015 Sales Tax Bond Proceeds - \$50.1 M
- General Fund - \$1.3 M
- Successor Agency Funds - \$7.9 M

## ❖ Investment in Expo Center Infrastructure - \$9.9 M

- Pavilion & Avalon Room Improvements - \$4.2 M
- Grand Arena Re-Painting - \$1.2 M

## ❖ Major Regional Infrastructure Projects

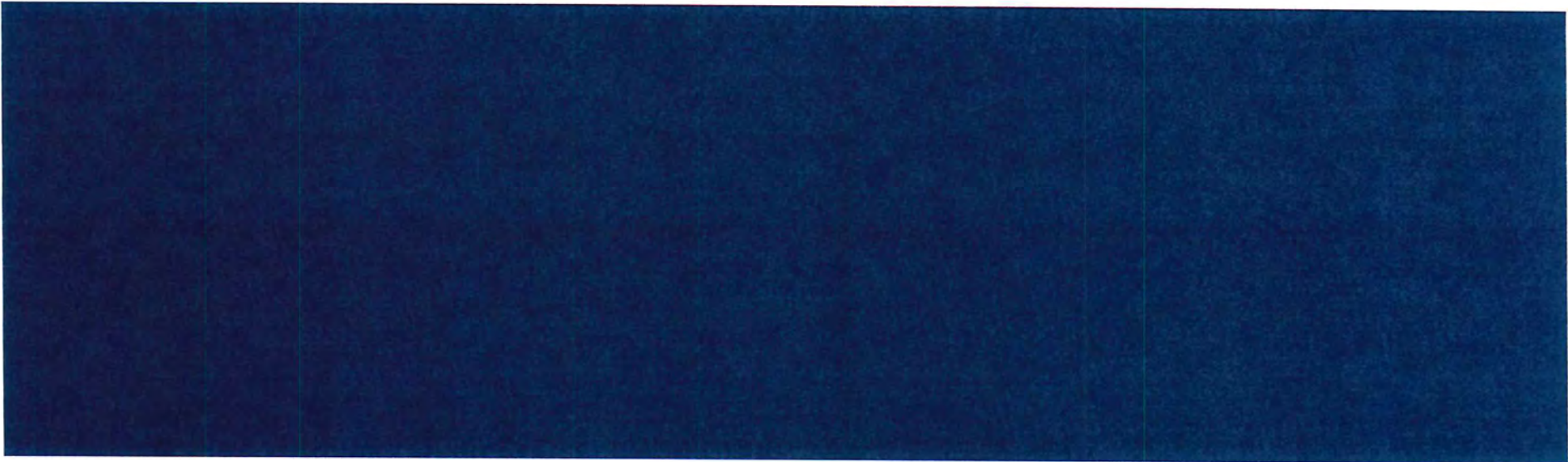
- 57/60 Confluence Project, Fairway & Fullerton Grade Separations, IBC Project.

## ❖ Citywide Signage & Painting

Project Description By Category	FY 2017/18 Adopted	FY 2017/18 Amended	FY 2018/19 Proposed Budget
1. Grade Separation Projects	\$6,050,000	\$6,050,000	\$5,540,000
2. Street Widening Reconstruction, Resurfacing, And Slurry Seal	17,894,724	18,808,965	19,339,000
3. Bridge Widening, Seismic Retrofit, And Maintenance Improvements	1,519,000	1,519,000	8,470,000
4. Traffic Signal Improvements	3,570,000	3,570,000	2,950,000
5. Storm Drain Improvements	2,960,000	4,540,445	4,030,000
6. IPUC - Potable Water System	58,000	58,000	1,801,000
7. IPUC - Electric Utility	3,340,000	3,340,000	4,098,000
8. Metrolink/Commuter Rail Station	-	-	-
9. Expo Center At Industry Hills	6,592,500	6,592,500	9,335,000
10. Industry Hills Golf And Convention Facilities	600,000	600,000	750,000
11. Open Space Properties	1,025,000	1,025,000	1,365,000
12. IPHMA Properties	-	-	-
13. Civic Center Facilities Improvements	2,012,500	2,141,350	865,000
14. Facilities Improvements	-	34,440	1,357,000
<b>GRAND TOTAL</b>	<b>\$45,621,724</b>	<b>\$48,279,700</b>	<b>\$59,900,000</b>

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**OTHER CITY ENTITIES –**  
FY 19 PROPOSED BUDGETS





## FY 2018-19 PROPOSED BUDGET – OTHER ENTITIES

### ❖ IPUC Proposed Budget - \$7,072,385

- Electric Utility - \$4.1M Expenditures, \$5.5M Revenues
- IPUC Water (Potable) - \$2.1M Expenditures, \$2.1M Revenues
- IPUC Water (Reclaimed) - \$0.9M Expenditures, \$1.4M Revenues

### ❖ IPFA Proposed Budget - \$108,477,365

- Regular Debt Service - \$79.8M, Early Bond Redemption - \$28.7M
- Revenues - \$59.5M; Transfers In - \$50.5M

### ❖ Successor Agency Proposed Budget - \$180,887,285

- Developed in line w/ DOF-approved 2018-19 ROPS
- Debt Services Obligations - \$80.0M
- Project Costs (57160 Confluence Project, IBC, Diamond Bar Creek) - \$100.9M
- Supported by RPTFF revenues, lease income, bond proceeds, & sale of properties.

### Entities w/ Different Boards

- ❖ CRIA Admin. - \$661,145
- ❖ CRIA Expo Center - \$2,455,075
  - Revenues - \$2.0M; Subsidy from CRIA - \$0.5M
- ❖ IPHMA (Housing) - \$661,145
  - Revenues - \$0.2M; Subsidy from General Fund - \$0.5M

\*\*\*\* All Boards must adopt entity budgets to fully ratify and adopt these budgets. \*\*\*\*

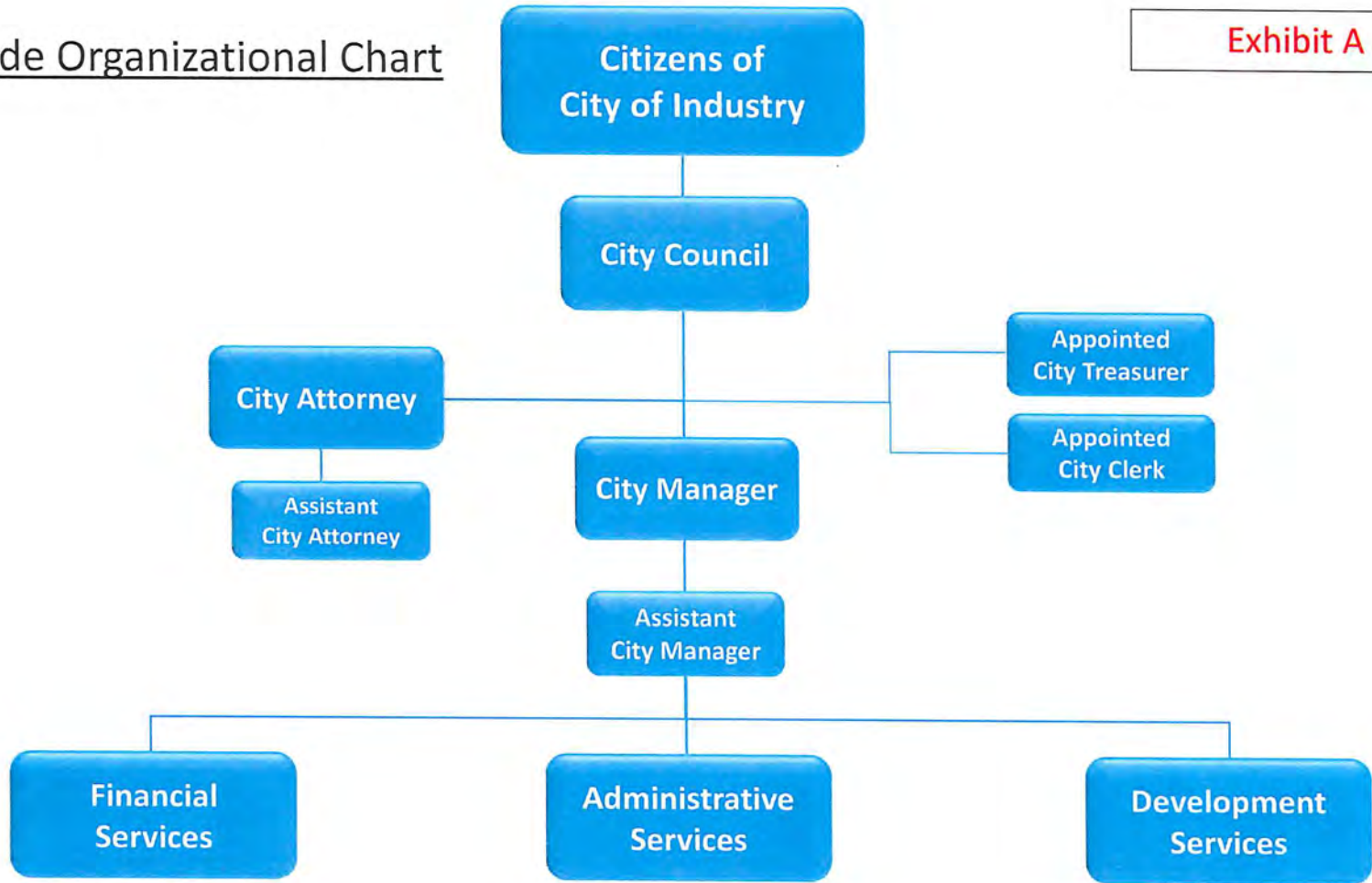


THE END.....ANY QUESTIONS??



Citywide Organizational Chart

Exhibit A





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

FUND NAME	BEGINNING FUND BALANCE JULY 1, 2018	REVENUES FY 2018-2019	TRANSFERS IN	EXPENDITURES FY 2018-2019	TRANSFERS OUT	PROJECTED SURPLUS / (DEFICIT)	PROJECTED FUND BALANCE 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 FUND BALANCE JULY 1, 2018	REVENUES FY 2018-2019	TRANSFERS IN	EXPENDITURES FY 2018-2019	TRANSFERS OUT	PROJECTED SURPLUS / (DEFICIT)	PROJECTED FUND BALANCE JUNE 30, 2019
<b>FIDUCIARY FUNDS</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>DEBT SERVICE</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 Amount	2016 Actual Amount	2017 Actual Amount	2018 Amended Budget	2019 Proposed 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>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 Amount	FY 2016 Actual Amount	FY 2017 Actual Amount	FY 2018 Amended Budget	FY 2019 Proposed 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 Amount	FY 2016 Actual Amount	FY 2017 Actual Amount	FY 2018 Amended Budget	FY 2019 Proposed 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 Adopted Budget	FY 17-18 Amended Budget	FY 18-19 Proposed 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 Hambleton 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 Adopted Budget	FY 17-18 Amended Budget	FY 18-19 Proposed 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



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

#	Project Name	FY 17-18 Adopted Budget	FY 17-18 Amended Budget	FY 18-19 Proposed 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  
 FY 19 Proposed CIP Budget  
**Exhibit E**

#	Project Name	FY 17-18 Adopted Budget	FY 17-18 Amended Budget	FY 18-19 Proposed 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	Lomitas 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 (PUJ)	-	-	155,000
E	Grand Crossing Substation - Phase 1,2,3 Substructure & Cabling (PUJ)	-	-	-
F	Metrolink Station Video Security System, Installation & Commission Services	-	-	98,000

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

#	Project Name	FY 17-18 Adopted Budget	FY 17-18 Amended Budget	FY 18-19 Proposed 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  
 FY 19 Proposed CIP Budget  
**Exhibit E**

#	Project Name	FY 17-18 Adopted Budget	FY 17-18 Amended Budget	FY 18-19 Proposed 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	EI Encanto Convalescent Hospital Roof Repair	\$ -	\$ 34,440	\$ 100,000
B	EI Encanto Underground Electrical (Parking Lot Lighting)	-	-	82,000
C	Hudson Building Design, Phase 1	-	-	185,000
D	Hatcher Warehouse Upgrades	-	-	100,000
E	EI Encanto - carpet, molding, wall covering & Hand Rails	-	-	465,000
F	EI 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>

*SUCCESSOR AGENCY*

ITEM NO. 5.2

**RESOLUTION NO. SA 2018-17**

**A RESOLUTION OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY APPROVING THE PURCHASE AND SALE AGREEMENT BETWEEN THE AGENCY AND THE CITY OF INDUSTRY FOR 15660 STAFFORD STREET, CITY OF INDUSTRY AND NOTICE OF EXEMPTION REGARDING SAME**

**WHEREAS**, on December 29, 2011, the California Supreme Court delivered its decision in *California Redevelopment Association v. Matosantos* (“*Matosantos*”), finding Assembly Bill X1 26 (the “Dissolution Act”) largely constitutional; and

**WHEREAS**, under the Dissolution Act and the California Supreme Court’s decision in *Matosantos*, all California redevelopment agencies, including the Industry Urban-Development Agency of the City of Industry (“Agency”), were dissolved on February 1, 2012, and successor agencies, including the Agency, were designated and vested with the responsibility of winding down the business and fiscal affairs of the former redevelopment agencies; and

**WHEREAS**, on September 22, 2011, the City Council of the City of Industry (the “City”) adopted Resolution No. 2011-20 accepting for the City the role of Successor Agency, in accordance with the provisions of Health & Safety Code Section 34177(j); and

**WHEREAS**, under the provisions of Health & Safety Code Section 34191.4, once the Department of Finance (“Department”) issues a finding of completion, successor agencies are provided with additional authority to carry out the wind down process; and

**WHEREAS**, in accordance with Health & Safety Code Section 34191.5, after the issuance of a finding of completion, successor agencies are required to prepare a Long Range Property Management Plan (“LRPMP”), which must identify all Agency-owned real property, and address the disposition and use of the real properties; and

**WHEREAS**, the Agency received its Finding of Completion from the Department on April 26, 2013; and

**WHEREAS**, the LRPMP was submitted to the Department, and was approved by the Department on February 21, 2014; and

**WHEREAS**, upon approval of the LRPMP by the Department, all Agency property was transferred to the Agency’s Community Redevelopment Property Trust Fund; and

**WHEREAS**, the Agency owns certain property located at 15660 Stafford Street, City of Industry, California (Property #49); and

**WHEREAS**, pursuant to the provisions of the LRPMP, the Agency desires to sell the Property at its highest and best use, maximizing its value, in furtherance of the economic goals and as provided for in the City’s General Plan; and



**WHEREAS**, the Agency desires to sell the Property to the City, pursuant to a Purchase and Sale Agreement (the “Agreement”), dated June \_\_, 2018, attached hereto as Exhibit A, and incorporated herein by reference. The purchase price is \$XXXX, which represents an amount equal to or greater than the current fair market value of the Property, as determined by an appraisal performed by John P. Laurain, MAI, ASA of R.P. Laurain & Associates, Inc.; and

**WHEREAS**, the purchase of the Property is exempt from the California Environmental Quality Act (“CEQA”) (Public Resources Code Section 21000 *et seq.*), pursuant to Section 15061(b)(3) of the CEQA Guidelines. Section 15061(b)(3) of the CEQA Guidelines exempts projects covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The sale of the property does not involve any land use entitlements that will allow for development on the property. The sale would not create any public health or safety hazards and would not have a significant impact on the resources or services within the surrounding area, such as water, sanitary services, surrounding roadways and intersections. Any future development at the property will be subject to additional environmental review and independent analysis as required by CEQA; and

**WHEREAS**, the Agency has duly considered all terms and conditions of the proposed Agreement and believes that the redevelopment of the Property in accordance therewith is in the best interests of the Agency and the health, safety and welfare of its residents, maximizes value, is consistent with the provisions of the LRPMP, and is consistent with the public purposes and provisions of applicable state and local laws and requirements.

**NOW, THEREFORE, THE SUCCESSOR AGENCY DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:**

**SECTION 1.** The above recitals are true and correct and are incorporated herein by reference.

**SECTION 2.** All necessary public hearings and opportunities for public testimony and comment have been conducted in compliance with State law and the Municipal Code of the City of Industry.

**SECTION 3.** The purchase of the Property is exempt from the California Environmental Quality Act (“CEQA”) (Public Resources Code Section 21000 *et seq.*), pursuant to Section 15061(b)(3) of the CEQA Guidelines. Section 15061(b)(3) of the CEQA Guidelines exempts projects covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The sale of the property does not involve any land use entitlements that will allow for development on the property. The sale would not create any public health or safety hazards and would not have a significant impact on the resources or services within the surrounding area, such as water, sanitary services, surrounding roadways and intersections. Any future development at the property will be subject to additional environmental review and independent analysis as required by CEQA.

Based on these findings, the City Council adopts the Notice of Exemption and direct staff to file same as required by law and affirm their respective approval of the purchase and sale of the Property.

**SECTION 4.** The Agency Board hereby approves the Purchase and Sale Agreement, attached hereto as Exhibit A.

**SECTION 5.** The Agency hereby directs staff to comply with all applicable statutes regarding the distribution of the sales proceeds to the Los Angeles County Auditor-Controller for distribution to the taxing entities.

**SECTION 6.** The Executive Director is hereby authorized to take such further actions as may be necessary to carry out the obligations set forth in this Resolution.

**SECTION 7.** The provisions of this Resolution are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.

**SECTION 8. Certification.** The Agency Secretary shall certify to the passage and adoption of this Resolution and enter it into the respective book of original resolutions.

**SECTION 9. Effective Date.** This Resolution shall take effect immediately upon adoption.

**PASSED AND ADOPTED** this 14th day of June, 2018, by the following vote:

AYES: AGENCY BOARD MEMBERS:

NOES: AGENCY BOARD MEMBERS:

ABSENT: AGENCY BOARD MEMBERS:

ABSTAIN: AGENCY BOARD MEMBERS:

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Mark D. Radecki, Chairman

ATTEST:

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Diane M. Schlichting, Agency Secretary

**PURCHASE AND SALE AGREEMENT  
AND JOINT ESCROW INSTRUCTIONS  
15660 Stafford Street, City of Industry**

THIS PURCHASE AGREEMENT for the property located at 15660 STAFFORD STREET, CITY OF INDUSTRY, CA (this "Agreement"), dated as of June \_\_, 2018 (the "Effective Date") is entered into by and between the SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, a public body corporate and politic, (the "Agency" or "Seller") and the CITY OF INDUSTRY, a municipal corporation (the "City" or "Buyer"). The City and the City are hereinafter sometimes individually referred to as a "party" and collectively referred to as the "parties."

**RECITALS**

A. Agency is the owner of that certain real property located at 15660 Stafford Street, City of Industry, California, and the reciprocal easement area, as more particularly described on Exhibit A attached hereto together with all right, title and interest in and to all appurtenances and improvements (collectively, the "Property").

B. The Property was previously owned by the Industry Urban-Development Agency ("IUDA"). On June 28, 2011, the Governor signed into law ABX1 26, which provided for the dissolution and winding down of redevelopment agencies throughout the State of California. AB X1 26 was subsequently amended by Assembly Bill 1484 (collectively, as amended, "Dissolution Act").

C. Pursuant to the Dissolution Act, the City of Industry elected to be the Successor Agency to the IUDA to administer the dissolution and winding down of the IUDA. On February 1, 2012, pursuant to the Dissolution Legislation, the Agency was dissolved by operation of law, and, upon dissolution, all assets, properties and contracts of the IUDA, including the Property, were transferred, by operation of law, to the Agency pursuant to the provisions of Health and Safety Code § 34175 (b).

D. The United States Postal Service currently occupies a portion of the Property pursuant to a Lease originally dated April 24, 1979 and the Youth Activities League currently occupies a portion of the Property pursuant to a License Agreement dated May 10, 2018. ("Leases").

E. Buyer desires to purchase the Property from Seller, and Seller desires to sell the Property to Buyer on the terms and conditions contained in this Agreement.

**NOW, THEREFORE**, for valuable consideration, and subject to all terms and conditions hereof, Buyer and Seller agree as follows:

**1. PURCHASE AND SALE.** Pursuant to the terms and conditions contained in this Agreement, Seller hereby agrees to sell the Property to Buyer and, Buyer hereby agrees to purchase the Property from Seller.

**2. PURCHASE PRICE.** The purchase price ("Purchase Price") for the Property shall be \$XXXXX (\$XXXXX) (the "**Purchase Price**"), payable by Buyer to Seller in cash at the Closing (as

Section 7A below). A non-refundable deposit equal to ten percent (10%) of the Purchase Price shall be deposited into escrow by Buyer within five (5) days after execution of this Agreement by Seller and delivery to Buyer ("Deposit"). At the close of escrow, the Deposit shall be applied to the Purchase Price. Notwithstanding the above, if any of the conditions to closing set forth in Section 4 are not satisfied and escrow fails to close as a result thereof, the Deposit shall be fully refundable to Buyer.

### 3. ESCROW.

A. Opening of Escrow. Buyer has opened an escrow at the offices of First American Title Insurance Company. The principal office of the Escrow Holder for purposes of this Agreement is 18500 Von Karman Avenue, Suite 600, Irvine, California 92612, Attention: Patty Beverly, Escrow Officer, Telephone: (949) 885-2465, Fax: (877) 372-0260, Email: [pbeverly@firstam.com](mailto:pbeverly@firstam.com). Upon mutual execution of this Agreement, Buyer and Seller shall deliver a fully executed copy of this Agreement to Escrow Holder.

B. Closing Date. Escrow shall close within thirty (30) days, or less, after satisfaction of the Condition to Closing set forth in Section 4 B (i). For purposes of this Agreement, the closing date ("Closing Date") shall mean the date on which a grant deed conveying the Property to Buyer is recorded in the Los Angeles County Recorder's Office.

### 4. CONDITIONS TO CLOSING.

A. Buyer's Conditions to Closing. Close of Escrow and Buyer's obligation to purchase the Property pursuant to this Agreement are subject to the satisfaction of the following conditions at or prior to Closing:

(i) Title. Buyer acknowledges receipt of a preliminary title report prepared by Escrow Holder for the Property ("Title Report"). Buyer shall acquire the Property subject to all exceptions described in the Title Report, together with all non-delinquent real property taxes and assessments to be assessed against the Property, and the Leases ("Approved Exceptions"). At the Closing, Seller shall deliver title to the Property to Buyer subject only to the Approved Exceptions.

(ii) Delivery of Deed. Seller shall have executed and deposited into Escrow, for delivery to Buyer, the Grant Deed attached hereto as Exhibit B.

(iii) Delivery of Assignment. Seller shall have executed and deposited into Escrow, for delivery to Buyer, an Assignment in the form attached hereto as Exhibit D, assigning the Leases to Buyer ("Assignment"). If any of the conditions to Buyer's obligations set forth above fail to occur at or before the Closing Date through no fault of Buyer, then Buyer may cancel the Escrow, terminate this Agreement, and recover any amounts paid by Buyer to the Escrow Holder toward the Purchase Price.

B. Seller's Condition to Closing. Close of Escrow and Seller's obligation to sell the Property to Buyer pursuant to this Agreement, are subject to the satisfaction of the following conditions at or prior to Closing:



(i) Authorization to Sell. Prior to the Closing, Seller shall have obtained any and all authorizations and approvals necessary to sell the Property pursuant to the Dissolution Legislation, including California Department of Finance approval of the Oversight Board resolution approving the sale of the Property to Buyer on the terms and conditions set forth herein.

(ii) No Default. Buyer shall not be in material default of Buyer's obligations under this Agreement, including, but not limited to, Buyer's obligation to deliver the Purchase Price into escrow on or before the Closing Date. If the conditions above have not been satisfied or waived by Seller at or before the Closing Date through no fault of Seller, then Seller may, upon written notice to Buyer, cancel the Escrow, terminate this Agreement, and recover any documents delivered to the Escrow Holder pursuant to this Agreement.

## 5. REPRESENTATIONS AND WARRANTIES.

A. Buyer hereby represents and warrants to Seller that (i) it has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transactions contemplated hereby; (ii) all requisite action (corporate, trust, partnership or otherwise) has been taken by Buyer in connection with entering into this Agreement and the instruments referenced herein, and the consummation of the transactions contemplated hereby; and (iii) no consent of any other party is required.

B. Except as provided in Section 4 B (i) above, Seller hereby represents and warrants to Buyer that (i) it has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transactions contemplated hereby; (ii) all requisite action (corporate, trust, partnership or otherwise) has been taken by Seller in connection with entering into this Agreement and the instruments referenced herein, and the consummation of the transactions contemplated hereby; and (iii) no consent of any other party is required.

C. Except as disclosed on those reports set forth on Exhibit C attached hereto (collectively, "Environmental Reports"), Seller hereby represents and warrants that (i) Seller has not released any Hazardous Materials on the Property, (ii) Seller has no actual knowledge of any release of Hazardous Materials (as defined below) on the Property, and (iii) Seller has not received any notice of any violation of any law, ordinance, rule, regulation or order of any governmental authority pertaining to the Property. For purposes of this Agreement, the term "Hazardous Materials" shall mean any and all of those materials, substances, wastes, pollutants, contaminants, byproducts, or constituents which have been determined to be injurious to health or the environment, including without limitation those designated as hazardous or toxic by any federal, state or local law, ordinance, rule, regulation or policy, and any other materials, substances, wastes, pollutants, contaminants, by-products or constituents requiring remediation under federal, state or local laws, ordinances, rules, regulations or policies.

D. Seller hereby represents and warrants to Buyer that (i) except for the Leases, there are no other leases, options to purchase, rights of first refusal or contracts for lease or sale of the Property; and (ii) there are no liens or claims against the Property other than the Approved Exceptions.

E. Seller hereby represents and warrants to Buyer that during the term of this Agreement Seller shall not, without Buyer's prior written approval, modify the Leases or enter into any other contracts which will not be terminated on or before Closing.

## **6. CONDITION OF PROPERTY**

The Property shall be conveyed from the Agency to the City on an "AS IS" condition and basis with all faults and the City agrees that the Agency has no obligation to make modifications, replacements or improvements thereto. Except as expressly and specifically provided in this Agreement, the City and anyone claiming by, through or under the City hereby waives its right to recover from and fully and irrevocably releases the Agency, the City and the Oversight Board, and their respective officers, directors, employees, representatives, agents, advisors, servants, attorneys, successors and assigns, and all persons, firms, corporations and organizations acting on the Agency's, City's or Oversight Board's behalf (collectively, the "**Released Parties**") from any and all claims, responsibility and/or liability that the City may now have or hereafter acquire against any of the Released Parties for any costs, loss, liability, damage, expenses, demand, action or cause of action arising from or related to the matters pertaining to the Property described in this Section 2.8. This release includes claims of which the City is presently unaware or which the City does not presently suspect to exist which, if known by the City, would materially affect the City's release of the Released Parties. If the Property is not in a condition suitable for the intended use or uses, then it is the sole responsibility and obligation of the City to take such action as may be necessary to place the Property in a condition suitable for development of the Project thereon. Except as otherwise expressly and specifically provided in this Agreement and without limiting the generality of the foregoing, THE AGENCY MAKES NO REPRESENTATION OR WARRANTY AS TO (i) THE VALUE OF THE PROPERTY; (ii) THE INCOME TO BE DERIVED FROM THE PROPERTY; (iii) THE HABITABILITY, MARKETABILITY, PROFITABILITY, MERCHANTABILITY OR FITNESS FOR PARTICULAR USE OF THE PROPERTY; (iv) THE MANNER, QUALITY, STATE OF REPAIR OR CONDITION OF THE PROPERTY; (v) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY; (vi) COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION OR POLLUTION LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS; (vii) THE PRESENCE OR ABSENCE OF HAZARDOUS MATERIALS AT, ON, UNDER OR ADJACENT TO THE PROPERTY; (viii) THE FACT THAT ALL OR A PORTION OF THE PROPERTY MAY BE LOCATED ON OR NEAR AN EARTHQUAKE FAULT LINE; AND (ix) WITH RESPECT TO ANY OTHER MATTER, THE CITY FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY AND REVIEW INFORMATION AND DOCUMENTATION AFFECTING THE PROPERTY, THE CITY IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND REVIEW OF SUCH INFORMATION AND DOCUMENTATION AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY THE AGENCY.

THE CITY HEREBY ACKNOWLEDGES THAT IT HAS READ AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH IS SET FORTH BELOW:

“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.”

BY INITIALING BELOW, CITY HEREBY WAIVES THE PROVISIONS OF SECTION 1542 SOLELY IN CONNECTION WITH THE MATTERS WHICH ARE THE SUBJECT OF THE FOREGOING WAIVERS AND RELEASES.

City's Initials

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The waivers and releases by the City herein contained shall survive the Close of Escrow and the recordation of the Grant Deed and shall not be deemed merged into the Grant Deed upon its recordation.

## 7. CLOSING OF ESCROW.

A. Delivery of Documents and Payment. At or prior to Closing, Seller shall deposit into Escrow the executed Assignment, and a Grant Deed in the form attached hereto as Exhibit B, properly executed and acknowledged by Seller, in favor of Buyer, containing the legal description of the Property and subject only to the Approved Exceptions. At or prior to Closing, Buyer and Seller shall have each deposited into Escrow any supplemental escrow instructions necessary to close this Escrow. Escrow Holder shall deliver to Seller the Purchase Price, when (1) Escrow Holder holds, and is able to record, the Grant Deed, (2) Escrow Holder is prepared to issue to Buyer the Title Policy as provided in Section 7 B below, (3) the conditions specified in Section 4 have been satisfied or waived and (4) Escrow Holder holds, and is able to deliver to Buyer, the executed Assignment.

B Title Insurance. At the Close of Escrow, Buyer shall obtain from Escrow Holder a standard coverage American Land Title Association (“ALTA”) owner’s form policy of title insurance in the amount of the Purchase Price insuring title to the Property in the name of Buyer subject only to the Approved Exceptions and the standard printed exclusions from coverage of an ALTA standard title policy (“Title Policy”).

C Recordation and Delivery. At the Closing, Escrow Holder shall (1) forward the Grant Deed to the recorder for recordation, and (2) deliver the Title Policy as provided in Section 7B, above and the Assignment to Buyer at the address set forth in Section 13.

D. Obligation to Refrain from Discrimination. The City covenants and agrees for itself, its successors and assigns, and for every successor in interest to the Property or any part thereof, that there shall be no discrimination against or segregation of any person, or group of persons, on account of sex, marital status, age, handicap, race, color, religion, creed, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, and the City (itself or any person claiming under or through the City) shall not establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Property or

any portion thereof. Notwithstanding the foregoing, if and when the City conveys the Property to a third party after completion of the Improvements thereon in accordance with the Agreement, the City shall be relieved of any further responsibility under this Section 5.3 as to the Property so conveyed.

E. Form of Nondiscrimination and Nonsegregation Clauses. All deeds, leases or contracts for sale shall contain the following nondiscrimination or nonsegregation clauses:

(i) In deeds: “The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises herein conveyed, nor shall the Grantee himself or herself, or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph.”

(ii) In leases: “The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the leasing, subleasing, transferring, use or occupancy, tenure or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants or vendees in the premises herein leased.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and



Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph.”

(iii) In contracts: “The contracting party or parties hereby covenant by and for himself or herself and their respective successors and assigns, that there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises, nor shall the contracting party or parties, any subcontracting party or parties, or their respective assigns or transferees, establish or permit any such practice or practices of discrimination or segregation.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph.”

F. Restrictive Covenant. In order to insure the City’s compliance with the covenants set forth in Sections 5.1, 5.2, 5.3, and 5.4 hereof, such covenants shall be set forth in the Grant Deed. Such covenants shall run with the Property for the benefit of the Agency and the Agency shall have the right to assign all of its rights and benefits therein to the City.

G. Effect and Duration of Covenants. The following covenants shall be binding upon the Property and City and its successors and assigns and shall remain in effect for the following periods, and each of which shall be set forth with particularity in any document of transfer or conveyance by the City:

(1) The non-discrimination and non-segregation requirements set forth in Sections 5.1, 5.3 and 5.4 shall remain in effect in perpetuity;

(2) The maintenance requirements set forth in Section 5.2 shall remain in effect for the period described therein, and;

(3) Easements to the Agency, City or other public agencies for utilities existing as of the execution of this Agreement, which shall remain in effect according to their terms.

(4) The use requirement regarding using the Property only for the construction of the Improvements set forth in Section 5.1 shall remain in effect until the earlier of the completion of the Improvements, or one (1) year after Close of Escrow if the reason for the failure to complete the Improvements is not due to a default by City. The use requirement regarding using the Property for any lawful purpose shall remain in effect in perpetuity.

**8. BROKERS.** Seller and Buyer hereby represent to each other that there are no brokers, finders, or other persons entitled to a commission, finder's fee or other payment in connection with this

Agreement. Buyer and Seller hereby agree to indemnify, defend, protect, and hold the other harmless from and against any claims, liabilities, or damages for commissions or finder's fees brought by any third party who has dealt or claims to have dealt with the indemnifying party pertaining to the Property.

**9. FIRPTA.** Seller warrants that it is not a foreign person or entity as defined in the Foreign Investors Real Property Tax Act and prior to the close of escrow Seller will deposit an affidavit certifying same. Escrow Holder's duties pertaining to these provisions are limited to the receipt from Seller of such affidavit prior to the close of escrow and delivery to Buyer of such affidavit at the close of escrow.

**10. GOVERNING LAW.** This Agreement shall be construed and enforced in accordance with the applicable laws of the State of California.

**11. PROPERTY TAXES.** Buyer shall be responsible for any property or other taxes assessed against the Property to the extent attributable to the period on or after the Closing. Seller shall be responsible for any property or other taxes assessed against the Property to the extent attributable to the period prior to the Close of Escrow.

**12. CLOSING COSTS.** Buyer and Seller shall split equally the documentary transfer taxes, customary escrow fee and charges and recordation fees and the cost of the Title Policy. Any endorsements to the Title Policy requested by Buyer shall be paid for by Buyer. Tenant rental payments, real property taxes and assessments (if any), utility and other operating costs of the Property shall be prorated at Closing.

**13. NOTICES.** All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered, sent by national overnight courier service, sent by facsimile transmission, if also sent by one of the other methods provided in this Section, or sent by registered or certified mail, first class postage prepaid, return receipt requested, and shall be deemed received upon the earlier of (i) the date of delivery to the address of the person to receive such notice, (ii) the date of the facsimile transmission, or (iii) three (3) business days after the date of posting with the United States Postal Service at the following addresses:

To Buyer:                    Troy Helling, Acting City Manager  
15625 East Stafford Street, Suite 100  
City of Industry, California 91744

To Seller:                    Successor Agency to the Industry Urban-Development Agency  
15625 East Stafford Street, Suite 100  
City of Industry, California 91744  
Attention: Troy Helling, Acting Executive Director

with a copy to:            James M. Casso  
Casso & Sparks, LLP  
13200 Crossroads Parkway N  
Suite 345  
City of Industry, CA 91746

Any party to this Agreement may change its address for receipt of notices by giving notice of such change to the other party in the manner set forth in this Section. Neither the rejection of a notice by the addressee or the inability to deliver a notice because of a change of address for which no change of address notice was received, shall affect the date on which such notice is deemed received.

**14. RECEIPT OF PROPERTY DOCUMENTS.** Buyer acknowledges that it has received and had the opportunity to review the following documents:

- (i) The Title Report;
- (ii) The Environmental Reports; and
- (iii) Leases.

**15. MISCELLANEOUS.**

A. Time. Time is of the essence of this Agreement with respect to each and every provision hereof in which time is a factor.

B. Entire Agreement. This Agreement, including the Exhibits attached hereto, contains the entire agreement between the parties pertaining to the subject matter hereof and fully supersedes any and all prior agreements and understandings between the parties. No change in, modification of or amendment to this Agreement shall be valid unless set forth in writing and signed by all of the parties subsequent to the execution of this Agreement.

C. Further Assurances. Each of the parties agrees that it will without further consideration execute and deliver such other documents and take such other action, whether prior or subsequent to the Closing Date, as may be reasonably requested by the other party to consummate more effectively the purposes or subject matter of this Agreement.

D. Successors. Subject to the provisions of this Agreement, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their respective heirs, executors, representatives, successors and assigns.

E. Severability. In the event any provision of this Agreement shall be determined by a court of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability shall be effective only to the extent of such determination and shall not prohibit or otherwise render ineffective any other provision of this Agreement.

F. Exhibits. References herein to exhibits are to Exhibit A, Exhibit B, Exhibit C, and Exhibit D attached hereto, which exhibits are hereby incorporated by reference.

G. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signature pages may be detached from the counterparts and attached to a single copy of this Agreement to physically form one document.

IN WITNESS WHEREOF, Buyer and Seller have executed this Agreement as of the date first written above.

**CITY OF INDUSTRY**

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

ATTEST:

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

APPROVED AS TO FORM:

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

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

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

ATTEST:

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

APPROVED AS TO FORM:

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



## LIST OF EXHIBITS

Exhibit "A"	Legal Description of the Property
Exhibit "B"	Form of Grant Deed
Exhibit "C"	Due Diligence Phase I Environmental Site Assessment and Subsurface Investigation Report
Exhibit "D"	Lease Agreements – United States Postal Service and Youth Activities League

**EXHIBIT "A"**

**LEGAL DESCRIPTION OF THE PROPERTY**

Real property in the City of Industry, County of Los Angeles, State of California,  
described as follows:

**(15660 Stafford St.)**

**APN 8208-027-942**

PARCEL 6 OF PARCEL MAP No. 308 IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP RECORDED IN BOOK 294, PAGES 39 THROUGH 41, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

CONTAINING 121,750 SQUARE FEET, (2.795 ACRES), OF LAND, MORE OR LESS.

AND AS SHOWN ON EXHIBIT "B" ATTACHED HEREON AND MADE PART OF HEREOF.

**EXHIBIT "B"**

**FORM OF GRANT DEED**

RECORDING REQUESTED BY:

FIRST AMERICAN TITLE INSURANCE COMPANY

AND WHEN RECORDED RETURN TO:

Successor Agency to the  
Industry Urban-Development Agency  
15625 East Stafford Street, Suite 100  
City of Industry, California 91744  
Attention: Diane Schlichting

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*[The undersigned declares that this Grant Deed is exempt from Recording Fees pursuant to California Government Code Section 27383]*

**GRANT DEED**

Documentary Transfer Tax: \$ \_\_\_\_\_

THE UNDERSIGNED GRANTOR DECLARES:

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, the **SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY** (the "**Grantor**"), hereby grants to **THE CITY OF INDUSTRY** (the "**Grantee**"), that certain real property described in Exhibit A attached hereto (the "**Site**") and incorporated herein by this reference, together with all of Grantor's right title and interest in and to all easements, privileges and rights appurtenant to the Site.

This Grant Deed of the Site is subject to the provisions of a Purchase Agreement [15660 Stafford Street, City of Industry] (the "**Agreement**") entered into by and between the Grantor and Grantee dated as of June \_\_, 2018, the terms of which are incorporated herein by reference. A copy of the Agreement is available for public inspection at the offices of the Grantor located at 15625 East Stafford Street, Suite 100, City of Industry, California 91744. The Site is conveyed further subject to all easements, rights of way, covenants, conditions, restrictions, reservations and all other matters of record, and the following conditions, covenants and agreements.

1. Subject to the provisions of Section 7 of the Agreement, the Site as described in Exhibit A is conveyed subject to the condition that the Grantee covenants by and for itself, its heirs, executors, administrators and assigns, and all persons claiming under or through it, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of

Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises herein conveyed, nor shall the Grantee, or any person claiming under or through it, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the premises herein conveyed.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph.

2. All deeds, leases or contracts entered into with respect to the Property shall contain or be subject to substantially the following nondiscrimination/nonsegregation clauses:

(a) In deeds: “The Grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises herein conveyed, nor shall the Grantee himself or herself, or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph.”

(b) In leases: “The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the leasing, subleasing, transferring, use or occupancy, tenure or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection,



location, number, use or occupancy of tenants, lessees, sublessees, subtenants or vendees in the premises herein leased.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph.”

(c) In contracts: “The contracting party or parties hereby covenant by and for himself or herself and their respective successors and assigns, that there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises, nor shall the contracting party or parties, any subcontracting party or parties, or their respective assigns or transferees, establish or permit any such practice or practices of discrimination or segregation.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph.”

3. All covenants and agreements contained in this Grant Deed shall run with the land and shall be binding for the benefit of Grantor and its successors and assigns and such covenants shall run in favor of the Grantor and for the entire period during which the covenants shall be in force and effect as provided in the Agreement, without regard to whether the Grantor is or remains an owner of any land or interest therein to which such covenants relate. The Grantor, in the event of any breach of any such covenants, shall have the right to exercise all of the rights and remedies provided herein or otherwise available, and to maintain any actions at law or suits in equity or other property proceedings to enforce the curing of such breach. The covenants contained in this Grant Deed shall be for the benefit of and shall be enforceable only by the Grantor and its successors and assigns.

4. The covenants contained in Paragraphs 2 and 3 of this Grant Deed shall remain in effect in perpetuity except as otherwise expressly set forth therein.

5. In the event the Grantee sells the Property and the future use of the Property shall be for a use other than governmental use, the proportion of the sales proceeds attributable to the non-governmental use shall be distributed by the Grantee to the Los Angeles County Auditor-

Controller for eventual distribution to the taxing entities as defined in AB 26 X 1 & AB 1484, commonly known as the Dissolution Act.

6. This Grant Deed may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, Grantor and Grantee have caused this Grant Deed to be executed and notarized as of this \_\_\_\_ day of \_\_\_\_\_, 2018.

GRANTOR:

SUCCESSOR AGENCY TO THE INDUSTRY  
URBAN-DEVELOPMENT AGENCY

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

ATTEST:

\_\_\_\_\_  
Diane Schlichting, Agency Secretary

GRANTEE:

CITY OF INDUSTRY

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

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of Los Angeles )

On \_\_\_\_\_, before me, \_\_\_\_\_,  
(insert name and title of the officer)

Notary Public, personally appeared \_\_\_\_\_,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are  
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in  
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the  
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the  
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of Los Angeles )

On \_\_\_\_\_, before me, \_\_\_\_\_,  
(insert name and title of the officer)

Notary Public, personally appeared \_\_\_\_\_,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are  
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in  
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the  
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the  
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)



**Exhibit A to Grant Deed**

**LEGAL DESCRIPTION**

Real property in the City of Industry, County of Los Angeles, State of California,  
described as follows:

**(15660 Stafford St.)**

**APN 8208-027-942**

PARCEL 6 OF PARCEL MAP No. 308 IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP RECORDED IN BOOK 294, PAGES 39 THROUGH 41, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

CONTAINING 121,750 SQUARE FEET, (2.795 ACRES), OF LAND, MORE OR LESS.

AND AS SHOWN ON EXHIBIT "B" ATTACHED HEREON AND MADE PART OF HEREOF.

**EXHIBIT C**

**DUE DILIGENCE PHASE I ENVIRONMENTAL SITE ASSESSMENT AND  
SUBSURFACE INVESTIGATION REPORT**

None

**EXHIBIT D**

**LEASES**

Copies of the Leases are available with the City Clerk's Office.

*SUCCESSOR AGENCY*

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 *TH*

**STAFF:** Kristen Weger, Management Analyst III *KW*

**DATE:** June 28, 2018

**SUBJECT:** Consideration of a Maintenance Services Agreement with Janus Pest Management, Inc. for pest control services at Arnold Reservoir, in an amount not-to-exceed \$20,300.00 from June 28, 2018 to June 27, 2019 (Agreement No. DS-18-057-A)

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**Background:**

Per Section 3.52.120 of the City's Municipal Code, contracts relating to maintenance of public works or public facilities may be provided by competitive bidding, informal public bidding, or by negotiated contract, at the discretion of the Agency Board.

Janus Pest Management, Inc. ("Janus") provides pest control services for a range of commercial and residential clientele. Agency staff negotiated a contract with Janus to provide pest control services at the Arnold Reservoir for a one (1) year period. The pest control services include, but are not limited to the following: installation of rodent devices, rodent debris removal, and general pest control services on a monthly basis.

Agency staff consulted with Sage Environmental and all pest control methods and services have been environmentally reviewed and approved.

**Fiscal Impact:**

This fiscal impact associated with this action requires an appropriation of \$20,300.00 to General Fund – Tres Hermanos – Property Maintenance (Account No. 100-628-8510) for fiscal year 2018-2019.



**Recommendation:**

- 1.) Approve the Maintenance Services Agreement with Janus Pest Management, Inc., in an amount not to exceed \$20,300.00 dated June 28, 2018; and
- 2.) Appropriate \$20,300.00 from General Fund – Tres Hermanos – Property Maintenance (Account No. 100-628-8510).

**Exhibit:**

- A. Maintenance Services Agreement with Janus Pest Management, Inc., dated June 28, 2018
- 

TH/KW:af

**EXHIBIT A**

Maintenance Services Agreement with Janus Pest Management, Inc.,  
dated June 28, 2018

**[Attached]**

## SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY

### MAINTENANCE SERVICES AGREEMENT

This MAINTENANCE SERVICES AGREEMENT (“Agreement”), is made and effective as of June 28, 2018 (“Effective Date”), between the Successor Agency to the Industry Urban-Development Agency, a public body, corporate and politic (“Agency”) and Janus Pest Management, Inc., a California corporation (“Consultant”). The Agency and Consultant are hereinafter collectively referred to as the “Parties”.

#### RECITALS

**WHEREAS**, Agency desires to engage Consultant to perform the services described herein, and Consultant desires to perform such services in accordance with the terms and conditions set forth herein.

**NOW, THEREFORE**, for and in consideration of the mutual covenants and conditions herein contained, Agency and Consultant 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, but in no event later than June 27, 2019, unless sooner terminated pursuant to the provisions of this Agreement.

#### 2. SERVICES

(a) Consultant shall perform the tasks (“Services”) described and set forth in Exhibit A, attached hereto and incorporated herein as though set forth in full. (“Scope of Services”). Tasks other than those specifically described in the Scope of Services shall not be performed without prior written approval of the Agency. The Services shall be performed by Consultant, unless prior written approval is first obtained from the Agency. In the event of conflict or inconsistency between the terms of this Agreement and Exhibit A, the terms of this Agreement shall prevail.

(b) Agency shall have the right to request, in writing, changes to the Services. Any such changes mutually agreed upon by the Parties, and any corresponding increase or decrease in compensation, shall be incorporated by written amendment to this Agreement.

(c) Consultant shall perform all Services in a manner reasonably satisfactory to the Agency and in a first-class manner in conformance with the standards of quality normally observed by an entity providing pest control services, serving a municipal agency.

(d) Consultant shall comply with all applicable federal, state, and local laws, regulations and ordinances in the performance of this Agreement, including but not limited to, the conflict of interest provisions of Government Code Section 1090 and the

Political Reform Act (Government Code Section 81000 *et seq.*). During the term of this Agreement, Consultant shall not perform any work for another person or entity for whom Consultant was not working on the Effective Date if both (i) such work would require Consultant to abstain from a decision under this Agreement pursuant to a conflict of interest statute or law; and (ii) Agency has not consented in writing to Consultant's performance of such work. No officer or employee of Agency shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.* Consultant hereby warrants that it is not now, nor has it been in the previous twelve (12) months, an employee, agent, appointee, or official of the Agency. If Consultant was an employee, agent, appointee, or official of the Agency in the previous twelve (12) months, Consultant warrants that it did not participate in any manner in the forming of this Agreement. Consultant understands that, if this Agreement is made in violation of Government Code §1090 *et. seq.*, the entire Agreement is void and Consultant will not be entitled to any compensation for Services performed pursuant to this Agreement, and Consultant will be required to reimburse the Agency for any sums paid to the Consultant. Consultant understands that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of Government Code § 1090 and, if applicable, will be disqualified from holding public office in the State of California.

(e) Consultant represents that it has, or will secure at its own expense, all licensed personnel required to perform the Services. All Services shall be performed by Consultant or under its supervision, and all personnel engaged in the Services shall be qualified and licensed to perform such services.

### **3. MANAGEMENT**

The Executive Director shall represent the Agency in all matters pertaining to the administration of this Agreement, review and approval of all products submitted by Consultant, but shall have no authority to modify the Services or the compensation due to Consultant.

### **4. PAYMENT**

(a) The Agency agrees to pay Consultant monthly, in accordance with the payment rates and terms and the schedule of payment as set forth in Exhibit B ("Rate Schedule"), attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. This amount shall not exceed Twenty Thousand Three Hundred Dollars (\$20,300.00) for the total Term of the Agreement unless additional payment is approved as provided in this Agreement.

(b) Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the Agency. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to by Agency and Consultant at the time Agency written authorization is given to Consultant for the performance of said services.

(c) Consultant shall submit invoices monthly for actual services performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the Agency disputes any of Consultant's fees it shall give written notice to Consultant within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice. Any final payment under this Agreement shall be made within 45 days of receipt of an invoice therefore.

## **5. SUSPENSION OR TERMINATION OF AGREEMENT**

(a) The Agency may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Consultant at least ten (10) days prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the Agency suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, the Agency shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to the Agency. Upon termination of the Agreement pursuant to this Section, the Consultant shall submit an invoice to the Agency pursuant to Section 5 of this Agreement.

## **6. OWNERSHIP OF DOCUMENTS**

(a) Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by Agency that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of Agency or its designees at reasonable times to review such books and records; shall give Agency the right to examine and audit said books and records; shall permit Agency to make transcripts or copies therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

(b) Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of the Agency and may be used, reused, or otherwise disposed of by the Agency without the permission of the Consultant. With respect to computer files, Consultant shall make available to the Agency, at the Consultant's office, and upon reasonable written request by the Agency, the necessary computer software and hardware for purposes of accessing, compiling, transferring, copying and/or printing computer files. Consultant hereby grants to Agency all



right, title, and interest, including any copyright, in and to the documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared by Consultant in the course of providing the services under this Agreement. All reports, documents, or other written material developed by Consultant in the performance of the Services pursuant to this Agreement, shall be and remain the property of the Agency .

## **7. INDEMNIFICATION**

### **(a) Indemnity for professional liability**

When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless the Agency and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including legal counsel's fees and costs caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees or Subconsultants (or any agency or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this Agreement.

### **(b) Indemnity for other than professional liability**

Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless Agency, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including legal counsel fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or agency for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant.

(c) DUTY TO DEFEND. In the event the Agency, its officers, employees, agents and/or volunteers are made a party to any action, claim, lawsuit, or other adversarial proceeding arising from the performance of the services encompassed by this Agreement, and upon demand by Agency, Consultant shall have an immediate duty to defend the Agency at Consultant's cost or at Agency's option, to reimburse the Agency for its costs of defense, including reasonable attorney's fees and costs incurred in the defense of such matters.

Payment by Agency is not a condition precedent to enforcement of this indemnity. In the event of any dispute between Consultant and Agency, as to whether liability arises from the sole negligence of the Agency or its officers, employees, or agents, Consultant will be obligated to pay for Agency's defense until such time as a final judgment has been entered adjudicating the Agency as solely negligent. Consultant will not be entitled in the absence of such a determination to any reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation.

## **8. INSURANCE**

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit C attached hereto and incorporated herein by reference.

## **9. INDEPENDENT CONSULTANT**

(a) Consultant is and shall at all times remain as to the Agency a wholly independent consultant and/or independent contractor. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultants exclusive direction and control. Neither Agency nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the Agency. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against the Agency, or bind the Agency in any manner.

(b) No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, Agency shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for Agency. Agency shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

## **10. LEGAL RESPONSIBILITIES**

The Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such laws and regulations. The Agency, and its officers and employees, shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this Section.

## **11. UNDUE INFLUENCE**

Consultant declares and warrants that no undue influence or pressure was used against or in concert with any officer or employee of the Agency in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of the Agency has or will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling the Agency to any and all remedies at law or in equity.



With a Copy To: Casso & Sparks, LLP  
13200 Crossroads Parkway, North Suite 345  
City of Industry, CA 91746  
Attention: James M. Casso, Agency Counsel

To Consultant: Janus Pest Management, Inc.  
P.O. Box 4649  
San Dimas, CA 91773  
Attention: Kristina Spicer, Operations Manager

**15. ASSIGNMENT**

The Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of the Agency.

Before retaining or contracting with any subconsultant for any services under this Agreement, Consultant shall provide Agency with the identity of the proposed subconsultant, a copy of the proposed written contract between Consultant and such subconsultant which shall include an indemnity provision similar to the one provided herein and identifying Agency as an indemnified party, or an incorporation of the indemnity provision provided herein, and proof that such proposed subconsultant carries insurance at least equal to that required by this Agreement or obtain a written waiver from the Agency for such insurance.

Notwithstanding Consultant's use of any subconsultant, Consultant shall be responsible to the Agency for the performance of its subconsultant as it would be if Consultant had performed the Services itself. Nothing in this Agreement shall be deemed or construed to create a contractual relationship between the Agency and any subconsultant employed by Consultant. Consultant shall be solely responsible for payments to any subconsultants. Consultant shall indemnify, defend and hold harmless the Indemnified Parties for any claims arising from, or related to, the services performed by a subconsultant under this Agreement.

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

The Agency and Consultant 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 or relating to the Services provided by Consultant under 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.

**17. 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.

**18. 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.

**19. 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.

**20. 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.

**21. WAIVER**

The waiver by Agency or Consultant 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 or Consultant unless in writing.

**22. 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.

**23. AUTHORITY TO EXECUTE THIS AGREEMENT**

The person or persons executing this Agreement on behalf of Consultant represents and warrants that he/she has the authority to execute this Agreement on behalf of the Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

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

**“CONSULTANT”**  
**Janus Pest Management, Inc.**

By: \_\_\_\_\_  
Jay Spicer, CEO

**Attest:**

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

**Approved as to form:**

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

Attachments:	Exhibit A	Scope of Services
	Exhibit B	Rate Schedule
	Exhibit C	Insurance Requirements

## EXHIBIT A

### SCOPE OF SERVICES

Consultant shall provide pest management services for Arnold Reservoir. The services include, but are not limited to:

- Rodent devices, rodent debris removal, and general pest control services
- Monthly pest control services to maintain property

EXHIBIT B  
RATE SCHEDULE

<b>SERVICE LOCATION</b>	<b>SERVICE SCHEDULE</b>	<b>SERVICE CHARGE</b>
Arnold Reservoir	Initial Service	\$5,900.00
Arnold Reservoir	Monthly Service	\$1,200.00
<b>Grand Total</b>		<b>\$20,300.00</b>

## EXHIBIT C

### INSURANCE REQUIREMENTS

Without limiting Consultant's indemnification of Agency, and prior to commencement of the Services, Consultant shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to Agency.

**General liability insurance.** Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than \$1,000,000.00 per occurrence, \$2,000,000.00 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

**Automobile liability insurance.** Consultant shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than \$1,000,000.00 combined single limit for each accident.

**Professional liability (errors & omissions) insurance.** Consultant shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of \$1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this agreement and Consultant agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this agreement.

**Workers' compensation insurance.** Consultant shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least \$1,000,000.00).

Consultant shall submit to Agency, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of Agency, its officers, agents, employees and volunteers.

**Proof of insurance.** Consultant shall provide certificates of insurance to Agency as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation. Insurance certificates and endorsement must be approved by Agency's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with Agency at all times during the term of this contract. Agency reserves the right to require complete, certified copies of all required insurance policies, at any time.

**Duration of coverage.** Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property, which may

arise from or in connection with the performance of the Services hereunder by Consultant, his agents, representatives, employees or subconsultants.

**Primary/noncontributing.** Coverage provided by Consultant shall be primary and any insurance or self-insurance procured or maintained by Agency shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of Agency before the Agency's own insurance or self-insurance shall be called upon to protect it as a named insured.

**Agency's rights of enforcement.** In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, Agency has the right but not the duty to obtain the insurance it deems necessary and any premium paid by Agency will be promptly reimbursed by Consultant, or Agency will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, Agency may cancel this Agreement.

**Acceptable insurers.** All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VI (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the Agency's Risk Manager.

**Waiver of subrogation.** All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against Agency, its elected or appointed officers, agents, officials, employees and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against Agency, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

**Enforcement of contract provisions (non estoppel).** Consultant acknowledges and agrees that any actual or alleged failure on the part of the Agency to inform Consultant of non-compliance with any requirement imposes no additional obligations on the Agency nor does it waive any rights hereunder.

**Requirements not limiting.** Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Consultant maintains higher limits than the minimums shown above, the Agency requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the Agency.



Notice of cancellation. Consultant agrees to oblige its insurance agent or broker and insurers to provide to Agency with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

**Additional insured status.** General liability policies shall provide or be endorsed to provide that Agency and its officers, officials, employees, and agents, and volunteers shall be additional insureds under such policies. This provision shall also apply to any excess liability policies.

**Prohibition of undisclosed coverage limitations.** None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to Agency and approved of in writing.

**Separation of Insureds.** A severability of interests provision must apply for all additional insureds ensuring that Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

**Pass Through Clause.** Consultant agrees to ensure that its subconsultants, subcontractors, and any other party involved with the project who is brought onto or involved in the project by Consultant, provide the same minimum insurance coverage and endorsements required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with consultants, subcontractors, and others engaged in the project will be submitted to Agency for review.

**Agency's right to revise specifications.** The Agency reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the Agency and Consultant may renegotiate Consultant's compensation.

**Self-insured retentions.** Any self-insured retentions must be declared to and approved by the Agency. The Agency reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by the Agency.

**Timely notice of claims.** Consultant shall give the Agency prompt and timely notice of claims made or suits instituted that arise out of or result from Consultant's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

**Additional insurance.** Consultant shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the work.

*SUCCESSOR AGENCY*

ITEM NO. 5.4



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 *TH*

**STAFF:** Joshua Nelson, Contract Agency Engineer, CNC Engineering *JN*  
Sean Calvillo, Project Manager, CNC Engineering *S.C.*

**DATE:** June 28, 2018

**SUBJECT:** Consideration of Amendment No. 4 to the Agreement for Consulting Services with PBLA Engineering, Inc., for the Industry Business Center Project (14-PBLA 13-01 D MP 99-31 #16), in the amount of \$400,000.00, for a total Agreement amount not-to-exceed \$3,806,835.00, on a time and material basis (MP 99-31 #16)

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### **Background:**

On July 18, 2013, the Successor Agency to the Industry Urban-Development Agency ("Agency") approved an Agreement for Consulting Services with PBLA Engineering, Inc. ("PBLA"), to provide grading and drainage design and construction support services for the Industry Business Center Project.

On January 15, 2016, Amendment Number 1 was approved for a budget increase in the amount of \$700,000 to provide additional work covering grading and improvement design, storm drain plans for Diamond Bar Creek, additional re-design of various improvements including the recycled water reservoir tank and various plan revisions.

On February 23, 2017, Amendment Number 2 was approved for a budget increase in the amount of \$350,000 to perform additional work that included new phases of grading and improvement design that involved multiple re-designs of the sewer crossing at Ferrero Parkway and Benton Court, West Side storm drain phased work, Diamond Bar Creek storm drain redesign due to SCE underground project, detention outfall and inlet designs and multiple studies for concept grading for the east and west side developments.

On July 27, 2017, Amendment Number 3 was approved for a budget increase of \$500,000 for continued grading and drainage design and construction support services.

## **Discussion:**

PBLA is requesting additional funds to continue providing uninterrupted design services for the Industry Business Center project, as the original allotted budget and subsequent approved budget increase amendments has been nearly exhausted. Previously, the PBLA budgeted based on the fiscal year coinciding with the ROPS periods, therefore requiring these increases to meet the ROPS budget amounts. PBLA has submitted a final budget increase request (Exhibit B) for services to be performed in order to complete the project, which include:

1. **Multiple Phases**

Grading and Improvement design has been phased into multiple contracts. The West side Storm Drain System is also to be built in phases and requires additional design and revision to accommodate final installation of detention / Water Quality basins.

2. **Re-design**

Multiple re-designs were required for the following issues:

- Sewer Crossing on Ferrero Parkway & Benton Court
- West side Storm Drain in 3 separate phases
- Grading Plan changes on West Side causing significant Storm Drain and Hydrology re-design.

3. **Final Parcel Maps**

The Final Maps are now being broken into two separate maps and will require two Tentative maps, two Final Maps and all associated field work for both the final boundary establishment and setting of final monuments once the Maps are recorded.

4. **As-Built Plans**

The Agency will require filing of as-builts once the Site is ready for final acceptance.

## **Fiscal Impact:**

PBLA has submitted a request for a total budget increase of \$400,000.00 to perform this additional work for a total Agreement amount not to exceed \$3,806,835.00. CNC has reviewed the proposal and has found it to be in order. PBLA is listed in the Recognized Obligation Payment Schedule (ROPS) under Line Item No. 193 with an approved budget of \$400,000.00 on ROPS 18-19.

## **Recommendation:**

It is recommended that the Successor Agency Board approve Amendment No. 4 to the Agreement for Consulting Services with PBLA Engineering, Inc.

**Exhibits:**

- A. Amendment No. 4 to Agreement for Consulting Services with PBLA Engineering, Inc., dated June 28, 2018
  - B. Budget Increase Request from PBLA Engineering, Inc., dated May 30, 2018
- 

TH/JN/SC:jv



**EXHIBIT A**

Amendment No. 4 to Agreement for Consulting Services with PBLA Engineering, Inc.,  
dated June 28, 2018

[Attached]

**AMENDMENT NO. 4  
TO AGREEMENT FOR CONSULTING SERVICES WITH  
PBLA ENGINEERING, INC.**

This Amendment No. 4 to the Agreement for Consulting Services (“Agreement”), is made and entered into this 28<sup>th</sup> day of June, 2018, (“Effective Date”) by and between the Successor Agency to the Industry Urban-Development Agency, a public body, corporate and politic (“Agency”) and PBLA Engineering, Inc. (“Consultant”). The Agency and Consultant are hereinafter collectively referred to as the “Parties.”

**RECITALS**

**WHEREAS**, on or about July 18, 2013, the Agreement was entered into and executed between the Agency and Consultant to provide grading and drainage design and construction support for the Industry Business Center; and

**WHEREAS**, on or about July 27, 2017, the Parties amended the Agreement to allow for additional services, and to increase the total compensation set forth in the Agreement; and

**WHEREAS**, additional services are required to complete the project, and it is therefore necessary to amend Exhibit A, Scope of Services, and Section 5 “Compensation” with a budget increase in the amount of \$400,000.00. The additional services include:

**1. Multiple Phases**

Grading and Improvement design has been Phased into multiple contracts. The West side Storm Drain System is also to be built in phases and requires additional design and revision to accommodate final installation of detention / Water Quality basins. Scope of Services Sections A.4. and B.5. discuss the Hydrology and Hydraulics Study work. The design revisions require additional budget related to these sections.

**2. Re-design**

Multiple re-designs were required for the following issues:

- Sewer Crossing on Ferrero Parkway & Benton Court. Addition to Scope of Services
- West side Storm Drain in 3 separate phases. Scope of Services Section A.3.
- Grading Plan changes on West Side causing significant Storm Drain and Hydrology re-design. Scope of Services Sections A.3. and A.4.

**3. Final Parcel Maps**

The Final Maps are now being broken into two separate maps and will require two Tentative maps, two Final Maps and all associated field work for both the final boundary establishment and setting of final monuments once the Maps are recorded. Scope of Services Sections A.6. and B.7. shall be revised to include preparation of two Final Parcel Maps.

**4. As-Built Plans**

The Agency will require filing of as-builts once the Site is ready for final acceptance. Scope of Services Sections A.10. and B.11.

**WHEREAS**, for the reasons set forth herein, the Agency and Consultant desire to enter into this Amendment No. 4, as set forth below.

**AMENDMENT**

**NOW, THEREFORE**, in consideration of the mutual covenants, promises and agreements set forth herein, it is agreed the aforesaid Agreement, a copy of which is attached hereto as Exhibit A, and incorporated herein by reference, shall remain in full force and effect except as otherwise hereinafter provided:

Section 5.a. of the Agreement shall be amended in its entirety to read as follows:

**5. Compensation.**

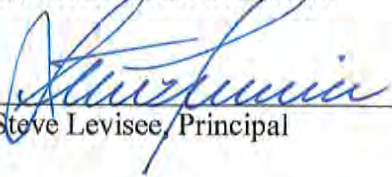
a. Agency will compensate Consultant for the services provided to the reasonable satisfaction of the Agency pursuant to this Agreement. The project will have multiple phases and the exact details of those phases are yet to be determined. At this time and based on the estimated total cost, the total budget for the Consultant has been set at \$3,806,835.00. However pursuant to California Assembly Bill No. 1484, the Agency is required to prepare Recognized Obligation Payment Schedules or "ROPs" on a 6 month basis. The ROPs are reviewed for approval by the Oversight Board of the Agency and the State of California Department of Finance. This Agreement and Consultant will be listed in each ROPs for the estimated amount of the services to be provided by Consultant and the compensation projected to be required under this Agreement for each appropriate ROPs period. If the applicable line item in the ROPs is approved by the Agency, Oversight Board and Department of Finance, the Consultant will be notified of the approved amount. The Consultant shall not, during the 6 month period which is the subject of the approved ROPS, provided any services that requires compensation under this Agreement in an amount which exceeds the amount approved under the applicable line item, based on the hourly rates set forth in Exhibit C attached hereto and incorporated herein by this reference. At the end of each 6 month period, the amount that was approved for that period will be reduced to zero and the amount approved in the next ROPs will become the new amount which shall not be exceeded during the next applicable 6 month period. Actual payments made to the Consultant will be continuously deducted from the total budgeted amount of \$3,806,835.00 until that amount has been fully exhausted or the project which is the subject to this Agreement has been completed. No amounts described above shall be exceeded except upon and pursuant to the prior written authorization by the Agency.

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 4 to the Agreement as of the Effective Date.

**“AGENCY”**  
**SUCCESSOR AGENCY TO THE INDUSTRY**  
**URBAN-DEVELOPMENT AGENCY**

**“CONSULTANT”**  
**PBLA ENGINEERING, INC.**

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

By:  \_\_\_\_\_  
Steve Levisse, Principal

**Attest:**

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

**APPROVED AS TO FORM**

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

**EXHIBIT A TO AMENDMENT NO. 4:**

**AGREEMENT FOR CONSULTING SERVICES WITH PBLA ENGINEERING, INC.  
(DATED JULY 18, 2013)**

## AGREEMENT FOR CONSULTING SERVICES

THIS AGREEMENT FOR CONSULTING SERVICES is entered into this 18<sup>th</sup> day of July, 2013 (the "Effective Date") by and between the SUCCESSOR AGENCY TO THE INDUSTRY URRAN-DEVELOPMENT AGENCY, (the "Agency") and PBLA ENGINEERING, INC, a California Corporation ("Consultant").

### RECITALS

A. Agency has determined that it requires grading and drainage design and construction support from a consultant to provide civil engineering services for the Industry Business Center.

B. Consultant represents that it is fully qualified to perform such professional services by virtue of its experience and the training, education and expertise of its principals and employees. Consultant further represents that it is willing to accept responsibility for performing such services in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, Agency and Consultant agree, as follows:

#### 1. Consultant's Services.

a. Scope of Services. Subject to the terms and conditions set forth in this Agreement, Consultant shall perform the services set forth in the Scope of Work attached hereto and incorporated herein as Exhibit "A" ("Scope of Work").

b. Project Manager. Consultant's Project Manager on this project will be Steve Levisco, who will have the overall responsibility and will supervise the work performed by Consultant on this project.

c. Personnel. Consultant represents that it has, or will secure at its own expense, all personnel required to perform the services under this Agreement. All of the services required under this Agreement will be performed by Consultant or under its supervision, and all personnel engaged in the work shall be qualified to perform such services. Consultant reserves the right to determine the assignment of its own employees to the performance of Consultant's services under this Agreement, but Agency reserves the right, for good cause, to require Consultant to exclude any employee from performing services on Agency's premises.

d. Licenses. Consultant will obtain all necessary licenses, permits and other approvals to perform the work specified in this Agreement and will pay all fees or taxes required for the issuance of the same.

e. Changes to Scope and Cost of Work. Agency or Consultant may, from time to time, request changes in the scope of services and costs in this Agreement to be performed hereunder. Before any work is performed beyond the scope of services in this



Agreement, such changes must be mutually agreed upon between Consultant and Agency and incorporated in written amendments to this Agreement.

f. Time for Performance. Consultant shall commence the services on the Effective Date and perform all services in conformance with the project timeline established by the Executive Director, set forth as Exhibit "B."

2. City Representative.

The Executive Director or his designee shall represent the Agency in the implementation of this Agreement.

3. Term of Agreement.

This Agreement shall commence on the Effective Date and shall remain in full force and effect until December 31, 2020, unless sooner terminated as provided in Section 4 herein.

4. Termination.

The Agency may terminate this Agreement for any reason on ten (10) calendar days written notice to Consultant. Consultant shall have the right to terminate this Agreement for any reason on sixty (60) calendar days written notice to Agency. The effective date of termination shall be upon the date specified in the notice of termination, or, in the event no date is specified, upon the thirtieth (30th) day following delivery of the notice. Consultant agrees to cease all work under this Agreement on or before the effective date of such notice. In the event of termination by Agency, due to no fault or failure of performance by Consultant, Consultant shall be paid based on the percentage of work satisfactorily performed at the time of termination. In no event shall Consultant be entitled to receive more than the amount that would be paid to Consultant for the full performance of the services required by this Agreement. Consultant shall have no other claim against Agency by reason of such termination.

5. Compensation.

a. Compensation [check applicable provision]

Agency will compensate Consultant for the services provided to the reasonable satisfaction of the Agency pursuant to this Agreement. The project will have multiple phases and the exact details of those phases are yet to be determined. At this time and based on the estimated total cost, the total budget for the Consultant has been set at \$1,856,835. However pursuant to California Assembly Bill No. 1484, the Agency is required to prepare Recognized Obligation Payment Schedules or "ROPs" on a 6 month basis. The ROPs are reviewed for approval by the Oversight Board of the Agency and the State of California Department of Finance. This Agreement and Consultant will be listed in each ROPs for the estimated amount of the services to be provided by Consultant and the compensation projected to be required under this Agreement for each appropriate ROPs period. If the applicable line item in the ROPs is approved by the Agency, Oversight Board and Department of Finance, the Consultant will be notified of the approved amount. The Consultant shall not, during the 6 month period which is

the subject of the approved ROPS, provide any services that requires compensation under this Agreement in an amount which exceeds the amount approved under the applicable line item, based on the hourly rates set forth in Exhibit C attached hereto and incorporated herein by this reference. The initial amount for the ROPs 13-14A period (July 1, 2013 through December 31, 2013) has been approved for \$435,000. At the end of each 6 month period, the amount that was approved for that period will be reduced to zero and the amount approved in the next ROPs will become the new amount which shall not be exceeded during the next applicable 6 month period. Actual payments made to the Consultant will be continuously deducted from the total budgeted amount of \$1,856,835 until that amount has been fully exhausted or the project which is the subject to this Agreement has been completed. No amounts described above shall be exceeded except upon and pursuant to the prior written authorization by the Agency.

Agency will compensate Consultant for the services provided to the reasonable satisfaction of the Agency pursuant to this Agreement in an aggregate amount not to exceed \$ \_\_\_\_\_. Such amount may only be exceeded upon and pursuant to the prior written authorization by the Agency.

b. Expenses [check applicable provision]

The amount set forth in paragraph a shall include Consultant's fees for the services as well as the actual cost of any equipment, materials, and supplies incurred by consultant in performing the work contemplated by this Agreement (including, but not limited to, all labor, materials, delivery, tax, assembly, and installation, as applicable).

Consultant shall be entitled to reimbursement only for those expenses expressly set forth in Exhibit C. Any expenses incurred by Consultant which are not expressly authorized by this Agreement will not be reimbursed by City. In no event shall expenses exceed the sum of \_\_\_\_\_.

c. Additional Services. Agency shall make payments for any services requested by Agency not included in the Scope of Services to Consultant on a time and materials basis using Consultant's standard fee schedule.

6. Method of Payment

Consultant shall submit to Agency an invoice, on a monthly basis or less frequently, for the services performed pursuant to this Agreement. Each invoice shall describe in detail the services rendered during the period and shall show the days worked, number of hours worked and reimbursable expenses, if any, for each day in the period. Each invoice submitted shall include the appropriate documentation for any reimbursable expenses claim by Consultant. Within ten business days of receipt each invoice, Agency shall notify Consultant in writing of any disputed amounts included on the invoice. Within thirty calendar days of receipt of each invoice, Agency shall pay all undisputed amounts included on the invoice. Agency shall not withhold applicable taxes or other authorized deductions from payments made to Consultant. At any time during regular working hours, all records, invoices, time cards, cost control sheets and other records maintained by Consultant shall be available for review and audit by Agency.

7. Ownership of Work Product

All reports, documents or other written material developed by Consultant in the performance of this Agreement shall be and remain the property of the Agency without restriction or limitation upon its use or dissemination by Agency. Such material shall not be the subject of a copyright application by Consultant. Any re-use by Agency of any such materials on any project other than the project for which they were prepared shall be at the sole risk of the Agency unless Agency compensates Consultant for such use.

8. Records Retention and Access to Records.

a. Consultant shall maintain full and accurate records with respect to all matters covered under this Agreement for a period of 2 years. Agency shall have access, without charge, during normal business hours to such records, and the right to examine and audit the same and to make transcripts therefrom, and to inspect all program data, documents, proceedings and activities. If applicable under this Agreement, all files, documents, samples, test results, chain of custody logs, and other records and other relevant data developed by Consultant in the course of performing this Agreement shall be maintained for a period of two (2) years after completion of all work and after final payments have been made and shall be made available to Agency upon request.

9. Confidential Status; Disclosure of Information.

All data, reports, documents, materials or other information developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Consultant without prior written consent by Agency. Agency shall grant such consent if disclosure is legally required. All Agency data shall be returned to Agency upon the termination of this Agreement. Consultant's covenant under this section shall survive the termination of this Agreement.

10. Qualifications; Standard of Performance.

a. Consultant's Qualifications. Consultant has represented to the Agency that the Consultant, its employees and its subcontractors are knowledgeable, skilled and experienced and fully qualified to provide the services described in this Agreement and to perform such assessment, investigation, and analysis contemplated by the Agreement in accordance with good industry practices of Consultant's profession performing similar services under similar circumstances at the time the services are performed.

b. Standard of Performance. Consultant, its employees and its subcontractors shall perform all work to the highest professional standards and in a manner reasonably satisfactory to Agency, and as described in the Scope of Work. All work performed by Consultant and its employees pursuant to this Agreement will be performed diligently and in a manner consistent with the standards of care, diligence and skill exercised by recognized consulting firms for similar services, and in accordance with all regulatory and good management standards, and in a good, safe and workmanlike manner. Consultant will be responsible to ensure that all work performed by its employees or any contractors is performed to the standards set forth in this Agreement and that such work complies with requirements of any governmental agency or entity and applicable law.

11. Independent Contractor.

a. Consultant is an independent contractor and shall have no power to incur any debt, obligation or liability on behalf of Agency. Consultant shall not, at any time or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of Agency.

b. Consultant shall pay all required taxes on amounts paid to Consultant under this Agreement, and to indemnify and hold the Agency harmless from any and all taxes, assessments, penalties, and interest asserted against the Agency by reason of the independent contractor relationship created by this Agreement. In the event that Agency is audited by any Federal or State agency regarding the independent contractor status of Consultant and the audit in any way fails to sustain the validity of a wholly independent contractor relationship between Agency and Consultant, then Consultant agrees to reimburse Agency for all costs, including accounting and attorney's fees, arising out of such audit and any appeals relating thereto.

c. Consultant shall fully comply with the workers' compensation laws regarding Consultant and Consultant's employees. Consultant further agrees to indemnify and hold the Agency harmless from any failure of Consultant to comply with applicable worker's compensation laws.

d. The Agency shall have the right to offset against the amount of any fees due to Consultant under this Agreement any amount due to the Agency from Consultant as a result of Consultant's failure to promptly pay to the Agency any reimbursement or indemnification arising under this Section.

12. Indemnification.

a. To the fullest extent permitted by law, Consultant hereby shall, at its sole cost and expense, to defend, protect, indemnify, and hold harmless the Agency, its respective officers, attorneys, agents, employees, designated volunteers, successors, and assigns (collectively, "Indemnitees") from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever, including fees of accountants, attorneys, expert witnesses, consultants, or other professionals and all costs associated therewith (collectively, "Claims"), resulting from any negligent act, error, omission or failure to act of Consultant or any of its subcontractors and their respective officers, agents, servants, employees, subcontractors, material men, suppliers or their respective officers, agents, servants or employees in connection with, resulting from, or related to this Agreement or for failure to perform or negligent performance of any term, provision, covenant, or condition of the Agreement, including this indemnity provision. This indemnity provision is effective regardless of any prior, concurrent, or subsequent passive negligence by Indemnitees and shall operate to fully indemnify Indemnitees against any such negligence. This indemnity provision shall survive the termination of the Agreement and is in addition to any other rights or remedies which Indemnitees may have under the law. Payment is not required as a condition precedent to an Indemnitee's right to recover under this indemnity provision, and an entry of judgment against the Consultant shall be conclusive in favor of the Indemnitee's right to recover under this indemnity provision. Consultant shall pay Indemnitees

for any attorneys fees and costs incurred in enforcing this indemnification provision. Notwithstanding the foregoing, nothing in this instrument shall be construed to encompass (a) Indemnitees' active negligence or willful misconduct to the limited extent that this Agreement is subject to Civil Code § 2782(a), or (b) the contracting public agency's active negligence to the limited extent that this Agreement is subject to Civil Code § 2782(b). This indemnity is effective without reference to the existence or applicability of any insurance coverages which may have been required under this Agreement or any additional insured endorsements which may extend to Indemnitees. This indemnity provision shall survive the termination of this Agreement and is in addition to any other rights or remedies which Indemnitees may have under the law.

b. Consultant, on behalf of itself and all parties claiming under or through it, hereby waives all rights of subrogation and contribution against any Indemnitee with respect to those Claims.

c. Consultant agrees to obtain executed indemnity agreements with provisions identical to those in this Section from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. In the event Consultant fails to obtain such indemnity obligations, Consultant agrees to be fully responsible and shall indemnify, hold harmless and defend the Indemnitees from and against any and all Claims resulting from any alleged intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of Consultant's subcontractors or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement as set forth in this Section.

### 13. Insurance.

a. Consultant shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

(1) A policy or policies of commercial general liability insurance written on an occurrence basis with limits no less than \$2,000,000 per occurrence and for all covered losses and \$2,000,000 general aggregate against any injury, death, loss or damage as a result of wrongful or negligent acts by Consultant, its officers, employees, agents, and independent contractors in performance of services under this Agreement;

(2) Automotive liability insurance, with minimum combined single limits coverage of \$1,000,000 covering any vehicle utilized in the performance of services under this Agreement;

(3) Professional liability or Errors and Omissions Insurance as appropriate written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Consultant and "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy limit shall be no less than \$1,000,000 per claim and in the aggregate. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend. The policy retroactive date shall be on or before the effective date of this Agreement.

(4) Worker's compensation and employer's liability insurance on a state-approved policy form providing benefits as required by law with employer's liability limits no less than \$1,000,000 per accident or disease.

(5) Pollution Liability Insurance. [check if applicable]

Pollution Liability Insurance written on a Contractor's Pollution Liability form or other form acceptable to Agency providing coverage for liability arising out of sudden, accidental and gradual pollution and remediation. The policy limit shall be not less than \$1,000,000 per claim and \$3,000,000 aggregate.

b. The policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least A:VII in the latest edition of Best's Insurance Guide.

c. Consultant agrees that if it does not keep the insurance in full force and effect, the Agency may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, the Agency may take out the necessary insurance and pay the premium thereon, and the repayment thereof shall be deemed an obligation of Consultant and the cost of such insurance may be deducted, at the option of Agency, from payments due Consultant, along with a reasonable administrative handling charge.

d. Consultant shall submit to the Agency proof of compliance with these insurance requirements, consisting of a certificate or certificates of insurance and/or endorsements, not less than one (1) day prior to beginning of performance under this Agreement.

e. Consultant shall provide proof that policies of insurance expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished at least two weeks prior to the expiration of the coverages.

f. The general liability, property damage and automobile policies of insurance shall contain an endorsement naming the Agency, its officers, employees, attorneys, agents and volunteers as additional insureds. All of the policies shall contain an endorsement providing that the policies cannot be modified, canceled or reduced except on thirty (30) days' prior written notice to the Agency. Consultant agrees to require its insurer to modify the certificates of insurance to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice provisions.

g. The insurance provided by Consultant shall be primary to any other coverage available to the Agency. Any insurance or self-insurance maintained by the Agency, its officers, employees, agents or volunteers, shall be in excess of Consultant's insurance and shall not contribute with it.

h. All insurance coverage provided pursuant to this Agreement should not prohibit Consultant, and Consultant's officers, employees, agents or subcontractors, from



waiving the right of subrogation prior to a loss. Consultant hereby waives all rights of subrogation against the Agency, its officers, employees, agents and representatives.

i. Any deductibles or self-insured retentions must be approved by the Agency. At the option of the Agency, Consultant shall either reduce or eliminate the deductibles or self-insured retentions with respect to the Agency or Consultant shall procure a bond guaranteeing payment of losses and expenses.

j. If Consultant is a Limited Liability Company, the general liability coverage must be amended so that the Limited Liability Company and its managers, affiliates, employees, agents, and other persons necessary or incidental to its operation are insureds.

k. The provisions of any workers' compensation or similar act will not limit the obligations of Consultant under this Agreement. Consultant expressly agrees not to use any statutory immunity defenses under such laws with respect to the Agency, its employees, officials and agents.

l. For purposes of applying insurance coverage only, this Agreement will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards performance of this Agreement.

m. Consultant agrees to be responsible for ensuring that no contact used by any party involved in any way with the project reserves the right to charge Agency or Consultant for the cost of additional insurance coverage required by this Agreement. Any such provisions are to be deleted with reference to the Agency. It is not the intent of Agency to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against Agency for payment of premiums or other amounts with respect thereto.

n. Consultant agrees to provide immediate notice to Agency of any claim or loss against Consultant arising out of the work performed under this Agreement. Agency assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve the Agency.

o. Procurement of insurance by Consultant shall not be construed as a limitation of Consultant's liability or as full performance of Consultant's duties to indemnify, hold harmless and defend under Section 12 of this Agreement.

p. Consultant shall require each of its subcontractors to maintain insurance coverage that meets all of the requirements of this Agreement.

#### 14. Mutual Cooperation.

a. The Agency shall provide Consultant with all pertinent data, documents and other requested information as is reasonably available for the proper performance of Consultant's services.

b. In the event any claim or action is brought against the Agency relating to Consultant's performance in connection with this Agreement, Consultant shall render any reasonable assistance that Agency may require.

15. Notices.

Any notices, bills, invoices, or reports required by this Agreement shall be deemed received on: (a) the day of delivery if delivered by hand or overnight courier service during Agency's and Consultant's regular business hours; or (b) on the third business day following deposit in the United States mail, postage prepaid, to the addresses heretofore below, or to such other addresses as the parties may, from time to time, designate in writing.

If to Agency:

Successor Agency to the Industry Urban-Development Agency  
15625 East Stafford Street  
City of Industry, California 91744  
Attn: Executive Director

With a copy to:

Richards, Watson & Gershon  
355 South Grand Avenue - 40<sup>th</sup> Floor  
Los Angeles, CA 90071  
Attn: William L. Strausz, Esq.  
(213) 626-8484  
Fax: (213) 626-0078

If to Consultant:

PBLA Engineering  
4790 Irvine Blvd., Suite 105-262  
Irvine, CA 92620  
Attn: Steve Levisse, P.E.

16. Representations and Warranties.

Consultant represents, warrants and covenants to the Agency:

- a. Organization. Consultant is duly organized, validly existing and in good standing under the laws of the State of California and in each other state in which it conducts business.
- b. Agency. Consultant has all requisite licenses, permits, certifications, power and authority to carry on its business as presently conducted, to enter into this Agreement, and to perform its obligations under this Agreement.
- c. Approval. The execution, delivery and performance of this Agreement by Consultant and the consummation of the transactions contemplated by this Agreement have been duly and validly authorized by the Board of Directors and are not subject to ratification by the Shareholders of Consultant at a special meeting therefore.

d. Binding Obligation. This Agreement has been duly executed and delivered on behalf of Consultant, and all documents and instruments required hereunder to be executed and delivered by Consultant have likewise been duly executed and delivered. This Agreement does, and such documents and instruments will, constitute legal, valid and binding obligations of Consultant in accordance with their terms. The consummation of the transactions contemplated by this Agreement will not violate, nor be in conflict with, any provision of the partnership agreement, charter, bylaws or governing documents of Consultant (or any of corporations comprising Consultant), or any agreement or instrument to which Consultant is a party or by which Consultant is bound, or any judgment, decree, order statute, rule or regulation applicable to Consultant.

17. Conflicts of Interest

Consultant and its officers, employees, associates and subcontractors, if any, will comply with all conflict of interest statutes of the State of California applicable to Consultant's services under this Agreement, including, but not limited to, the Political Reform Act (Government Code Section 81000, et. seq.) and Government Code Section 1090. During the term of this Agreement, Consultant and its officers, employees, associates and subcontractors shall not, without the prior written approval of the Executive Director, perform work for another person or entity for whom Consultant is not currently performing work that would require Consultant or one of its officers, employees, associates or subcontractors to abstain from a decision under this Agreement pursuant to a conflict of interest statute. Consultant agrees that a clause substantially similar to this section shall be incorporated into any sub-agreement, which Consultant executes in connection with the performance of this Agreement.

18. Accounting Requirements.

Consultant shall maintain an accounting system and records that properly accumulate and segregate incurred costs by line item for the project under the Scope of Work. The accounting system shall conform to the Generally Accepted Accounting Principles, enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices.

19. Governing Law.

This Agreement shall be interpreted, construed and enforced in accordance with the laws of the State of California.

20. Compliance with Laws.

a. Consultant shall comply with all applicable federal, state and local laws, ordinances, codes and regulations.

b. Compliance with Environmental Laws. [check if applicable]

Consultant shall comply with § 306 of the Federal Clean Air Act (42 U.S.C. §1857(h)), § 508 of the Federal Water Pollution Prevention Act (33 U.S.C. § 368), and the laws implementing those acts, including Executive Order 11,733 and 40 C.F.R. pt. 15.

Consultant shall comply with the provisions of the "Barry Keane Underground Storage Tank Cleanup Trust Fund Act of 1989 (Health & safety Code §§ 25299.10 et. seq. and the applicable regulations promulgated thereunder (California Code of Regulations, Title 23, § 2810 et. seq. Consultant shall also comply with mandatory standards and policies relating to energy efficiency, according the state energy conservation plan issued in compliance with the Federal Energy Policy and Conservation Act.

21. Reliance on Reports [check if applicable]

Consultant understands that Agency will rely upon its reports, analysis and related data. Consultant understands and agrees that the reports prepared by Consultant, and the information, data, test results and the conclusions and analyses contained therein regarding the geologic and environmental condition of a site, and/or the soils and groundwater beneath a site, may be relied upon by the Agency, its program managers, consultants, attorneys and appraisers of a site, any purchaser and developer of a site, (provided that the limitations and restrictions set forth herein shall apply to such purchaser and developer) and may be submitted and relied upon by any local, state or federal agencies and entities, as a part of the evaluation of the risk associated with the development or use of the site and the soils and groundwater beneath a site, and for the purpose of assessing the geotechnical, hydro- geological and/or environmental condition of a site and the ground and surface water on, under and in the area of a site, issuing closure letters, permits, licenses or authorizations to develop a site, and to determine whether further environmental investigation, assessment, review or study is necessary, and so that the Agency and any designated purchaser and developer of any site can conduct construction activities on and develop the site.

22. Discrimination and Equal Employment Opportunity.

In the performance of this Agreement, Consultant shall not discriminate against any employee, subcontractor or applicant for employment because of race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition or sexual orientation. Consultant will take affirmative action to ensure that subcontractors and applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition or sexual orientation.

23. No Assignment.

Consultant shall not assign or transfer any interest in this Agreement nor the performance of any of Consultant's obligations hereunder, nor shall it subcontract any of the work described in this Agreement or the Scope of Work without the prior written consent of Agency, and any attempt by Consultant to so assign this Agreement or any rights, duties or obligations arising hereunder shall be void and of no effect.

24. Non-Waiver of Terms, Rights and Remedies.

Waiver by either party of any one or more of the conditions of performance under this Agreement shall not be a waiver of any other condition of performance under this Agreement. In no event shall the making by Agency of any payment to Consultant constitute or be construed as a waiver by Agency of any breach of covenant, or any default which may then

exist on the part of Consultant, and the making of any such payment by Agency shall in no way impair or prejudice any right or remedy available to Agency with regard to such breach or default.

25. Attorneys' Fees.

If any action at law or suit in equity is brought to enforce or interpret the provisions of this Agreement, or arising out of the services provided by Consultant under this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and all related costs in addition to any other relief to which it may be entitled.

26. Time Is Of The Essence.

Time is hereby expressly declared to be of the essence of this Agreement and of each and every provision hereof; and each and every provision hereof is hereby declared to be and made a material, essential and necessary part of this Agreement.

27. Exhibits; Precedence.

All documents referenced as exhibits in this Agreement are hereby incorporated in this Agreement. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of any document incorporated herein by reference, the provisions of this Agreement shall prevail.

28. Entire Agreement and Amendments.

This Agreement, and any other documents incorporated herein by specific reference, represent the entire and integrated agreement between Consultant and the Agency. This Agreement supercedes all prior oral or written negotiations, representations or agreements. This Agreement may not be amended, nor any provision or breach hereof waived, except in a writing signed by the parties which expressly refers to this Agreement.

29. Severability.

Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be valid under applicable law. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force and effect.

30. Execution. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument.

WHEREFORE, the parties hereto have executed this Agreement as of the date first above written.

SUCCESSOR AGENCY TO THE  
INDUSTRY URBAN-DEVELOPMENT  
AGENCY

By: *J. Radecki*  
Kevin Radecki, Executive Director

EPLA ENGINEERING, INC.

By: *[Signature]*

By: *[Signature]* CEO



EXHIBIT A

Scope of Services

EXHIBIT "A"

TO ACCOMPANY CONSULTANT AGREEMENT DATED \_\_\_\_\_  
BETWEEN: SUCCESSOR AGENCY TO THE  
INDUSTRY-URBAN DEVELOPMENT AGENCY  
and  
PBLA ENGINEERING, Inc.

I. SCOPE OF SERVICES

A. FINAL ENGINEERING-WEST OF GRAND AVE.

1. ROUGH GRADING PLAN SUPPORT

Prepare concept grading studies in support of the rough grading design in conjunction with Agency needs and Majestic Realty requirements.

2. PRELIMINARY EARTHWORK QUANTITIES

Prepare earthwork quantity estimate based on concept plans produced in support of the rough grading.

3. STORM DRAIN PLANS

Prepare on-site storm drain plans for the interim, remedial grading condition as well as the ultimate developed condition in accordance with City of Industry and County of Los Angeles standards. Plans will include plan and profile of proposed mainlines, all existing and proposed crossings, locations of other underground facilities, laterals and catch basins, manholes and required details.

4. HYDROLOGY / HYDRAULICS STUDY

Prepare overall on-site hydrology study for both the interim, remedial grading case as well as the finished site. The study will establish design storm runoff as a basis of design of drainage conveyance systems. Study will be coordinated with the overall regional hydrology study for master planned systems. Prepare hydraulic calculations based on hydrology study results and proposed drainage systems for adequate capacity.

Prepare flood routing, drawdown, and capacity calculations for detention basin / water quality basin application. Calculations will include outlet calculations and retention time to comply with Water Quality requirements and well as Q attenuation. This will be coordinated with the overall regional hydrology study for master planned systems.

5. TENTATIVE PARCEL MAP

Prepare Tentative Parcel Map in accordance with City and County standards and methods outlined in the Subdivision Map Act. The map will be processed for recordation.

## Exhibit "A"

6. FINAL PARCEL MAP  
Prepare Final Parcel Map in accordance with City and County standards and methods outlined in the Subdivision Map Act. The map will be processed for recordation. This service will include obtaining bond and fee amounts, governmental agency clearances, and map approval by the City of Industry.
7. STANDARD URBAN STORM WATER MITIGATION PLAN (SUSMP)  
Prepare Standard Urban Storm Water Mitigation Plan (SUSMP) to identify best management practices for the intended uses of the project in accordance with state, county and local requirements.
8. SWPPP - REMEDIAL GRADING  
Prepare Storm Water Pollution Prevention Plan (SWPPP) for remedial grading Phase I to identify and implement best management practices for the mitigating storm water pollution during the course of construction of the project in accordance with state, county and local requirements.
9. SWPPP - ROUGH GRADING  
Prepare Storm Water Pollution Prevention Plan (SWPPP) for mass grading Phase I to identify and implement best management practices for the mitigating storm water pollution during the course of construction of the project in accordance with state, county and local requirements.
10. AS-BUILT PLANS  
Provide as-built drawings as required by City.
11. EASEMENT LEGAL & SKETCH PREPARATION  
Prepare legal descriptions and sketches for easements to WVWD, Southern California Edison, The City of Industry, and others as required. The preparation of the Easement Deeds are the responsibility of the easement holder. The easements will be processed through the applicable agency for recordation.

### B. FINAL ENGINEERING-EAST OF GRAND AVE.

1. REMEDIAL GRADING PLAN  
Prepare remedial grading plan in accordance with the City of Industry and County of Los Angeles standards commensurate with the approved Geotechnical Report recommendations. Plan will show removal limits, stability keys, slopes, contours, drainage, and other required details to affect the required soil remediation.
2. ROUGH GRADING PLAN  
Prepare grading plan in accordance with the City of Industry and County of Los Angeles standards. Plan will be based on the approved site plan. Plan will show

## Exhibit "A"

pad elevations; finish surface elevations, slopes, surface drainage facilities with rates of grade, and all necessary details. This item also includes coordination with the WWD for future reservoir site plan requirements.

3. **EARTHWORK QUANTITIES**  
Prepare earthwork quantity estimate based on the rough grading plans.
4. **STORM DRAIN PLANS**  
Prepare on-site storm drain plans for the interim, remedial grading condition as well as the ultimate developed condition in accordance with City of Industry and County of Los Angeles standards. Plans will include plan and profile of proposed mainlines, all existing and proposed crossings, locations of other underground facilities, laterals and catch basins, manholes and required details.
6. **HYDROLOGY / HYDRAULICS STUDY**  
Prepare overall on-site hydrology study for both the interim, remedial grading case as well as the finished site. The study will establish design storm runoff as a basis of design of drainage conveyance systems. Study will be coordinated with the overall regional hydrology study for master planned systems.  
Prepare hydraulic calculations based on hydrology study results and proposed drainage systems for adequate capacity.  
Prepare flood routing, drawdown, and capacity calculations for detention basin / water quality basin application. Calculations will include outlet calculations and retention time to comply with Water Quality requirements and well as Q attenuation. This will be coordinated with the overall regional hydrology study for master planned systems.
6. **TENTATIVE PARCEL MAP**  
Prepare Tentative Parcel Map in accordance with City and County standards and methods outlined in the Subdivision Map Act. The map will be processed for recordation.
7. **FINAL PARCEL MAP**  
Prepare Final Parcel Map in accordance with City and County standards and methods outlined in the Subdivision Map Act. The map will be processed for recordation. This service will include obtaining bond and fee amounts, governmental agency clearances, and map approval by the City of Industry.
8. **STANDARD URBAN STORM WATER MITIGATION PLAN (SUSMP)**  
Prepare Standard Urban Storm Water Mitigation Plan (SUSMP) to identify best management practices for the intended uses of the project in accordance with state, county and local requirements.
9. **SWPPP - REMEDIAL GRADING**  
Prepare Storm Water Pollution Prevention Plan (SWPPP) for remedial grading Phase I to identify and implement best management practices for the mitigating

## Exhibit "A"

storm water pollution during the course of construction of the project in accordance with state, county and local requirements.

10. SWPPP - ROUGH GRADING  
Prepare Storm Water Pollution Prevention Plan (SWPPP) for mass grading Phase I to identify and implement best management practices for the mitigating storm water pollution during the course of construction of the project in accordance with state, county and local requirements.
11. AS-BUILT PLANS  
Provide as-built drawings as required by City.
12. EASEMENT LEGAL & SKETCH PREPARATION  
Prepare legal descriptions and sketches for easements to WWD, Southern California Edison, The City of Industry, and others as required. The preparation of the Easement Deeds are the responsibility of the easement holder. The easements will be processed through the applicable agency for recordation.

### C. PROCESSING

1. PROCESSING  
Attend meetings with client, other consultants, and governmental agencies as required to accomplish services included herein.
2. CALTRANS PROCESSING  
Attend meetings and coordinate plans as needed to obtain encroachment permit to grade and construct within Caltrans Right of Way.
3. DEPARTMENT OF FISH & GAME PROCESSING  
Attend meetings and coordinate plans as needed to obtain 401/404 permit to drain to the Diamond Bar Creek as needed.

### D. STATUS REPORTS AND MEETINGS

1. STATUS, CONSULTATION AND MEETINGS  
PBLA Engineering will provide a bi-weekly e-mailed status report to the City and attend a monthly status/design/development meeting during the design phase.

### E. COORDINATION

1. DRY UTILITY COORDINATION  
Coordinate civil improvement plans with dry utility consultants, provide exhibits as needed, and provide crossing / interference data as required.

## Exhibit "A"

2. WALNUT VALLEY WATER DISTRICT COORDINATION  
Coordinate civil improvement plans with the Walnut Valley Water District, provide exhibits as needed, and provide crossing / interference data as required.
3. LANDFILL MITIGATION COORDINATION  
Coordinate grading and improvement plans with landfill engineer (SCS Engineers) for the proper design implementation for methane mitigation and settlement issues associated with the existing landfill.
4. GRAND AVENUE WIDENING AND BRIDGE DESIGN COORDINATION  
Coordinate grading and improvement plans with the City for the widening of Grand Avenue adjacent to the Project, as well as coordinating the design with the Agency's bridge consultants and Caltrans for the future bridge construction and freeway access improvements at Grand Avenue and the 60 Freeway.
5. FUTURE LIGHT RAIL ALIGNMENT FEASIBILITY  
Coordinate with Agency and their consultants to incorporate and study feasibility of the future light rail system adjacent to the proposed project.

### II. SPECIAL PROVISIONS - ENGINEERING

#### A. ASSUMPTIONS / EXCLUSIONS

1. This proposal is based on the latest Concept Grading Plan and meetings with Majestic Realty and Commerce Construction, and the the City of Industry.
2. Existing and proposed developments adjacent to the site will be coordinated with this project.
3. Pricing for SUSMP & SWPPP are based on current General Permit requirements. In the event that the General Permit is revised or other legislation is enacted that affects this project, the costs for these items of work are subject to change.
4. Preparation of site or building fire protection systems are not included in the proposal. It is recommended that a separate fire protection consultant be retained for this item of work.
5. Preparation of traffic signal plans is not included.
6. Preparation of sewer lift station improvements is not included.
7. Preparation of Fire Water pump station improvements is not included.
8. Improvement plans for Grand Avenue and Diamond Bar Creek are by others.
9. Water and Reclaimed Water system design and construction will be by WWD.



## Exhibit "A"

### III. DUTIES OF CLIENT

Without attempting to be all inclusive, the following items will be supplied by client.

1. Title report and title services to be provided by your designated Title Company.
2. A soils and geology report will be furnished and the recommendations within the report will be incorporated in the grading plan.
3. Permit fees, processing fees and other such fees are to be paid by client.

### IV. COMPENSATION

Client agrees to compensate for the above named services as follows:

1. All work performed at the direction of the Agency and in accordance with the attached Exhibits will be billed at our published hourly rates.
2. Invoicing will be monthly based on time and materials.
3. Blueprints, reproductions, CADD plotting, outside messenger services and other out of pocket expenses will be charged at a direct cost.

EXHIBIT B

Project Timeline

## EXHIBIT B

### Project Timeline

Start date: July 18, 2013

Estimated end of construction: December 31, 2020

Upon the start of construction a more detailed project schedule will be established.

EXHIBIT C

Professional Fee Schedule  
Hourly Rates

INDUSTRY BUSINESS CENTER - EXHIBIT "C"  
 ESTIMATED CIVIL ENGINEERING COST BREAKDOWN  
 2-27-2013

Exhibit "C"

DESCRIPTION	ESTIMATED HRS		ESTIMATED COST / PREURATES					ESTIMATED				
	OFFICE		ENGINEERING			SURVEY / MAPPING						
	HRS	HRS	PRINCIPAL \$175/HR	PROJ. MGR \$120/HR	ENG \$65/HR	DRAFTSMAN \$75/HR	LS \$160/HR		CALC \$120/HR	MAPPING \$65/HR	2-MAN \$150/HR	3-MAN \$215/HR
<b>FINAL ENGINEERING - WEST OF GRAND AVE</b>												
ROUGH GRADING PLAN SUPPORT	400		\$35,000	\$9,500	\$10,200	\$0						\$54,800
INTERIM HYDROLOGY / HYDRAULICS	400		\$7,000	\$9,500	\$10,200	\$11,000						\$38,200
INTERIM STORM DRAIN PLANS	500		\$15,750	\$21,000	\$27,950	\$27,000						\$87,300
FINAL HYDROLOGY / HYDRAULICS	1200		\$27,500	\$24,000	\$25,500	\$30,000						\$97,000
FINAL STORM DRAIN PLANS	2400		\$42,000	\$57,000	\$61,200	\$77,000						\$237,600
TENTATIVE PARCEL MAP	200		\$8,500	\$4,800	\$5,100	\$6,000						\$24,400
FINAL PARCEL MAP	450		\$7,875	\$10,800	\$11,475	\$13,500	\$7,200		\$26,775			\$67,400
SUSMP	550		\$11,375	\$15,500	\$16,575	\$19,500						\$63,000
SWPPP-REMEDIAL	400		\$7,000	\$9,500	\$10,200	\$12,000						\$38,800
SWPPP-ROUGH	400		\$7,000	\$9,500	\$10,200	\$12,000						\$38,800
AS-BUILTS PLANS	400		\$7,000	\$9,500	\$10,200	\$12,000						\$38,800
BASEMENT LEGALS & SKETCHES	200				\$1,700							\$1,700
							\$5,200		\$11,900			\$18,500
												SUB TOTAL = \$803,975
<b>FINAL ENGINEERING - EAST OF GRAND AVE</b>												
REMEDIAL GRADING PLAN	400		\$7,000	\$9,500	\$10,200	\$12,000						\$38,800
ROUGH GRADING PLAN	1200		\$21,000	\$28,800	\$30,600	\$36,000						\$116,400
INTERIM HYDROLOGY / HYDRAULICS	400		\$7,000	\$9,500	\$10,200	\$11,000						\$38,200
INTERIM STORM DRAIN PLANS	900		\$15,750	\$21,000	\$27,950	\$27,000						\$87,300
FINAL HYDROLOGY / HYDRAULICS	1000		\$17,500	\$24,000	\$25,500	\$30,000						\$97,000
FINAL STORM DRAIN PLANS	2000		\$35,000	\$48,000	\$51,000	\$60,000						\$194,000
TENTATIVE PARCEL MAP	200		\$8,500	\$4,800	\$5,100	\$6,000						\$24,400
FINAL PARCEL MAP	450		\$7,875	\$10,800	\$11,475	\$13,500	\$7,200		\$26,775			\$67,400
SUSMP	550		\$11,375	\$15,500	\$16,575	\$19,500						\$63,000
SWPPP-REMEDIAL	400		\$7,000	\$9,500	\$10,200	\$12,000						\$38,800
SWPPP-ROUGH	400		\$7,000	\$9,500	\$10,200	\$12,000						\$38,800
AS-BUILTS PLANS	400		\$7,000	\$9,500	\$10,200	\$12,000						\$38,800
BASEMENT LEGALS & SKETCHES	200				\$1,700							\$1,700
							\$3,200		\$11,900			\$16,800
												SUB TOTAL = \$865,575
<b>STATUS / MEETINGS</b>												
90-WEEKLY MEETINGS & STATUS	400		\$70,000									\$70,000
												SUB TOTAL = \$70,000
<b>DRY UTILITY COORDINATION</b>												
DRY UTILITY COORDINATION	200			\$24,000								\$24,000
NEW VLD COORDINATION	200			\$24,000								\$24,000
LANDFILL MITIGATION	300			\$36,000								\$36,000
GRAND AVENUE WIDEN / BRIDGE	100			\$12,000								\$12,000
LIGHT RAIL ALIGNMENT	275			\$31,000								\$31,000
												SUB TOTAL = \$117,000
												GRAND TOTAL = \$1,856,550

**EXHIBIT B**

Budget Increase Request from PBLA Engineering, Inc., dated May 30, 2018

[Attached]



P. B. L. A. ENGINEERING, inc

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Planning • Engineering • Surveying

May 30, 2018

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

15625 Stafford Street  
Suite 100  
City of Industry, CA 91744

Attn.: Mr. Josh Nelson

Re: **INDUSTRY BUSINESS CENTER-DESIGN SERVICES  
INDUSTRY, CA  
Request For Addendum**

Gentlemen:


PBLA Engineering, Inc. is pleased to continue to furnish civil engineering services for completion of the above referenced project in the City of Industry.

We have nearly exhausted the originally budgeted amount of the original contract and subsequent approved addendums. We are requesting an additional \$400,000 in design fees be added to our budget to continue the work uninterrupted. A summary of the services performed outside of the original budget, and a breakdown of costs and hours to complete original scope are attached.

Please feel free to call and discuss any aspect of this request. This opportunity to be of continued service is appreciated. We look forward to a successful project.

Best Regards,

**PBLA Engineering, Inc.**



Steve Levissee, P.E.  
Principal

SL:kl

**A. Summary of Design Services Outside of Original Budget**

**1. MULTIPLE PHASES**

Grading and Improvement design has been Phased into multiple contracts. The West side Storm Drain System is also to be built in phases and requires additional design and revision to accommodate final installation of detention / Water Quality basins.

**2. RE-DESIGN**

Multiple re-designs were required for the following issues:

- 1) Sewer Crossing on Ferrero Parkway & Benton Court
- 2) West side Storm Drain in 3 separate phases
- 3) Grading Plan changes on West Side causing significant Storm Drain and Hydrology re-design.

**3. FINAL PARCEL MAPS**

The Final Maps are now being broken into two separate maps and will require two Tentative maps, two Final Maps and all associated field work for both the final boundary establishment and setting of final monuments once the Maps are recorded.

**4. AS-BUILT PLANS**

The Agency will require filing of as-builts once the Site is ready for final acceptance.

*SUCCESSOR AGENCY*

ITEM NO. 5.5



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 *TH*

**STAFF:** Joshua Nelson, Contract Agency Engineer, CNC Engineering *JN*  
Lisette Calleros, Funding Program Consultant, Avant Garde Inc.

**DATE:** June 28, 2018

**SUBJECT:** Consideration of Amendment No. 1 to Cooperative Agreement No. 07-4959 between the Successor Agency to the Industry Urban-Development Agency and Caltrans for the SR 57/60 Confluence Project Westbound Grand Avenue Slip On-Ramp

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**Background:**

On May 12, 2014, the Successor Agency entered Cooperative Agreement 07-4959 ("Cooperative Agreement") with Caltrans, defining the terms and conditions under which Caltrans would advertise the SR-57/60 Confluence Project Westbound Grand Avenue Slip On-Ramp ("Project") for contractor's bids, award the Project to the successful bidder, and administer the contract in terms of construction administration services. The Project is Phase I of the larger SR-57/60 Confluence Project, and includes the construction of a new westbound slip on-ramp and auxiliary lane, closure of the southbound Grand Avenue left turn lanes at the westbound SR-60 loop on-ramp, and removal of the median along Grand Avenue to restripe a second southbound left turn lane to the eastbound SR-60.

Through Metro's 2009 Call for Projects, the City secured \$8.7 million in local Proposition C grant funds for a 50 percent share in project costs related to the right of way acquisition, construction and construction management. The remaining 50 percent share is expected to be funded in bond proceeds from the Successor Agency.

**Discussion:**

An amendment is necessary to transfer \$1,500,000 of funds between Construction Support and Construction Capital phases in the Funding Summary of the Cooperative Agreement because construction support costs have increased due to various delays in completing the Project. A transfer of funds between phases is viable because construction bids came in less than the estimate provided at the time the agreement was originally executed. Enough funds will remain in the construction capital phase to fully cover construction costs. There is no change in the total amount funds or project costs.

**Fiscal Impact:**

The Cooperative Agreement established that Caltrans would advertise, award, and administer the project for an estimated cost of \$11.3 million. The grant funds amount to a 50% share in total project costs. The remaining 50% share is to be funded from the Successor Agency and is designated in bond proceeds for listed items on the Recognized Obligation Payment Schedule (ROPS).

This amendment will not change the total amount of funds or project costs, but instead will transfer the funds between phases in Caltrans' Funding Summary as provided below for reference.

*Original Funding Summary*

Source	Funding Partner	Fund Type	Construction Support	Construction Capital	Totals
Local	Agency	Agency funds	\$1,482,000	\$9,880,000	\$11,362,000
Totals			\$1,482,000	\$9,880,000	\$11,362,000

*Amended Funding Summary*

Source	Funding Partner	Fund Type	Construction Support	Construction Capital	Totals
Local	Agency	Agency funds	\$2,982,000	\$8,380,000	\$11,362,000
Totals			\$2,982,000	\$8,380,000	\$11,362,000

**Recommendation:**

- 1) Staff recommends that the Successor Agency approve and execute Amendment No. 1.

**Exhibits:**

- A. Amendment No. 1 to Cooperative Agreement No. 07-4959 between the Successor Agency to the Industry Urban-Development Agency and Caltrans for the SR-57/60 Confluence Project Westbound Grand Avenue Slip On-Ramp

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TH/JN/LC:jv

**EXHIBIT A**

Amendment No. 1 to Cooperative Agreement No. 07-4959 between the Successor Agency to the Industry Urban-Development Agency and Caltrans for the SR-57/60 Confluence Project Westbound Grand Avenue Slip On-Ramp

[Attached]

**AMENDMENT NO. 1 TO AGREEMENT 4959**

This Amendment No. 1 (AMENDMENT) to Agreement No. 07-4959 (AGREEMENT), effective on \_\_\_\_\_, is between the State of California, acting through its Department of Transportation, referred to as CALTRANS, and:

Successor Agency to the Industry Urban-Development Agency, a public body and successor by operation of law to the Industry Urban-Development Agency, referred to hereinafter as AGENCY.

**RECITALS**

1. CALTRANS and AGENCY, collectively referred to as PARTNERS, entered into AGREEMENT No. 07-4959, on May 12, 2014, defining the terms and conditions for constructing an on-ramp from SB Grand Avenue to WB SR-60, reconfiguring the lanes at the WB SR-60 intersection on Grand Avenue and removing the raised median to add a left turn lane to EB SR-60, referred to as PROJECT.
2. The AGREEMENT established CALTRANS as the IMPLEMENTING AGENCY and AGENCY as the sole SPONSOR for PROJECT. The AGREEMENT recognized CALTRANS to be reimbursed for responsibilities to complete the following respective PROJECT COMPONENTS:
  - CONSTRUCTION SUPPORT in the amount of \$1,482,000.
  - CONSTRUCTION CAPITAL in the amount of \$9,880,000.
3. PARTNERS now seek to transfer \$1,500,000 savings from CONSTRUCTION CAPITAL budget to CONSTRUCTION SUPPORT budget. Due to various delays in completing the project, additional support cost is required to support the project to completion. As such, the budget for CONSTRUCTION CAPITAL will decrease from \$9,880,000 to \$8,380,000 and the budget for CONSTRUCTION SUPPORT will increase from \$1,482,000 to \$2,982,000. The total budget remains unchanged at \$11,362,000.



**IT IS THEREFORE MUTUALLY AGREED:**

1. PART 1 - FUNDING SUMMARY table in the AGREEMENT is replaced in its entirety to read as attached and made a part of the AGREEMENT. Any reference to the FUNDING SUMMARY Number 1 in the AGREEMENT is deemed to refer to the revised FUNDING SUMMARY Number 2 attached herein.
2. All other terms and conditions of the AGREEMENT shall remain in full force and effect.
3. This AMENDMENT is deemed to be included and made part of the AGREEMENT.

**SIGNATURES**

PARTNERS declare that:

1. Each PARTNER is an authorized legal entity under California state law.
2. Each PARTNER has the authority to enter into this agreement.
3. The people signing this agreement have the authority to do so on behalf of their public agencies.

STATE OF CALIFORNIA  
DEPARTMENT OF TRANSPORTATION

SUCCESSOR AGENCY TO THE  
INDUSTRY URBAN-DEVELOPMENT  
AGENCY

By: \_\_\_\_\_  
Carrie L. Bowen  
District Director

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

VERIFICATION OF FUNDS &  
AUTHORITY:


Attest: \_\_\_\_\_  
Diane Schlichting  
Secretary

By: \_\_\_\_\_  
Paul T. Kwong  
District Budget Manager

APPROVED AS TO FORM:

CERTIFIED AS TO FINANCIAL  
TERMS AND POLICIES:

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

By:  \_\_\_\_\_  
Darwin Salmos  
HQ Accounting Supervisor

**FUNDING SUMMARY Number 2**

Project Number: 0700000465

CALTRANS Agreement: 07-4959

**PART I – FUNDING SUMMARY table**

Funding Source	Funding Partner	Fund Type	PA&ED Support	PS&E Support	R/W Capital	R/W Support	CON Capital	CON Support	Totals by Fund Type
IMPLEMENTING AGENCY ->							CALTRANS		
LOCAL	AGENCY	AGENCY	\$0	\$0	\$0	\$0	\$8,380,000	\$2,982,000	\$11,362,000
		Totals by Component	\$0	\$0	\$0	\$0	\$8,380,000	\$2,982,000	\$11,362,000

All other terms and conditions of Part II – Billing and Payment Details in the AGREEMENT shall remain in full force and effect.

*SUCCESSOR AGENCY*

ITEM NO. 5.6



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 City Manager *TH*

**STAFF:** Joshua Nelson, Contract Agency Engineer, CNC Engineering *JN*  
Lisette Calleros, Funding Program Consultant, Avant Garde Inc.

**DATE:** June 28, 2018

**SUBJECT:** Consideration of Amendment No. 1 to Cooperative Agreement No. 07-5033 between the Successor Agency to the Industry Urban-Development Agency, the City of Industry, and Caltrans for the SR-60 to SR-57 Confluence at Grand Avenue Westbound Off-ramp Project

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**Background:**

On October 16, 2015, the Successor Agency and the City entered Cooperative Agreement 07-5033 ("Cooperative Agreement") with Caltrans, defining the terms and conditions under which Caltrans would advertise the SR-57/60 Confluence at Grand Avenue Westbound Off-ramp Project ("Project") for contractor's bids, award the Project to the successful bidder, and administer the contract in terms of construction administration services. The Project is Phase II of the larger SR-57/60 Confluence Project and consists of an extension of a southbound SR-57 lane to the Grand Avenue off-ramp, reconstruction of the westbound loop on- and off-ramp to Grand Avenue, and reconstruction of the westbound SR-60 Grand Avenue intersection.

Through Metro's 2013 Call for Projects, the City secured \$9,447,781 in local Proposition C grant funds. In addition, the City secured \$10 million through the Federal Highway Administration's (FHWA) TIGER Discretionary Grant program. The grant funds amount to a combined 86 percent share in total Project costs. The remaining 14 percent share is to be funded from the Successor Agency in the amount of approximately \$3,059,630, which is designated in bond proceeds for listed items on the Recognized Obligation Payment Schedule (ROPS). The City is the recipient of the TIGER and Metro Call for Projects funds while the Successor Agency is providing the matching funds.

**Discussion:**

An amendment is necessary to transfer \$200,000 of Metro Call for Projects funds between Construction Support and Construction Capital phases in the Funding and Spending Summaries of the Cooperative Agreement. This transfer of funds is needed to

replenish Caltrans' contingency funds which were used to cover the expenses that Caltrans incurred due to the relocation of the Oak Trees. This relocation work was included in Contract Change Order #10 and cost approximately \$141,069. The additional \$58,931 of funds will be used to supplement the contingency fund to cover other unforeseen expenses for the remainder of the Project life. Because construction bids came in less than the estimate provided at the time the Cooperative Agreement was originally executed, this transfer is viable and enough funds will remain in the construction capital phase to fully cover construction costs. There is no change in the total amount of funds or Project costs.

This is the second time this item is being brought to the Successor Agency. It was previously approved at the March 22<sup>nd</sup> meeting. Amendment No. 1 originally requested that \$2 million of TIGER funds be transferred between Construction Capital and Construction Support phases in the Funding and Spending Summaries of the Cooperative Agreement. However, Caltrans decided to withdraw their request to execute the Amendment because the process to de-obligate and re-obligate the Federal funding would take several months and being that the Project is nearing completion, it would not have been beneficial to shift the funds. Since the Project has been accelerated and is expected to finish early, Caltrans anticipated it would remain within the allocated budget for Construction Support costs and therefore the need to transfer the Federal funds for Support costs was no longer necessary.

**Fiscal Impact:**

The estimated total cost for this Project is \$22.5 million. The Cooperative Agreement established that Caltrans would advertise, award, and administer the project for an estimated cost of \$21.3 million. Grant funds are available to cover an 84% share of total Project costs. The remaining 14% share is to be funded from the Successor Agency and is designated in bond proceeds on the ROPS.

This amendment will not change the total amount of funds or Project costs, but instead will transfer the funds between phases in Caltrans' Funding and Spending Summaries as provided below for reference.

Original Funding Summary

Source	Funding Partner	Fund Type	Construction Support	Construction Capital	Totals
Federal	City	TIGER	\$0	\$10,000,000	\$10,000,000
Local	Agency	Agency funds	\$0	\$1,855,000	\$1,855,000
Local	City	Metro CFP	\$5,000,000	\$4,448,000	\$9,448,000
Totals			\$5,000,000	\$16,303,000	\$21,303,000

Amended Funding Summary

Source	Funding Partner	Fund Type	Construction Support	Construction Capital	Totals
Federal	City	TIGER	\$0	\$10,000,000	\$10,000,000
Local	Agency	Agency funds	\$0	\$1,855,000	\$1,855,000
Local	City	Metro CFP	\$4,800,000	\$4,648,000	\$9,448,000
Totals			\$4,800,000	\$16,503,000	\$21,303,000

Original Spending Summary

Fund Type	Construction Support			Construction Capital		Totals
	Caltrans	City	Agency	Caltrans	DFM Caltrans	
<b>Federal Funds</b>						
City TIGER	\$0	\$0	\$0	\$10,000,000	\$0	\$10,000,000
<b>Local Funds</b>						
Agency funds	\$0	\$0	\$0	\$1,506,624	\$348,376	\$1,855,000
City Metro CFP	\$5,000,000	\$0	\$0	\$4,448,000	\$0	\$9,448,000
<b>Totals</b>	\$5,000,000	\$0	\$0	\$15,954,624	\$348,376	\$21,303,000

Amended Spending Summary

Fund Type	Construction Support		Construction Capital		Totals
	Caltrans	Agency	Caltrans	DFM Caltrans	
City TIGER	\$0	\$0	\$10,000,000	\$0	\$10,000,000
Agency funds	\$0	\$0	\$1,506,624	\$348,376	\$1,855,000
City Metro CFP	\$4,800,000	\$0	\$4,648,000	\$0	\$9,448,000
<b>Totals</b>	\$4,800,000	\$0	\$16,154,624	\$348,376	\$21,303,000

**Recommendation:**

- 1) Staff recommends that the Successor Agency approve and execute Amendment No. 1.

**Exhibits:**

- A. Amendment No. 1 to Cooperative Agreement No. 07-5033 between the Successor Agency to the Industry Urban-Development Agency, the City of Industry, and Caltrans for the SR-57/60 Confluence at Grand Avenue Westbound Off-ramp Project



**EXHIBIT A**

Amendment No. 1 to Cooperative Agreement No. 07-5033 between the Successor Agency to the Industry Urban-Development Agency, the City of Industry, and Caltrans for the SR-57/60 Confluence at Grand Avenue Westbound Off-ramp Project

[Attached]

## **COOPERATIVE AGREEMENT COVER SHEET**

Funding Summary Amendment – Funding Summary No. 02  
Agreement Amendment No. 01

### **Work Description**

CONSTRUCTION OF IMPROVEMENTS TO THE SR 60/SR 57 CONFLUENCE AT GRAND AVENUE

### **Contact Information**

#### **CALTRANS**

Syed Huq, Project Manager  
100 South Main Street  
Los Angeles, CA 90012  
Office Phone: (213) 897-6926  
Email: syed.huq@dot.ca.gov

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

Joshua Nelson, Agency Engineer  
15625 E. Stafford Street  
City of Industry, CA 91744  
Office Phone: (626) 333-2211  
Email: jnelson@cc-eng.com

#### **CITY OF INDUSTRY**

Josh Nelson, City Engineer  
15625 E. Stafford Street  
City of Industry, CA 91744  
Office Phone: (626) 333-2211  
Email: jnelson@cc-eng.com

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**AMENDMENT NO. 01**  
**FUNDING SUMMARY NO. 02**

1. PARTIES, in accordance with the provisions of this AGREEMENT, hereby amend this AGREEMENT by replacing Funding Summary No. 01 in its entirety with Funding Summary NO. 02.
2. Funding Summary No. 2 transferred \$200,000 of Metro Call for Project funds from Construction Support to Construction Capital.

<b><u>FUNDING TABLE</u></b>					
<b><u>IMPLEMENTING AGENCY</u></b> →			<b><u>CALTRANS</u></b>		Totals
Source	Party	Fund Type	CONST. SUPPORT	CONST. CAPITAL	
FEDERAL	CITY	TIGER (100 %)	0	10,000,000	10,000,000
LOCAL	AGENCY	AGENCY funds	0	1,855,000	1,855,000
LOCAL	CITY	Metro Call for Projects	4,800,000	4,648,000	9,448,000
Totals			4,800,000	16,503,000	21,303,000

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**SPENDING SUMMARY**

Fund Type	CONST. SUPPORT		CONST. CAPITAL		Totals
	<u>CALTRANS</u>	AGENCY	<u>CALTRANS</u>	DFM CALTRANS	
CITY TIGER	0	0	10,000,000	0	10,000,000
AGENCY funds	0	0	1,506,624	348,376	1,855,000
CITY Metro Call for Projects	4,800,000	0	4,648,000	0	9,448,000
<b>Totals</b>	4,800,000	0	16,154,624	348,376	21,303,000

**Invoicing and Payment**

3. PARTNERS will invoice for funds where the SPENDING SUMMARY shows that one PARTNER provides funds for use by another PARTNER. PARTNERS will pay invoices within forty-five (45) calendar days of receipt of invoice when not paying with Electronic Funds Transfer (EFT). When paying with EFT, LOCALS will pay invoices within five (5) calendar days of receipt of invoice.
4. If LOCALS have received EFT certification from CALTRANS then LOCALS will use the EFT mechanism and follow all EFT procedures to pay all invoices issued from CALTRANS.
5. CALTRANS will draw from state and federal funds that are provided by LOCALS without invoicing LOCALS when CALTRANS administers those funds and CALTRANS has been allocated those funds by the CTC and whenever else possible.
6. When a PARTNER is reimbursed for actual cost, invoices will be submitted each month for the prior month's expenditures. After all PROJECT COMPONENT WORK is complete, PARTNERS will submit a final accounting of all PROJECT COMPONENT costs. Based on the final accounting, PARTNERS will invoice or refund as necessary to satisfy the financial commitments of this AGREEMENT.

**CONSTRUCTION Support**

7. CALTRANS will invoice CITY for a \$260,000 initial deposit after execution of this AGREEMENT and thirty (30) working days prior to the commencement of CONSTRUCTION SUPPORT expenditures. This deposit represents two (2) months' estimated costs.

Thereafter, CALTRANS will invoice and CITY will reimburse for actual costs.

**CONSTRUCTION Capital**

8. CALTRANS will invoice CITY for a \$550,000 initial deposit after execution of this AGREEMENT and thirty (30) working days prior to the commencement of CONSTRUCTION CAPITAL expenditures. This deposit represents one (1) months' estimated costs.

Thereafter, CALTRANS will invoice and CITY will reimburse for actual costs.

*Department Furnished Materials (DFM)*

9. CALTRANS will invoice CITY for a \$368,100 initial deposit after execution of this AGREEMENT and upon AGENCY'S request for DFM. This deposit represents one (1) months' estimated costs.

Thereafter, CALTRANS will invoice and CITY will reimburse for actual costs.



**Signatures**

PARTIES are empowered by California Streets and Highways Code to enter into this AGREEMENT and have delegated to the undersigned the authority to execute this Funding Summary on behalf of the respective agencies and covenants to have followed all the necessary legal requirements to validly execute this Funding Summary.

Signatories may execute this Funding Summary through individual signature pages provided that each signature is an original. This Funding Summary is not fully executed until all original signatures are attached.

**STATE OF CALIFORNIA  
DEPARTMENT OF TRANSPORTATION**

\_\_\_\_\_  
Carrie L. Bowen  
District Director

Date \_\_\_\_\_

\_\_\_\_\_  
Paul T. Kwong  
District Budget Manager

\_\_\_\_\_  
Darwin Salmos  
HQ Accounting

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

\_\_\_\_\_  
Mark D. Radecki  
Chairman

Date \_\_\_\_\_

Attest:

\_\_\_\_\_  
Diane Schlichting  
Agency Secretary

**CITY OF INDUSTRY**

\_\_\_\_\_  
Mark D. Radecki  
Mayor

Date \_\_\_\_\_

Attest:

\_\_\_\_\_  
Diane Schlichting  
City Clerk