

CITY OF INDUSTRY

CITY COUNCIL
REGULAR MEETING AGENDA

MARCH 23, 2017
9:00 AM



Mayor Mark Radecki
Mayor Pro Tem Cory Moss
Council Member Abraham Cruz
Council Member Roy Haber, III
Council Member Newell Ruggles

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

Addressing the City Council:

- ▶ **Agenda Items:** Members of the public may address the City Council 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 City Council is asked to complete a Speaker's Card which can be found at the back of the room and at the podium. The completed card should be submitted to the City Clerk prior to the Agenda item being called and prior to the individual being heard by the City Council.
- ▶ **Public Comments (Non-Agenda Items):** Anyone wishing to address the City Council 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 City Council from taking action on a specific item unless it appears on the posted Agenda. Anyone wishing to speak to the City Council is asked to complete a Speaker's Card which can be found at the back of the room and at the podium. The completed card should be submitted to the City Clerk prior to the Agenda item being called by the City Clerk and prior to the individual being heard by the City Council.

Americans with Disabilities Act:

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

Agendas and other writings:

- ▶ In compliance with SB 343, staff reports and other public records permissible for disclosure related to open session agenda items are available at City Hall, 15625 East Stafford Street, Suite 100, City of Industry, California, at the office of the City Clerk during regular business hours, Monday through Friday 9:00 a.m. to 5:00 p.m. Any person with a question concerning any agenda item may call the City Clerk's Office at (626) 333-2211.

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1. Call to Order
 2. Flag Salute
 3. Roll Call

4. Public Comments

5. **CONSENT CALENDAR**

All matters listed under the Consent Calendar are considered to be routine and will be enacted by one vote. There will be no separate discussion of these items unless members of the City Council, the public, or staff request specific items be removed from the Consent Calendar for separate action.

5.1 Consideration of the Register of Demands for March 23, 2017.

RECOMMENDED ACTION: Approve the Register of Demands and authorize the appropriate City Official to pay the bills.

5.2 Consideration of Resolution No. CC 2017-07 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, CANCELLING THE JUNE 6, 2017, GENERAL MUNICIPAL ELECTION AND PROVIDING FOR THE APPOINTMENT TO THE OFFICE OF COUNCIL MEMBER.

RECOMMENDED ACTION: Adopt Resolution No. CC 2017-07.

5.3 Consideration of Amendment No. 2, extending the Professional Services Agreement with Cordoba Corporation for real estate and related advisory services, in the amount of \$45,000.00 per month, from April 1, 2017 to March 31, 2020.

RECOMMENDED ACTION: Approve the Agreement.

6. **ACTION ITEMS**

6.1 Consideration of Resolution No. CC 2017-08 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, APPROVING THE FORM OF A PRELIMINARY OFFICIAL STATEMENT IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF CITY OF INDUSTRY SENIOR SALES TAX REVENUE REFUNDING BONDS, SERIES 2017 (TAXABLE); AMENDING CERTAIN PARAMETERS OF RESOLUTION NO. 2016-49; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH.

RECOMMENDED ACTION: Adopt Resolution No. CC 2017-08.

6.2 Consideration of a Professional Services Agreement with Karen Wise and Jane Pisano for the Review and Analysis of Operations of the Workman and Temple Homestead Museum in an amount not-to-exceed \$33,000.00.

RECOMMENDED ACTION: Approve the Agreement.

- 6.3 Consideration of Amendment No. 1 to the Professional Services Agreement CASC Engineering & Consulting, Inc., (1-CASC 15-01 MP 11-09), to perform additional NPDES Engineering Services at 23400-23600 East Fork Road, Azusa, CA), in the amount of \$11,365.00, for a total Agreement amount not-to-exceed \$46,025.00, on a time-and-material basis.

RECOMMENDED ACTION: Approve the Amendment.

- 6.4 Consideration of a Pipeline Crossing Agreement with Union Pacific Railroad Company for the underground sewer pipeline in conjunction with the Industry Business Center project.

RECOMMENDED ACTION: Approve the Amendment.

- 6.5 Consideration of Change Order No. 1 submitted by All American Contracting Corporation in the amount of \$30,011.00 for Interior Repairs, Mold and Termite Remediation, and Upgrades at 16224 Temple Avenue, Contract No. 2016-1006 MP 12-06 #24.

RECOMMENDED ACTION: Approve Change Order No. 1, authorize the City Manager to execute same, and appropriate \$30,011.00 from bond proceeds.

- 6.6 Consideration of Change Order No. 1 submitted by All American Contracting Corporation (2006-1005 MP 12-06 #23) in the amount of \$76,032.00 for Interior Upgrades and Code Compliance Repairs at 26200-5 Temple Avenue, Contract No 2016-1005 MP 12-06 #23. .

RECOMMENDED ACTION: Approve Change Order No. 1, authorize the City Manager to execute same, and appropriate \$76,032.00 from bond proceeds.

- 6.7 Discussion and direction regarding the modification of the City's current fireworks stand regulations.

RECOMMENDED ACTION: Discuss and provide direction to staff.

- 6.8 Consideration of Lot Line Adjustment 82, submitted by CT Realty Investors to shift the property line between two parcels located at the southeast corner of Azusa Avenue and Chestnut Street in the City of Industry.

- a. Consideration of Resolution No. CC 2017-09 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, APPROVING LOT LINE ADJUSTMENT 82 LOCATED AT THE SOUTHWEST CORNER OF AZUSA AVENUE AND CHESTNUT STREET IN THE CITY OF INDUSTRY, CALIFORNIA, AND THE NOTICE OF EXEMPTION REGARDING SAME, AND MAKING FINDINGS IN SUPPORT THEREOF.

RECOMMENDED ACTION: *Adopt Resolution No. CC 2017-09.*

7. **CITY COUNCIL COMMITTEE REPORTS**

8. **AB 1234 REPORTS**

9. **CITY COUNCIL COMMUNICATIONS**

10. **CLOSED SESSION**

10.1 CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9(d)(1), City of Industry v.
ZEREP Management Corporation, et al., Case No. BC 583096
Los Angeles County Superior Court

11. Adjournment to Thursday, April 13, 2017 at 9:00 a.m.

CITY COUNCIL

ITEM NO. 5.1

**CITY OF INDUSTRY
AUTHORIZATION FOR PAYMENT OF BILLS
CITY COUNCIL MEETING OF MARCH 23, 2017**

FUND RECAP:

<u>FUND</u>	<u>DESCRIPTION</u>	<u>DISBURSEMENTS</u>
100	GENERAL FUND	1,675,982.41
103	PROP A FUND	7,639.33
120	CAPITAL IMPROVEMENT FUND	662,122.44
161	IPUC - ELECTRIC	372,623.17
TOTAL ALL FUNDS		2,718,367.35

BANK RECAP:

<u>BANK</u>	<u>NAME</u>	<u>DISBURSEMENTS</u>
BOFA	BANK OF AMERICA - CKING ACCOUNTS	274,813.61
PROP/A	PROP A - CKING ACCOUNT	7,639.33
REF	REFUSE - CKING ACCOUNT	1,131,000.54
WFBK	WELLS FARGO - CKING ACCOUNT	1,304,913.87
TOTAL ALL BANKS		2,718,367.35

APPROVED PER CITY MANAGER

CITY OF INDUSTRY

BANK OF AMERICA

March 23, 2017

Check	Date		Payee Name	Check Amount
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CITYELEC.CHK - City Electric

1408	02/21/2017		CITY OF INDUSTRY	\$241,083.42
	Invoice	Date	Description	Amount
	02/21/17	02/21/2017	TRANSFER FUNDS-ELECTRIC	\$241,083.42
1409	03/07/2017		CITY OF INDUSTRY	\$3,118.10
	Invoice	Date	Description	Amount
	03/07/17	03/07/2017	TRANSFER FUNDS-ELECTRIC	\$3,118.10

CITYGEN.CHK - City General

24346	03/13/2017		CIVIC RECREATIONAL INDUSTRIAL	\$25,000.00
	Invoice	Date	Description	Amount
	03/07/17	03/07/2017	TRANSFER FUNDS-CRIA AP	\$25,000.00

PARKCIT.CHK - Parking Citation Checking

594	03/08/2017		SUPERIOR COURT OF CALIFORNIA,	\$5,306.00
	Invoice	Date	Description	Amount
	JANUARY 2017	02/08/2017	PARKING CITATIONS REPORT-JAN 2017	\$5,306.00
595	03/08/2017		TURBO DATA SYSTEMS, INC	\$444.09
	Invoice	Date	Description	Amount
	25573	01/31/2017	CITATION PROCESSING-DEC 2016/JAN 2017	\$444.09

CITY OF INDUSTRY
BANK OF AMERICA
March 23, 2017

<u>Check</u>	<u>Date</u>	<u>Payee Name</u>	<u>Check Amount</u>
<hr/>			

<u>Checks</u>	<u>Status</u>	<u>Count</u>	<u>Transaction Amount</u>
	Total	5	\$274,951.61

**CITY OF INDUSTRY
BANK OF AMERICA VOIDED CHECKS
3/23/2017**

Check	Date		Payee Name	Check Amount
PARKCIT.CHK - Parking Citation Checking				
563	05/11/2016		DANG, TOMMY	(\$73.00)
	Invoice	Date	Description	Amount
	05/11/16	05/11/2016	VOIDED-STALE CHECK	(\$73.00)
567	05/25/2016		TUONG, ANTHONY OR MAL THAO	(\$65.00)
	Invoice	Date	Description	Amount
	05/25/16	05/25/2016	VOIDED-STALE CHECK	(\$65.00)

Checks	Status	Count	Transaction Amount
	Total	29	(\$138.00)

**CITY OF INDUSTRY
PROP A
March 23, 2017**

Check	Date		Payee Name	Check Amount
PROPA.CHK - Prop A Checking				
11690	03/08/2017		CITY OF INDUSTRY-REFUSE	\$78.80
	Invoice	Date	Description	Amount
	2772927	02/01/2017	DISP SVC-METROLINK	\$78.80
11691	03/08/2017		INDUSTRY SECURITY SERVICES	\$6,918.92
	Invoice	Date	Description	Amount
	14-19923	01/27/2017	SECURITY SVC-METROLINK	\$1,729.73
	14-20006	02/03/2017	SECURITY SVC-METROLINK	\$1,729.73
	14-20062	02/10/2017	SECURITY SVC-METROLINK	\$1,729.73
	14-20110	02/17/2017	SECURITY SVC-METROLINK	\$1,729.73
11692	03/08/2017		SO CAL INDUSTRIES	\$93.85
	Invoice	Date	Description	Amount
	259717	01/31/2017	RR RENTAL-METROLINK	\$93.85
11693	03/08/2017		SO CALIFORNIA EDISON COMPANY	\$276.69
	Invoice	Date	Description	Amount
	2017-00001090	02/17/2017	12/21/16-1/23/17 SVC-600 S BREA CYN B	\$276.69
11694	03/08/2017		WALNUT VALLEY WATER DISTRICT	\$271.07
	Invoice	Date	Description	Amount
	2546907	02/08/2017	1/4-2/1/17 SVC-PLATFORM METROLINK	\$19.43
	2546023	02/07/2017	1/1-1/31/17 SVC-IRR METROLINK STA-SPANISH KN	\$251.64

Checks	Status	Count	Transaction Amount
	Total	5	\$7,639.33

**CITY OF INDUSTRY
WELLS FARGO REFUSE
March 23, 2017**

Check	Date			Payee Name	Check Amount
REFUSE - Refuse Account					
WT216	02/28/2017			CITY OF INDUSTRY DISPOSAL CO.	\$548,965.81
	Invoice	Date	Description	Amount	
	2779820	02/23/2017	REFUSE SVC 02/01-02/23/17	\$548,965.81	
WT217	03/09/2017			CITY OF INDUSTRY DISPOSAL CO.	\$582,034.73
	Invoice	Date	Description	Amount	
	2786196	02/28/2017	REFUSE SVC 02/23-02/28/17	\$582,034.73	

Checks	Status	Count	Transaction Amount
	Total	2	\$1,131,000.54

**CITY OF INDUSTRY
WELLS FARGO VOIDED CHECKS
March 23, 2017**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
64983	10/27/2016		03/06/2017 L A COUNTY REGISTRAR-	(\$75.00)
	Invoice	Date	Description	Amount
	DP16-1/LLA80	10/27/2016	VOIDED-CHECK NOT NEEDED	(\$75.00)
64984	10/27/2016		03/06/2017 L A COUNTY REGISTRAR-	(\$2,210.25)
	Invoice	Date	Description	Amount
	DP16-1/LLA80-A	10/27/2016	VOIDED-CHECK NOT NEEDED	(\$2,210.25)
65885	03/07/2017		03/10/2017 ALL AMERICAN CONTRACTING	(\$172,567.45)
	Invoice	Date	Description	Amount
	16200-4	02/27/2017	VOIDED-TO PAY WITH REGISTER	(\$117,170.60)
	16224-4	02/27/2017	VOIDED-TO PAY WITH REGISTER	(\$55,396.85)

Checks	Status	Count	Transaction Amount
	Total	3	(\$170,282.20)

**CITY OF INDUSTRY
WELLS FARGO BANK**

March 23, 2017

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
65881	03/03/2017		FIDELITY SECURITY LIFE	\$1,460.14
	Invoice	Date	Description	Amount
	1581904	03/01/2017	VISION PREMIUM-MAR 2017	\$1,460.14
65882	03/03/2017		HUMANA INSURANCE COMPANY	\$5,440.69
	Invoice	Date	Description	Amount
	389690330	02/23/2017	DENTAL PREMIUM-MAR 2017	\$5,440.69
65883	03/03/2017		MUTUAL OF OMAHA	\$7,222.19
	Invoice	Date	Description	Amount
	626261846	03/01/2017	LIFE INSURANCE PREMIUM-MAR 2016	\$7,222.19
65884	03/03/2017		UNUM LIFE INSURANCE COMPANY	\$6,060.40
	Invoice	Date	Description	Amount
	3/1/17-3/31/17	02/20/2017	LONG TERM CARE PREMIUM-MAR 2017	\$6,060.40
65885	03/07/2017		ALL AMERICAN CONTRACTING	\$172,567.45
	Invoice	Date	Description	Amount
	16200-4	02/27/2017	REMODELING OF 16200-5 TEMPLE AVE	\$117,170.60
	16224-4	02/27/2017	REMODELING OF 16224 TEMPLE AVE	\$55,396.85
65886	03/08/2017		AT & T	\$292.09
	Invoice	Date	Description	Amount
	2017-00001081	02/17/2017	2/17-3/16/17 SVC-15000 TONNER CYN RD-TONNER	\$146.71
	2017-00001082	02/17/2017	2/17-3/16/17 SVC-17001 CARBON CYN RD-TONNER	\$145.38
65887	03/08/2017		CITY OF CHINO HILL UTILITY	\$201.34
	Invoice	Date	Description	Amount
	2017-00001083	02/15/2017	1/12-2/13/17 SVC-1550 RANCHO HILLS DR	\$201.34
65888	03/08/2017		FRONTIER	\$475.24

**CITY OF INDUSTRY
WELLS FARGO BANK**

March 23, 2017

Check	Date	Payee Name	Check Amount	
CITY.WF.CHK - City General Wells Fargo				
	Invoice	Date	Description	Amount
	2017-00001060	02/16/2017	02/16-03/15/17 SVC - 208 OLD RANCH RD	\$48.16
	2017-00001061	02/19/2017	02/19-03/18/17 SVC - GS-21660 VALLEY BLVD	\$42.98
	2017-00001062	02/19/2017	02/19-03/18/17 SVC - EM-21438 BAKER PKWY BLDG	\$50.75
	2017-00001063	02/19/2017	02/19-03/18/17 SVC - EM-21415 BAKER PKWY	\$50.75
	2017-00001064	02/19/2017	02/19-03/18/17 SVC - FOLLOW'S CAMP GUARD	\$63.65
	2017-00001065	02/22/2017	02/22-03/21/17 SVC - GS-21858 VALLEY BLVD	\$53.43
	2017-00001066	02/22/2017	02/22-03/21/17 SVC - EM-21733 BAKER PKWY BLDG	\$50.75
	2017-00001067	02/25/2017	02/25-03/24/17 SVC - EM-21760 GARCIA LN	\$64.02
	2017-00001068	02/25/2017	02/25-03/24/17 SVC - EM-21535 BAKER PKWY BLDG	\$50.75
65889	03/08/2017		GAS COMPANY, THE	\$252.45
	Invoice	Date	Description	Amount
	2017-00001084	02/23/2017	1/20-2/21/17 SVC-15415 DON JULIAN RD	\$252.45
65890	03/08/2017		HOME DEPOT CREDIT SERVICE	\$274.81
	Invoice	Date	Description	Amount
	6321120	02/16/2017	MISC SUPPLIES-CITY HALL	\$210.75
	2550144	01/31/2017	MISC SUPPLIES-CITY HALL	\$64.06
65891	03/08/2017		INDUSTRY PUBLIC UTILITY	\$2,514.96
	Invoice	Date	Description	Amount
	2017-00001085	02/16/2017	1/10-2/10/17 SVC-370 GRAND AVE SOUTH	\$133.91
	2017-00001086	02/16/2017	1/10-2/10/17 SVC-600 BREA CYN RD	\$2,381.05
65892	03/08/2017		LA PUENTE VALLEY COUNTY	\$5,868.40
	Invoice	Date	Description	Amount
	2017-00001028	02/16/2017	12/19-02/16/17 SVC - 15414 DON JULIAN RD (IRRI)	\$142.96
	2017-00001029	02/16/2017	12/19-02/16/17 SVC - 15414 DON JULIAN RD	\$130.58
	2017-00001030	02/16/2017	12/19-02/16/17 SVC - 15625 STAFFORD ST	\$61.24
	2017-00001031	02/16/2017	12/19-02/16/17 SVC - 15625 STAFFORD ST	\$238.69

**CITY OF INDUSTRY
WELLS FARGO BANK**

March 23, 2017

Check	Date	Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo			
15660STAFF-FEB17	02/16/2017	12/19-02/16/17 SVC - 15660 STAFFORD ST	\$150.76
2017-00001032	02/16/2017	12/19-02/16/17 SVC - 1 AZUSA WAY (IRRI)	\$454.16
2017-00001033	02/16/2017	12/19-02/16/17 SVC - 285 HACIENDA BLVD (IRRI)	\$49.54
2017-00001034	02/16/2017	12/19-02/16/17 SVC - HACIENDA & STAFFORD ST (I)	\$127.36
2017-00001035	02/16/2017	12/19-02/16/17 SVC - HACIENDA & STAFFORD (IRR)	\$127.36
2017-00001036	02/16/2017	12/19-02/16/17 SVC - 211 HACIENDA BLVD (IRRI)	\$49.54
2017-00001037	02/16/2017	12/19-02/16/17 SVC - HUDSON AVE (IRRI)	\$252.16
2017-00001038	02/16/2017	12/19-02/16/17 SVC - STAFFORD ST (IRRI)	\$127.36
2017-00001039	02/16/2017	12/19-02/16/17 SVC - 220 HACIENDA BLVD (IRRI)	\$129.31
2017-00001040	02/16/2017	12/19-02/16/17 SVC - 15522 NELSON AVE	\$49.54
2017-00001041	02/16/2017	12/19-02/16/17 SVC - NELSON AVE (IRRI)	\$220.96
2017-00001042	02/16/2017	12/19-02/16/17 SVC - SOTRO ST (IRRI)	\$139.06
2017-00001043	02/16/2017	12/19-02/16/17 SVC - 15651 STAFFORD ST	\$201.46
2017-00001044	02/16/2017	12/19-02/16/17 SVC - RAUSCH RD (IRRI)	\$49.54
2017-00001046	02/16/2017	12/19-02/16/17 SVC - RAUSCH RD (IRRI)	\$49.54
2017-00001047	02/16/2017	12/19-02/16/17 SVC - STAFFORD & OLD VALLEY (I)	\$129.31
2017-00001048	02/16/2017	12/19-02/16/17 SVC - ALONG RAILROAD TRACK (I)	\$139.06
2017-00001049	02/16/2017	12/19-02/16/17 SVC - PROCTOR & EL ENCANTO (I)	\$187.81
2017-00001050	02/16/2017	12/19-02/16/17 SVC - HACIENDA BLVD (IRRI)	\$49.54
2017-00001051	02/16/2017	12/19-02/16/17 SVC - 15415 DON JULIAN RD (IRRI)	\$529.95
2017-00001052	02/16/2017	12/19-02/16/17 SVC - 15414 DON JULIAN RD (IRRI)	\$178.06
2017-00001053	02/16/2017	12/19-02/16/17 SVC - 15414 DON JULIAN RD	\$127.36
2017-00001054	02/16/2017	12/19-02/16/17 SVC - 201 STAFFORD ST (IRRI)	\$340.54
2017-00001055	02/16/2017	12/19-02/16/17 SVC - VALLEY BLVD (IRRI)	\$49.54
2017-00001056	02/16/2017	12/19-02/16/17 SVC - 15415 DON JULIAN RD (IRRI)	\$360.30
2017-00001057	02/16/2017	12/19-02/16/17 SVC - DON JULIAN RD	\$894.55
2017-00001058	02/16/2017	12/19-02/16/17 SVC - PARRIOTT & DON JULIAN RD (I)	\$131.26
65893	03/08/2017	ROWLAND WATER DISTRICT	\$1,436.38
Invoice	Date	Description	Amount
2017-00001015	02/23/2017	01/17-02/13/17 SVC - AZUSA AVE-CENTER	\$64.31

**CITY OF INDUSTRY
WELLS FARGO BANK**

March 23, 2017

Check	Date	Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo			
2017-00001016	02/23/2017	01/17-02/13/17 SVC - AZUSA AVE 205597	\$49.11
2017-00001017	02/23/2017	01/17-02/13/17 SVC - 1100 AZUSA AVE	\$152.66
2017-00001018	02/23/2017	01/18-02/14/17 SVC - 1123C HATCHER ST	\$146.39
2017-00001019	02/23/2017	01/18-02/14/17 SVC - 1123D HATCHER ST	\$106.87
2017-00001020	02/23/2017	01/18-02/14/17 SVC - 1135 HATCHER ST	\$46.07
2017-00001021	02/23/2017	01/18-02/14/17 SVC - 17217 & 17229 CHESTNUT-IRR	\$43.03
2017-00001022	02/23/2017	01/18-02/14/17 SVC - 17401 VALLEY BLVD	\$228.39
2017-00001023	02/23/2017	01/18-02/14/17 SVC - 18044 ROWLAND-LAWSON	\$43.03
2017-00001024	02/23/2017	01/18-02/14/17 SVC - 930 AZUSA AVE	\$258.79
2017-00001025	02/23/2017	01/18-02/14/17 SVC - AZUSA AVE (RC)	\$55.35
2017-00001026	02/23/2017	01/18-02/14/17 SVC - HURLEY ST & VALLEY	\$137.19
2017-00001027	02/23/2017	01/18-02/21/17 SVC - 755 NOGALES (RC)	\$105.19
65894	03/08/2017	SAN GABRIEL VALLEY WATER CO.	\$2,569.29
Invoice	Date	Description	Amount
2017-00001069	02/28/2017	1/26-2/27/17 SVC-IRRIG SALT LAKE/SEVENTH	\$203.65
2017-00001070	02/28/2017	1/26-2/27/17 SVC-PELLISSIER	\$102.17
2017-00001071	02/28/2017	1/26-2/27/17 SVC-PELLISSIER	\$163.46
2017-00001072	02/28/2017	1/26-2/27/17 SVC-PECK/UNION PACIFIC B	\$337.60
2017-00001073	02/28/2017	1/26-2/27/17 SVC-PELLISSIER	\$105.51
2017-00001074	02/28/2017	1/26-2/27/17 SVC-CROSSROADS PKY NORTH	\$260.58
2017-00001075	02/28/2017	1/26-2/27/17 SVC-S/E COR OF PELLISIER	\$163.46
2017-00001076	02/28/2017	1/26-2/27/17 SVC-STA 111-50 CROSSROADS PKY	\$128.96
2017-00001077	02/28/2017	1/26-2/27/17 SVC-STA 103-80 CROSSROADS PKY	\$105.51
2017-00001078	02/28/2017	1/26-2/27/17 SVC-STA 129-00 CROSSROADS PKY	\$102.17
2017-00001079	02/28/2017	1/26-2/27/17 SVC-CROSSROADS PKY NORTH	\$702.62
2017-00001080	02/28/2017	1/26-2/27/17 SVC-CROSSROADS PKY SOUTH	\$193.60
65895	03/08/2017	SO CALIFORNIA EDISON COMPANY	\$50,791.29
Invoice	Date	Description	Amount
2017-00001002	02/16/2017	01/17-02/15/17 SVC - 17635 GALE	\$1,346.26

**CITY OF INDUSTRY
WELLS FARGO BANK**

March 23, 2017

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
	2017-00001003	02/17/2017	01/01-02/01/17 SVC - VARIOUS SITES	\$4,136.66
	2017-00001004	02/17/2017	12/01/13-02/01/17 SVC - VARIOUS SITES	\$37,103.85
	2017-00001005	02/17/2017	06/07/16-02/15/17 SVC - VARIOUS SITES	\$3,545.41
	2017-00001006	02/17/2017	12/28/16-02/15/17 SVC - VARIOUS SITES	\$2,731.04
	2017-00001007	02/23/2017	01/23-02/22/17 SVC - 575 BREA CYN RD	\$24.01
	2017-00001008	02/23/2017	01/23-02/22/17 SVC - 580 BREA CYN RD	\$23.85
	2017-00001009	02/23/2017	01/23-02/22/17 SVC - 21380 VALLEY PED	\$83.27
	2017-00001011	02/25/2017	01/25-02/24/17 SVC - 17378 GALE AVE B	\$40.61
	2017-00001012	02/25/2017	01/01-02/23/17 SVC - 600 S BREA CYN	\$71.66
	2017-00001013	02/28/2017	01/25-02/24/17 SVC - BREA CYN RD-VARIOUS SITES	\$1,367.76
	2017-00001014	03/01/2017	01/27-02/28/17 SVC - 137 N HUDSON AVE	\$316.91
65896	03/08/2017		SO CALIFORNIA EDISON COMPANY	\$114.88
	Invoice	Date	Description	Amount
	2017-00001010	02/24/2017	01/24-02/23/17 SVC - 5010 ENGLISH RD	\$114.88
65897	03/08/2017		SO CALIFORNIA EDISON COMPANY	\$20,445.41
	Invoice	Date	Description	Amount
	7500766840	02/14/2017	01/01-01/31/17 SVC - OLD RANCH RD/MAYO AVE	\$5,623.22
	7500766841	02/14/2017	01/01-01/31/17 SVC - 208 S. WADDINGHAM WAY	\$3,667.31
	7500766842	02/14/2017	01/01-01/31/17 SVC - 745 ANAHEIM-PUENTE RD	\$1,027.46
	7500766852	02/14/2017	01/01-01/31/17 SVC - 133 N. AZUSA AVE	\$1,860.71
	7500766853	02/14/2017	01/01-01/31/17 SVC - 208 S. WADDINGHAM WAY	\$8,266.71
65898	03/08/2017		SUBURBAN WATER SYSTEMS	\$829.11
	Invoice	Date	Description	Amount
	180050878213	02/22/2017	1/22-2/21/17 SVC-205 HUDSON AVE	\$36.33
	180040951860	02/23/2017	1/24-2/22/17 SVC-AZUSA & GEMINI	\$792.78
65899	03/13/2017		ALL AMERICAN CONTRACTING	\$172,567.45
	Invoice	Date	Description	Amount

**CITY OF INDUSTRY
WELLS FARGO BANK**

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Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
	16200-4A	02/27/2017	REMODELING OF 16200-5 TEMPLE AVE	\$117,170.60
	16224-4A	02/27/2017	REMODELING OF 16224 TEMPLE AVE	\$55,396.85
65900	03/13/2017		SHELL ENERGY NORTH AMERICA-	\$77,184.00
	Invoice	Date	Description	Amount
	1771358	03/01/2017	WHOLESALE USE-FEB 2017	\$77,184.00
65901	03/14/2017		CSMFO	\$80.00
	Invoice	Date	Description	Amount
	175288	03/03/2017	MEETING ON 3/15/17-S. AVALOS & S. PARAGAS	\$80.00
65902	03/15/2017		AT & T	\$401.00
	Invoice	Date	Description	Amount
	9460805307	02/23/2017	01/19-02/18/17 SVC - 600 S BREA CYN-METROLINK	\$176.00
	8962476521	03/01/2017	03/01-03/31/17 SVC - 600 S BREA CYN-METROLINK	\$225.00
65903	03/15/2017		FRONTIER	\$2,368.64
	Invoice	Date	Description	Amount
	2017-00001093	02/28/2017	02/28-03/27/17 SVC - EM-179 S. GRAND AVE	\$37.24
	2017-00001094	02/28/2017	02/28-03/27/17 SVC - IH GOLF COURSE FUEL PUMP	\$144.99
	2017-00001095	02/28/2017	02/28-03/27/17 SVC - EM-21700 BAKER PKWY BLDG	\$50.75
	2017-00001096	02/28/2017	02/28-03/27/17 SVC - EM-21912 GARCIA LN-ALARM	\$64.02
	2017-00001097	03/01/2017	03/01-03/31/17 SVC - 21700 VALLEY BLVD	\$53.43
	2017-00001098	03/01/2017	03/01-03/31/17 SVC - GS-21650 VALLEY BLVD	\$50.75
	2017-00001099	03/01/2017	03/01-03/31/17 SVC - VARIOUS SITES	\$936.41
	2017-00001100	03/01/2017	03/01-03/31/17 SVC - VARIOUS GENERATOR SITES	\$1,031.05
65904	03/15/2017		GAS COMPANY, THE	\$159.99
	Invoice	Date	Description	Amount
	2017-00001101	03/02/2017	01/27-02/28/17 SVC - 710 NOGALES ST.	\$15.78
	2017-00001102	03/06/2017	01/31-03/02/17 SVC - 2700 CHINO HILLS PKWY	\$128.46

**CITY OF INDUSTRY
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Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
	2017-00001103	03/06/2017	01/31-03/02/17 SVC - 1 INDUSTRY HILLS PKWY	\$15.75
65905	03/15/2017		SO CALIFORNIA EDISON COMPANY	\$3,045.41
	Invoice	Date	Description	Amount
	2017-00001104	03/02/2017	02/01-03/01/17 SVC - 600 BREA CYN RD	\$475.78
	2017-00001105	03/02/2017	01/27-02/28/17 SVC - VARIOUS SITES	\$516.95
	2017-00001106	03/02/2017	02/01-03/01/17 SVC - 1 VALLEY/AZUSA	\$15.82
	2017-00001107	03/07/2017	02/01-03/01/17 SVC - VARIOUS SITES-	\$1,895.29
	2017-00001108	03/07/2017	02/02-03/06/17 SVC - 208 S WADDINGHAM WAY CP	\$141.57
65906	03/15/2017		SO CALIFORNIA EDISON COMPANY	\$180.37
	Invoice	Date	Description	Amount
	7500769063	02/28/2017	11/01-11/30/16 SVC - RELIABILITY SVC	\$180.37
65907	03/15/2017		SUBURBAN WATER SYSTEMS	\$59.98
	Invoice	Date	Description	Amount
	102300077190	03/03/2017	02/03-03/02/17 SVC - NE CNR VALLEY/STIMS	\$59.98
65908	03/15/2017		VERIZON WIRELESS - LA	\$114.03
	Invoice	Date	Description	Amount
	9781064922	02/26/2017	01/27-02/26/17 SVC - MOBILE BROADBAND	\$114.03
65909	03/23/2017		ALEJANDRO GONZALEZ	\$272.13
	Invoice	Date	Description	Amount
	03/10/17	03/10/2017	REIMBURSEMENT FOR EXPENSES	\$272.13
65910	03/23/2017		ALL AMERICAN ELECTRIC	\$2,121.37
	Invoice	Date	Description	Amount
	5695	01/06/2017	INSTALLED CIRCUIT FOR COPIER-FINANCE DEPT	\$917.25
	5696	01/14/2017	INSTALLED 3-WAY SWITCHES-FINANCE DEPT	\$1,204.12

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Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
65911	03/23/2017		ALVAKA NETWORKS	\$20,780.17
	Invoice	Date	Description	Amount
	158382	03/01/2017	NETWORK MAINT-HOMESTEAD	\$680.00
	158338	02/09/2017	NETWORK MAINT-HOMESTEAD	\$640.00
	158557	02/28/2017	ADD'L HOURS FOR FEBRUARY 2017	\$6,080.00
	158514	03/01/2017	NEWORK MAINT-APR 2017	\$6,540.17
	158376	03/01/2017	NETWORK MAINT-APR 2017	\$6,620.00
	158602NP	02/28/2017	TRIP CHARGE	\$220.00
65912	03/23/2017		ANNEALTA GROUP	\$20,335.00
	Invoice	Date	Description	Amount
	1046	03/06/2017	PLANNING SUPPORT SVC-FEB 2017	\$18,870.00
	1047	03/06/2017	PLANNING SUPPORT SVC-DP 16-6	\$360.00
	1050	03/07/2017	PLANNING SUPPORT SVC-DP 17-2	\$1,105.00
65913	03/23/2017		APPLIED METERING	\$1,790.00
	Invoice	Date	Description	Amount
	5652	02/22/2017	UTILITY OPERATIONS AND MAINT SVC	\$1,790.00
65914	03/23/2017		AREA D	\$900.00
	Invoice	Date	Description	Amount
	1611	03/07/2017	DUES FOR FY 2016/2017	\$900.00
65915	03/23/2017		ASTRA INDUSTRIAL SERVICES, INC	\$1,147.51
	Invoice	Date	Description	Amount
	00154713	02/28/2017	BACKFLOW TESTING DEVICES FOR CITY	\$849.29
	00154612	02/22/2017	BLACKFLOW TESTING-EL ENCANTO	\$298.22
65916	03/23/2017		B AND T CATTLE	\$14,580.00
	Invoice	Date	Description	Amount
	66	03/01/2017	MAINT SVC-MAR 2017	\$14,580.00

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Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
65917	03/23/2017		BIGGS CARDOSA ASSOCIATES, INC.	\$12,641.35
	Invoice	Date	Description	Amount
	71185	02/05/2017	REPAINTING OF AZUSA AVE BRIDGE	\$12,641.35
65918	03/23/2017		BOUZA LAW FIRM	\$13,842.50
	Invoice	Date	Description	Amount
	615	02/28/2017	LEGAL SVC-FEB 2017	\$13,842.50
65919	03/23/2017		BRYAN PRESS	\$295.82
	Invoice	Date	Description	Amount
	0076564	02/10/2017	LASER CHECKS-REFUSE	\$295.82
65920	03/23/2017		CAMERA SECURITY SYSTEMS, INC.	\$2,267.20
	Invoice	Date	Description	Amount
	33537	01/21/2017	INSTALL DATA CABLES FOR PRINTERS	\$2,267.20
65921	03/23/2017		CITY OF INDUSTRY DISPOSAL CO.	\$2,324.03
	Invoice	Date	Description	Amount
	2683240	09/30/2016	DISP SVC-16238 BV HANDORF	\$28.17
	2683214	09/30/2016	DISP SVC-14362 PROCTOR	\$84.51
	2683246	09/30/2016	DISP SVC-22036 VALLEY BLVD	\$84.51
	2683242	09/30/2016	DISP SVC-15714 NELSON	\$28.17
	2683219	09/30/2016	DISP SVC-15644 NELSON	\$28.17
	2683216	09/30/2016	DISP SVC-15702 NELSON	\$28.17
	2683225	09/30/2016	DISP SVC-15736 NELSON	\$28.17
	2683235	09/30/2016	DISP SVC-16242 BV HANDORF	\$56.34
	2683251	09/30/2016	DISP SVC-132 TURNBULL CYN RD	\$28.17
	2683245	09/30/2016	DISP SVC-14063 PROCTOR	\$84.51
	2683236	09/30/2016	DISP SVC-16220 BV HANDORF	\$84.51
	2683233	09/30/2016	DISP SVC-16014 HILL ST	\$28.17

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Check	Date	Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo			
2683249	09/30/2016	DISP SVC-17229 CHESTNUT ST	\$84.51
2683226	09/30/2016	DISP SVC-15634 NELSON	\$28.17
2683232	09/30/2016	DISP SVC-16010 HILL ST	\$56.34
2683253	09/30/2016	DISP SVC-15236 VALLEY BLVD	\$169.02
2683213	09/30/2016	DISP SVC-16000 TEMPLE AVE	\$225.36
2683223	09/30/2016	DISP SVC-210 S 9TH AVE	\$56.34
2683237	09/30/2016	DISP SVC-16218 BV HANDORF	\$28.17
2683215	09/30/2016	DISP SVC-15710 NELSON	\$28.17
2683222	09/30/2016	DISP SVC-754 S 5TH AVE	\$56.34
2683255	09/30/2016	DISP SVC-14310 PROCTOR	\$84.51
2683244	09/30/2016	DISP SVC-134 TURNBULL CYN RD	\$28.17
2683241	09/30/2016	DISP SVC-16224 BV HANDORF	\$28.17
2683239	09/30/2016	DISP SVC-16227 BV HANDORF	\$28.17
2683229	09/30/2016	DISP SVC-15151 PROCTOR	\$84.51
2683231	09/30/2016	DISP SVC-16000 HILL ST	\$28.17
2683230	09/30/2016	DISP SVC-15157 WALBROOK DR	\$28.17
2683221	09/30/2016	DISP SVC-629 GIANO	\$56.34
2683247	09/30/2016	DISP SVC-20137 E WALNUT	\$28.17
2683250	09/30/2016	DISP SVC-130 TURNBULL CYN RD	\$28.17
2683238	09/30/2016	DISP SVC-16217 BV HANDORF	\$56.34
2683252	09/30/2016	DISP SVC-138 TURNBULL CYN RD	\$28.17
2683220	09/30/2016	DISP SVC-15626 NELSON	\$28.17
2683254	09/30/2016	DISP SVC-16200 TEMPLE	\$84.51
2683217	09/30/2016	DISP SVC-507 TURNBULL CYN RD	\$56.34
2683227	09/30/2016	DISP SVC-257 TURNBULL CYN RD	\$42.26
2683248	09/30/2016	DISP SVC-15722 NELSON	\$28.17
2683234	09/30/2016	DISP SVC-16229 BV HANDORF	\$28.17
2683224	09/30/2016	DISP SVC-16020 HILL ST	\$84.51
2683243	09/30/2016	DISP SVC-15652 NELSON	\$28.17
2683218	09/30/2016	DISP SVC-15730 NELSON	\$28.17
2683212	09/30/2016	DISP SVC-3226 GILMAN	\$84.51

**CITY OF INDUSTRY
WELLS FARGO BANK
March 23, 2017**

Check	Date	Payee Name	Check Amount
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CITY.WF.CHK - City General Wells Fargo

Check	Date	Description	Amount
65922	03/23/2017	CITY OF INDUSTRY DISPOSAL CO.	\$2,380.37
	Invoice		
2781310	02/28/2017	DISP SVC-3226 GILMAN	\$84.51
2781311	02/28/2017	DISP SVC-16000 TEMPLE AVE	\$225.36
2781312	02/28/2017	DISP SVC-14362 PROCTOR	\$84.51
2781313	02/28/2017	DISP SVC-15710 NELSON	\$28.17
2781314	02/28/2017	DISP SVC-15702 NELSON	\$28.17
2781315	02/28/2017	DISP SVC-507 TURNBULL CYN RD	\$56.34
2781316	02/28/2017	DISP SVC-15730 NELSON	\$28.17
2781317	02/28/2017	DISP SVC-15644 NELSON	\$28.17
2781318	02/28/2017	DISP SVC-15626 NELSON	\$28.17
2781319	02/28/2017	DISP SVC-629 GIANO	\$56.34
2781320	02/28/2017	DISP SVC-754 S 5TH AVE	\$56.34
2781321	02/28/2017	DISP SVC-210 S 9TH AVE	\$56.34
2781322	02/28/2017	DISP SVC-16020 HILL ST	\$84.51
2781323	02/28/2017	DISP SVC-15736 NELSON	\$28.17
2781324	02/28/2017	DISP SVC-15634 NELSON	\$28.17
2781325	02/28/2017	DISP SVC-257 TURNBULL CYN RD	\$42.26
2781326	02/28/2017	DISP SVC-643 GIANO	\$56.34
2781327	02/28/2017	DISP SVC-15151 PROCTOR	\$84.51
2781328	02/28/2017	DISP SVC-15157 WALBROOK DR	\$28.17
2781329	02/28/2017	DISP SVC-16000 HILL ST	\$28.17
2781330	02/28/2017	DISP SVC-16010 HILL ST	\$56.34
2781331	02/28/2017	DISP SVC-16014 HILL ST	\$28.17
2781332	02/28/2017	DISP SVC-16229 BV HANDORF	\$28.17
2781333	02/28/2017	DISP SVC-16242 BV HANDORF	\$56.34
2781334	02/28/2017	DISP SVC-16220 BV HANDORF	\$84.51
2781335	02/28/2017	DISP SVC-16218 BV HANDORF	\$28.17
2781336	02/28/2017	DISP SVC-16217 BV HANDORF	\$56.34
2781337	02/28/2017	DISP SVC-16227 BV HANDORF	\$28.17

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WELLS FARGO BANK
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Check	Date	Payee Name	Check Amount	
CITY.WF.CHK - City General Wells Fargo				
2781338	02/28/2017	DISP SVC-16238 BV HANDORF	\$28.17	
2781339	02/28/2017	DISP SVC-16224 BV HANDORF	\$28.17	
2781340	02/28/2017	DISP SVC-15714 NELSON	\$28.17	
2781341	02/28/2017	DISP SVC-15652 NELSON	\$28.17	
2781342	02/28/2017	DISP SVC-134 TURNBULL CYN RD	\$28.17	
2781343	02/28/2017	DISP SVC-14063 PROCTOR	\$84.51	
2781344	02/28/2017	DISP SVC-22036 VALLEY BLVD	\$84.51	
2781345	02/28/2017	DISP SVC-20137 E WALNUT	\$28.17	
2781346	02/28/2017	DISP SVC-15722 NELSON	\$28.17	
2781347	02/28/2017	DISP SVC-17229 CHESTNUT ST	\$84.51	
2781348	02/28/2017	DISP SVC-130 TURNBULL CYN RD	\$28.17	
2781349	02/28/2017	DISP SVC-132 TURNBULL CYN RD	\$28.17	
2781350	02/28/2017	DISP SVC-138 TURNBULL CYN RD	\$28.17	
2781351	02/28/2017	DISP SVC-15236 VALLEY BLVD	\$169.02	
2781352	02/28/2017	DISP SVC-16200 TEMPLE	\$84.51	
2781353	02/28/2017	DISP SVC-14310 PROCTOR	\$84.51	
65923	03/23/2017	CITY OF INDUSTRY DISPOSAL CO.	\$2,295.86	
	Invoice	Date	Description	Amount
	2690308	11/30/2016	DISP SVC-257 TURNBULL CYN RD	\$42.26
	2690295	11/30/2016	DISP SVC-14362 PROCTOR	\$84.51
	2690331	11/30/2016	DISP SVC-130 TURNBULL CYN RD	\$28.17
	2690293	11/30/2016	DISP SVC-3226 GILMAN	\$84.51
	2690317	11/30/2016	DISP SVC-16220 BV HANDORF	\$84.51
	2690321	11/30/2016	DISP SVC-16238 BV HANDORF	\$28.17
	2690316	11/30/2016	DISP SVC-16242 BV HANDORF	\$56.34
	2690315	11/30/2016	DISP SVC-16229 BV HANDORF	\$28.17
	2690296	11/30/2016	DISP SVC-15710 NELSON	\$28.17
	2690329	11/30/2016	DISP SVC-15722 NELSON	\$28.17
	2690326	11/30/2016	DISP SVC-14063 PROCTOR	\$84.51
	2690305	11/30/2016	DISP SVC-16020 HILL ST	\$84.51

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Check	Date	Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo			
2690328	11/30/2016	DISP SVC-20137 E WALNUT	\$28.17
2690333	11/30/2016	DISP SVC-138 TURNBULL CYN RD	\$28.17
2690332	11/30/2016	DISP SVC-132 TURNBULL CYN RD	\$28.17
2690330	11/30/2016	DISP SVC-17229 CHESTNUT ST	\$84.51
2690336	11/30/2016	DISP SVC-14310 PROCTOR	\$84.51
2690301	11/30/2016	DISP SVC-15626 NELSON	\$28.17
2690335	11/30/2016	DISP SVC-16200 TEMPLE	\$84.51
2690306	11/30/2016	DISP SVC-15736 NELSON	\$28.17
2690299	11/30/2016	DISP SVC-15730 NELSON	\$28.17
2690309	11/30/2016	DISP SVC-643 GIANO	\$56.34
2690325	11/30/2016	DISP SVC-134 TURNBULL CYN RD	\$28.17
2690304	11/30/2016	DISP SVC-210 S 9TH AVE	\$56.34
2690322	11/30/2016	DISP SVC-16224 BV HANDORF	\$28.17
2690300	11/30/2016	DISP SVC-15644 NELSON	\$28.17
2690320	11/30/2016	DISP SVC-16227 BV HANDORF	\$28.17
2690318	11/30/2016	DISP SVC-16218 BV HANDORF	\$28.17
2690323	11/30/2016	DISP SVC-15714 NELSON	\$28.17
2690297	11/30/2016	DISP SVC-15702 NELSON	\$28.17
2690310	11/30/2016	DISP SVC-15151 PROCTOR	\$84.51
2690294	11/30/2016	DISP SVC-16000 TEMPLE AVE	\$225.36
2690307	11/30/2016	DISP SVC-15634 NELSON	\$28.17
2690313	11/30/2016	DISP SVC-16010 HILL ST	\$56.34
2690298	11/30/2016	DISP SVC-507 TURNBULL CYN RD	\$56.34
2690302	11/30/2016	DISP SVC-629 GIANO	\$56.34
2690314	11/30/2016	DISP SVC-16014 HILL ST	\$28.17
2690324	11/30/2016	DISP SVC-15652 NELSON	\$28.17
2690303	11/30/2016	DISP SVC-754 S 5TH AVE	\$56.34
2690334	11/30/2016	DISP SVC-15236 VALLEY BLVD	\$169.02
2690319	11/30/2016	DISP SVC-16217 BV HANDORF	\$56.34
2690311	11/30/2016	DISP SVC-15157 WALBROOK DR	\$28.17
2690312	11/30/2016	DISP SVC-16000 HILL ST	\$28.17

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Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
65924	03/23/2017		CITY OF INDUSTRY-PAYROLL ACCT	\$100,000.00
	Invoice	Date	Description	Amount
	P/R 3/15/17	03/14/2017	REIMBURSE FOR PAYROLL 3/15/17	\$100,000.00
65925	03/23/2017		CITY OF INDUSTRY-REFUSE	\$6,884.58
	Invoice	Date	Description	Amount
	2786059	02/28/2017	DISP SVC-16200-5 TEMPLE AVE	\$771.82
	2780254-A	03/01/2017	DISP SVC-205 HUDSON	\$184.24
	2780254-B	03/01/2017	DISP SVC-841 7TH AVE	\$184.24
	2780009	03/01/2017	STORAGE BOX RENTAL-TONNER CYN (CAMP	\$300.00
	2785864	02/28/2017	DISP SVC-1123 HATCHER	\$3,268.84
	2780007	03/01/2017	DISP SVC-TONNER CYN (MAINT YD)	\$1,215.96
	2780010	03/01/2017	DISP SVC-TRES HERMANOS	\$138.38
	2780008	03/01/2017	DISP SVC-CITY HALL	\$299.47
	2786060	02/28/2017	DISP SVC-16224 TEMPLE AVE	\$521.63
65926	03/23/2017		CNC ENGINEERING	\$214,001.50
	Invoice	Date	Description	Amount
	455534	03/09/2017	ON-CALL STREET MAINT PROGRAM	\$498.90
	455535	03/09/2017	VALLEY BLVD PCC PAVEMENT RECONSTRUCTION	\$17,169.58
	455536	03/09/2017	CLARK AVE WIDENING	\$635.92
	455537	03/09/2017	2016-2017 CLEANOUT OF STORMWATER	\$957.75
	455538	03/09/2017	2016-2017 SLURRY SEAL	\$1,160.71
	455539	03/09/2017	ARENTH AVE RECONSTRUCTION	\$4,412.98
	455540	03/09/2017	CITYWIDE CATCH BASIN RETROFIT	\$860.13
	455541	03/09/2017	IPD 236 AJAX AVE STORM DRAIN IMPROVEMENTS	\$303.28
	455542	03/09/2017	GENERAL ENG SVC-CIP	\$40,225.71
	455543	03/09/2017	GENERAL SNG SVC-MAINT OF CITY	\$50,018.97
	455544	03/09/2017	COLIMA RD WIDENING	\$3,412.04
	455545	03/09/2017	PUENTE VALLEY OPERABLE UNIT	\$249.44

**CITY OF INDUSTRY
WELLS FARGO BANK
March 23, 2017**

Check	Date	Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo			
455546	03/09/2017	EXPO CENTER RESURFACING PARKING LOTS	\$12,890.69
455547	03/09/2017	CITY ELECTRICAL FACILITIES	\$86.24
455548	03/09/2017	TRES HERMANOS GENERAL ENGINEERING	\$83.15
455549	03/09/2017	PUC RR SAFETY UPGRADE	\$83.15
455550	03/09/2017	SAFETY UPGRADE AT VARIOUS RR CROSSINGS	\$760.67
455551	03/09/2017	EL ENCANTO HEALTH CARE FACILITY	\$344.95
455552	03/09/2017	TRAFFIC SIGNAL AT DON JULIAN/SIXTH AVE	\$166.29
455553	03/09/2017	SAN JOSE AVE RECONSTRUCTION	\$11,791.83
455554	03/09/2017	TRAIL IMPROVEMENTS ALONG TEMPLE AVE	\$1,330.32
455555	03/09/2017	HIGHWAY BRIDGE PROGRAM	\$41.58
455556	03/09/2017	HIGHWAY BRIDGE PROGRAM-AZUSA AVE	\$498.87
455557	03/09/2017	FISCAL YEAR BUDGET	\$12,474.72
455558	03/09/2017	STORM DRAIN IN AJAX AVE	\$926.96
455559	03/09/2017	ROWLAND ST RECONSTRUCTION	\$4,255.65
455560	03/09/2017	BIXBY DR PCC PAVEMENT	\$7,534.91
455561	03/09/2017	FOLLOW'S CAMP	\$190.80
455562	03/09/2017	VARIOUS ASSIGNMENTS RELATED TO SA	\$2,391.00
455563	03/09/2017	NELSON AVE/PUENTE AVE WIDENING	\$457.31
455564	03/09/2017	BONELLI STREET RESURFACING	\$2,551.13
455565	03/09/2017	GATEWAY CITIES COUNCIL OF GOVERNMENTS	\$344.94
455566	03/09/2017	BICYCLE MASTER PLAN	\$201.41
455567	03/09/2017	ARENTH AVE RECONSTRUCTION	\$7,501.72
455568	03/09/2017	2015-2016 TARGET SPEED SURVEY	\$3,711.84
455569	03/09/2017	REURFACING OF UNRUH AVE	\$4,185.11
455570	03/09/2017	CARTEGRAPH IMPLEMENTATION	\$5,707.26
455571	03/09/2017	COI PAVEMENT MGMT SYSTEM	\$665.16
455572	03/09/2017	GRAND AVE BRIDGE WIDENING	\$498.87
455573	03/09/2017	FULLERTON RD GRADE SEPARATION	\$3,332.00
455574	03/09/2017	ALAMEDA CORRIDOR EAST RELATED PROJECTS	\$2,512.91
455575	03/09/2017	FAIRWAY DR GRADE SEPARATION	\$2,996.32
455576	03/09/2017	NOGALES GRADE SEPARATION	\$332.58

**CITY OF INDUSTRY
WELLS FARGO BANK
March 23, 2017**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
	455577	03/09/2017	MISC GRADE SEPARATION STUDIES	\$3,245.75
65927	03/23/2017		COMFORT SYSTEMS USA	\$1,973.83
	Invoice	Date	Description	Amount
	258936	02/28/2017	A/C MAINT-EL ENCANTO	\$1,973.83
65928	03/23/2017		D M V RENEWAL	\$117.00
	Invoice	Date	Description	Amount
	5HJT180-17	02/28/2017	REGISTRATION RENEWAL-LIC 5HJT180	\$117.00
65929	03/23/2017		DAPEER, ROSENBLIT, AND LITVAK,	\$8,570.31
	Invoice	Date	Description	Amount
	12125	01/31/2017	LEGAL SVC-AMAR RD DISPENSARY	\$4,843.91
	12124	01/31/2017	LEGAL SVC-CODE ENFORCEMENT	\$3,726.40
65930	03/23/2017		DIRECTV - FOR BUSINESS	\$12.99
	Invoice	Date	Description	Amount
	30792849202	03/01/2017	RSN FEE	\$12.99
65931	03/23/2017		ENCO UTILITY SERVICES	\$2,500.00
	Invoice	Date	Description	Amount
	20-3-03-26	02/09/2017	CUSTOMER ACCOUNT SERVICES	\$2,500.00
65932	03/23/2017		FIRST AMERICAN DATA TREE, LLC	\$200.00
	Invoice	Date	Description	Amount
	20043650217	02/28/2017	PROPERTY DATA INFORMATION	\$200.00
65933	03/23/2017		FUEL PROS, INC.	\$603.03
	Invoice	Date	Description	Amount
	0000029182	02/23/2017	INDUSTRY HILLS FUEL STN MAINT	\$150.00
	00000029273	02/25/2017	INDUSTRY HILLS FUEL STN MAINT	\$453.03

**CITY OF INDUSTRY
WELLS FARGO BANK
March 23, 2017**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
65934	03/23/2017		GMS ELEVATOR SERVICES, INC	\$138.00
	Invoice	Date	Description	Amount
	00086567	03/01/2017	MONTHLY SVC-ELEVATOR	\$138.00
65935	03/23/2017		HISTORICAL RESOURCES, INC.	\$3,846.67
	Invoice	Date	Description	Amount
	02/16/17	02/16/2017	REIMBURSEMENT FOR F&M CREDIT CARD	\$3,846.67
65936	03/23/2017		INDUSTRY SECURITY SERVICES	\$18,994.28
	Invoice	Date	Description	Amount
	14-20239	03/03/2017	SECURITY SVC 02/24-03/02/17	\$16,807.16
	14-20249	03/03/2017	SECURITY SVC-TRES HERMANOS	\$2,187.12
65937	03/23/2017		INDUSTRY TIRE SERVICE	\$743.31
	Invoice	Date	Description	Amount
	0273746	03/04/2017	REPLACE TIRES-LIC 29260E1	\$743.31
65938	03/23/2017		JANUS PEST MANAGEMENT	\$645.00
	Invoice	Date	Description	Amount
	185568	03/01/2017	PEST SVC-HOMESTEAD	\$580.00
	185423	02/03/2017	GNAT CONTROL-HOMESTEAD	\$65.00
65939	03/23/2017		JAS PACIFIC	\$46,410.00
	Invoice	Date	Description	Amount
	BI 12435	02/05/2017	DEVELOPMENT SERVICE SUPPORT	\$46,410.00
65940	03/23/2017		JMDiaz, Inc.	\$6,345.80
	Invoice	Date	Description	Amount
	001 (16-237)	12/31/2016	STAFF AUGMENTATION SVC-DEC 2016	\$2,475.80
	002 (17-020)	01/31/2017	STAFF AUGMENTATION SVC-JAN 2017	\$3,870.00

**CITY OF INDUSTRY
WELLS FARGO BANK
March 23, 2017**

Check	Date	Payee Name		Check Amount
CITY.WF.CHK - City General Wells Fargo				
65941	03/23/2017	KLEINFELDER, INC.		\$7,888.20
	Invoice	Date	Description	Amount
	001141320	02/24/2017	SOIL TESTING-VALLEY BLVD RECONSTRUCTION	\$7,888.20
65942	03/23/2017	KLINE'S PLUMBING, INC.		\$1,425.00
	Invoice	Date	Description	Amount
	10257	02/23/2017	EMERGENCY REPAIR-POST OFFICE	\$850.00
	10278	03/02/2017	EMERGENCY REPAIR-TRES HERMANOS	\$575.00
65943	03/23/2017	L A COUNTY DEPT OF PUBLIC		\$24,239.13
	Invoice	Date	Description	Amount
	IN170000661	02/23/2017	ACCIDENT-VALLEY BLVD @ VINELAND	\$1,401.25
	SA170000302	02/21/2017	PUMP HOUSE REPLACEMENT-NOGALES GRADE	\$22,837.88
65944	03/23/2017	L A COUNTY SHERIFF'S		\$21,581.36
	Invoice	Date	Description	Amount
	173234NH	03/02/2017	SPECIAL EVENT-DIRECTED PATROL	\$21,581.36
65945	03/23/2017	L A COUNTY TAX COLLECTOR		\$479.38
	Invoice	Date	Description	Amount
	8282 012 276 16	03/14/2017	FY 15/16-PART OF INDUSTRY HILLS	\$479.38
65946	03/23/2017	LANG, HANSEN, O'MALLEY &		\$25,000.00
	Invoice	Date	Description	Amount
	5977	01/09/2017	LEGISLATIVE SVC-JAN 2017	\$25,000.00
65947	03/23/2017	LOCKS PLUS		\$238.94
	Invoice	Date	Description	Amount
	23700	02/27/2017	REPLACE LINE AND REKEY-HOMESTEAD	\$238.94

**CITY OF INDUSTRY
WELLS FARGO BANK
March 23, 2017**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
65948	03/23/2017		LOS ANGELES TIMES	\$350.98
	Invoice	Date	Description	Amount
	10007162114-17	02/15/2017	SUBSCRIPTION THRU 8/28/17-HOMESTEAD	\$350.98
65949	03/23/2017		MERRITT'S ACE HARDWARE	\$180.31
	Invoice	Date	Description	Amount
	097194	03/02/2017	REMOTES FOR CITY GATES	\$180.31
65950	03/23/2017		METHOD TECHNOLOGIES	\$316.25
	Invoice	Date	Description	Amount
	36622	03/07/2017	UPDATE CITY WEBSITE	\$316.25
65951	03/23/2017		MX GRAPHICS, INC.	\$13.05
	Invoice	Date	Description	Amount
	11955	02/06/2017	BLUEPRINT SVC-ZONING MAP	\$13.05
65952	03/23/2017		PITNEY BOWES, INC.	\$110.88
	Invoice	Date	Description	Amount
	3101059533	02/28/2017	POSTAGE MACHINE-MAR 2017	\$110.88
65953	03/23/2017		QUINN COMPANY	\$3,217.05
	Invoice	Date	Description	Amount
	WO810186553	02/28/2017	REPAIR OF CATERPILLAR	\$666.79
	WO810186558	02/28/2017	REPAIR OF CATERPILLAR	\$1,472.89
	WO8101186552	02/28/2017	REPAIR OF CATERPILLAR	\$1,077.37
65954	03/23/2017		REGIONAL GOVERNMENT	\$14,153.85
	Invoice	Date	Description	Amount
	6784	02/28/2017	HR SERVICE-FEB 2017	\$14,153.85
65955	03/23/2017		RICOH USA, INC.	\$329.79

**CITY OF INDUSTRY
WELLS FARGO BANK
March 23, 2017**

Check	Date	Payee Name	Check Amount	
CITY.WF.CHK - City General Wells Fargo				
	Invoice	Date	Description	Amount
	5047274573	02/27/2017	METER READING-FINANCE COPIER	\$329.79
65956	03/23/2017		RICOH USA, INC.	\$301.72
	Invoice	Date	Description	Amount
	53576162	02/25/2017	COPIER LEASE-CODE ENFORCEMENT	\$301.72
65957	03/23/2017		SAGE ENVIRONMENTAL GROUP	\$13,120.00
	Invoice	Date	Description	Amount
	585	03/03/2017	LA-60 DITCH-ROUTINE MAINT	\$13,120.00
65958	03/23/2017		SAN GABRIEL VALLEY PUBLIC	\$750.00
	Invoice	Date	Description	Amount
	03/12/17	03/12/2017	SPONSORSHIP	\$750.00
65959	03/23/2017		SEQUEL CONTRACTORS, INC	\$83,397.65
	Invoice	Date	Description	Amount
	#9CITY-1417R-A1	03/01/2017	ON CALL HWY AND STREET IMPROVEMENTS	\$7,637.80
	#9CITY-1417R-A30	03/01/2017	ON CALL HWY AND STREET IMPROVEMENTS	\$75,759.85
65960	03/23/2017		SO CAL INDUSTRIES	\$89.72
	Invoice	Date	Description	Amount
	262965	02/24/2017	FENCE RENTAL-INDUSTRY HILLS	\$89.72
65961	03/23/2017		SST CONSTRUCTION, LLC	\$360.00
	Invoice	Date	Description	Amount
	15949	02/28/2017	PREVENTIVE MAINT SVC-METRO SOLAR	\$360.00
65962	03/23/2017		STAPLES BUSINESS ADVANTAGE	\$1,179.82
	Invoice	Date	Description	Amount
	8043351120	02/25/2017	OFFICE SUPPLIES	\$977.70

**CITY OF INDUSTRY
WELLS FARGO BANK
March 23, 2017**

Check	Date	Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo			
	8043232008	02/18/2017 OFFICE SUPPLIES	\$202.12
65963	03/23/2017	SULLY MILLER CONTRACTING	\$201,819.42
	Invoice	Date	Amount
	#6CITY-1421	03/01/2017 VALLEY BLVD RECONSTRUCTION	\$212,441.50
65964	03/23/2017	U.S. NATIONAL BANK	\$10,622.08
	Invoice	Date	Amount
	#6CITY-1421-RET	03/01/2017 RETENTION-VALLEY BLVD RECONSTRUCTION	\$10,622.08
65965	03/23/2017	TELEPACIFIC COMMUNICATIONS	\$5,799.05
	Invoice	Date	Amount
	88083483-0	02/28/2017 INTERNET SVC-CITY/METRO/IPUC	\$5,799.05
65966	03/23/2017	TELEPACIFIC COMMUNICATIONS	\$936.16
	Invoice	Date	Amount
	88028053-0	02/28/2017 INTERNET SVC-HOMESTEAD	\$936.16
65967	03/23/2017	THE MORROW LAW FIRM	\$5,000.00
	Invoice	Date	Amount
	JANUARY 2017	02/15/2017 CITY CLERK SVC-JAN 2017	\$5,000.00
65968	03/23/2017	TRIMARK ASSOCIATES, INC.	\$1,726.67
	Invoice	Date	Amount
	EB1100Q	03/01/2017 MAINT SVC-METRO SOLAR	\$1,726.67
65969	03/23/2017	UNDERGROUND SERVICE ALERT OF	\$28.50
	Invoice	Date	Amount
	220170160	03/01/2017 DIG ALERTS	\$28.50
65970	03/23/2017	VANGUARD CLEANING SYSTEMS,	\$995.00

**CITY OF INDUSTRY
WELLS FARGO BANK
March 23, 2017**

Check	Date	Payee Name	Check Amount
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CITY.WF.CHK - City General Wells Fargo

Invoice	Date	Description	Amount
36129	03/01/2017	JANITORIAL SVC-HOMESTEAD	\$995.00
65971			\$803.95
WEATHERITE SERVICE			
Invoice	Date	Description	Amount
L170081	01/31/2017	A/C MAINT-IMC BLDG	\$433.95
L170063	01/31/2017	A/C MAINT-15559 RAUSCH/15660 STAFFORD	\$370.00
65972			\$3,900.00
WEST COAST ARBORISTS, INC.			
Invoice	Date	Description	Amount
1-2987	02/24/2017	EMERGENCY CREW RENTAL-CITY HALL	\$3,900.00
65973			\$4,475.66
WILLDAN ENGINEERING			
Invoice	Date	Description	Amount
00615014	02/17/2017	ENGINEERING SVC-VARIOUS SITES	\$4,475.66

Checks	Status	Count	Transaction Amount
	Total	93	\$1,479,766.57

CITY COUNCIL

ITEM NO. 5.2

RESOLUTION NO. CC 2017-07

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY,
CALIFORNIA, CANCELLING THE JUNE 6, 2017, GENERAL MUNICIPAL
ELECTION AND PROVIDING FOR THE APPOINTMENT
TO THE OFFICE OF COUNCIL MEMBER**

WHEREAS, pursuant to Section 10229 of the Elections Code of the State of California, as of the close of the Nomination Period on March 15, 2017, there are not more candidates than offices to be elected, and that Section 10229 of the Elections Code allows one of the following courses of action to be taken by the City Council:

1. Appoint to the office the person who has been nominated;
2. Appoint to the office any eligible voter if no one has been nominated;
3. Hold the election if either no one or only one person has been nominated; and

WHEREAS, only two candidates were nominated for the two City Council seats to be filled at the June 6, 2017, general municipal election; and

WHEREAS, there are no other city offices to be filled at the June 6, 2017, general municipal election; and

WHEREAS, on March 15, 2017, following the close of the nomination period, the City Clerk delivered to the City Council the certificate required by Section 10229 of the Elections Code, which is attached hereto as Exhibit "A" and incorporated herein by reference; and

WHEREAS, on March 18, 2017, the City Clerk posted and published the notice required by Section 10229 of the Elections Code; and

WHEREAS, pursuant to Section 10229 of the Elections Code, the City Council desires to appoint the two persons nominated for office of Council member: Abraham N. Cruz and Catherine Marcucci to four year terms, as if they were elected at the June 6, 2017 general municipal election.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF INDUSTRY,
DOES HEREBY FIND, DETERMINE AND RESOLVE, AS FOLLOWS:**

SECTION 1. The election scheduled to be held on Tuesday, June 6, 2017, is now canceled.

SECTION 2. That pursuant to Section 10229 of the Elections Code, the following persons are being appointed to the offices to which they were nominated, and are considered to be the same as being elected:

NAME	OFFICE	TERM
Abraham N. Cruz	Member of the City Council	Full Term of Four (4) Years
Catherine Marcucci	Member of the City Council	Full Term of Four (4) Years

SECTION 3. The person(s) appointed, if any, shall qualify and take office and serve exactly as if elected at a municipal election for the office.

SECTION 4. That the City Clerk is directed to transmit a certified copy of this Resolution and all necessary documents to the Los Angeles County Registrar of Voters and Board of Supervisors.

SECTION 5. The City Clerk is hereby directed not to accept for filing any statement for a write-in candidacy after the appointments are made.

SECTION 6. 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 7. That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

SECTION 8. This Resolution shall take effect immediately upon adoption.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Industry at a regular meeting held on March 23, 2017, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

Mark D. Radecki, Mayor

ATTEST:

Diane M. Schlichting, Chief Deputy City Clerk

CITY COUNCIL

ITEM NO. 5.3



CITY OF INDUSTRY

Incorporated June 18, 1957

TO: Honorable Mayor Radecki and Members of the City Council

FROM: James M. Casso, City Attorney

DATE: March 23, 2017

SUBJECT: Consideration of Amendment No. 2 to Professional Services Agreement with Cordoba Corporation

BACKGROUND: Effective August 1, 2015, the City Council entered into a professional services agreement with Cordoba Corporation (“Cordoba”) for real estate and related advisory services for the City’s owned property at Tonner Canyon and Follows Camp. Since August 1, 2015, Cordoba has been reviewing previously drafted and considered City studies on the potential uses of the Tonner Canyon property and Cordoba also has analyzed potential uses for the Follows Camp property. Over the course of their service, Cordoba has met with staff and the City Attorney’s office to discuss its findings and analysis.

DISCUSSION: The underlying agreement originally terminated on March 31, 2016. Last year, the Council extended the agreement to March 31, 2017. In order for Cordoba to continue its services and efforts, staff and the City Attorney’s office believes the Agreement should be extended for an additional 36 months, terminating on March 31, 2020.

It is expected that Cordoba will continue providing the City with consulting services on potential uses for the Tonner Canyon property, Follows Camp and any other City owned property as requested through the City Manager.

BUDGET IMPACT: Cordoba will earn a monthly retainer of \$45,000.00 and for other services as set forth in the underlying agreement.

RECOMMENDATION: Staff recommends that the City Council approve Amendment No. 2 to the Professional Services Agreement with Cordoba Corporation.

**AMENDMENT NO. 2
TO PROFESSIONAL SERVICES WITH CORDOBA CORPORATION**

This Amendment No. 2 to the Professional Services for Real Estate and Related Advisory Services (“Agreement”), is made and entered into this ___ day of March, 2017, by and between the City of Industry, a California municipal corporation (“City”) and Cordoba Corporation, a California corporation (“Consultant”). The City and Consultant are hereinafter collectively referred to as the “Parties.”

RECITALS

WHEREAS, effective on or about August 1, 2015, the Agreement was entered into by and between City and Consultant for real estate and related advisory services; and

WHEREAS, the Agreement is scheduled to terminate on March 31, 2017, and the Parties desire to extend the term of the Agreement to expire on March 31, 2020.

AMENDMENT

NOW, THEREFORE, in consideration of the mutual covenants, promises and agreements set forth herein, it is agreed the aforesaid Agreement shall remain in full force and effect except as otherwise hereinafter provided:

Section 1. TERM

The term of this Amendment No. 2 shall commence on April 1, 2017, (the “**Effective Date**”) and shall terminate on March 31, 2020, unless otherwise terminated in accordance with Section 5.

Section 2. Except as expressly modified by this Amendment No. 2, all terms and provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 2 to the Agreement as of the Effective Date.

“CITY”
City of Industry

“CONSULTANT”
Cordoba Corporation

By: _____
Paul J. Philips, City Manager

By: _____
George Pla, President & CEO

Attest:

By: _____
Diane M. Schlichting, Chief Deputy City Clerk

APPROVED AS TO FORM

By: _____
James M. Casso, City Attorney

CITY COUNCIL

ITEM NO. 6.1




CITY OF INDUSTRY

Incorporated June 18, 1957

MEMORANDUM

TO: Honorable Mayor Radecki and Members of the City Council

FROM: Paul J. Philips, City Manager 

STAFF: Susan Paragas, Director of Finance
Eric Scriven, City Municipal Advisor

DATE: March 23, 2017

SUBJECT: RESOLUTION CC 2017-08 OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA APPROVING THE FORM OF A PRELIMINARY OFFICIAL STATEMENT IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF CITY OF INDUSTRY SENIOR SALES TAX REVENUE REFUNDING BONDS, SERIES 2017 (TAXABLE); AMENDING CERTAIN PARAMETERS OF RESOLUTION NO. 2016-49; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

BACKGROUND:

The Bonds referenced by the above resolution (and defined below) are being issued under (i) the powers reserved to the City under Sections 3, 5 and 7 of Article XI of the Constitution of the State of California (the "State"); (ii) the Charter of the City (the "Charter"); (iii) the City of Industry Sales and Use Tax Financing Law, constituting Chapter 3.60 of Title 3 of the Industry Municipal Code (the "Bond Law"); (iv) and a vote of more than two-thirds of the voters of the City at an election held for that purpose on September 26, 2000 authorizing the issuance of up to \$500 million of bonds (the "Bond Authorization Amount").

On April 13, 2010 the City issued its 2010 Taxable Sales Tax Revenue Bonds (the "Prior Bonds") in the aggregate principal amount of \$45,380,000 of which \$32,335,000 are outstanding. On December 3, 2015, the City issued and delivered its Taxable Senior Sales Tax Revenue Refunding Bonds Issue of 2015A (the "2015A Senior Sales Tax Revenue Bonds") in the aggregate principal amount of \$336,570,000 of which \$335,970,000 are outstanding. The Prior Bonds were issued to finance various public capital improvements in the City. The Prior Bonds are presently candidates for refunding on a parity lien basis with the 2015A Senior Sales Tax Revenue Bonds.

DISCUSSION:

City staff recommends that the City issue its Senior Sales Tax Revenue Refunding Bonds, Series 2017 (Taxable) in an aggregate principal amount not to exceed \$36,000,000 (the "2017 Senior Bonds") on a negotiated basis to refund all of the outstanding Prior Bonds. Current interest rates are such that a refinancing of the Prior Bonds achieves significant savings.

The adoption of the Resolution CC 2017-08 ("Resolution") will approve, in substantially final form, a preliminary official statement that will provide potential investors information for the security and source of repayment for the 2017 Senior Bonds. The City will be obligated to pay the principal of and interest and premium (if any) on the 2017 Senior Bonds from a lien upon its Sales Tax Revenue receipts, amounts deposited in the Debt Service Account, debt service reserve account and other accounts established under the Bond's Trust Indenture.

The Resolution authorizes the execution and delivery of a Preliminary and final Official Statements that will describe the terms of the 2017 Senior Bonds, including the security for repayment of the 2017 Senior Bonds, the prepayment provisions and other material information, statistics, and summaries from the Resolution and Trust Indenture that prospective purchasers of the 2017 Senior Bonds are likely to consider material in making an investment decision. The information, statistics, and summaries included in the Preliminary Official Statement have been provided and/or reviewed by City staff.

In addition, the Resolution amends certain provisions of Resolution No. 2016-49, which was adopted by the City Council on July 28, 2016, and approved the issuance of the 2017 Senior Bonds. This Resolution amends the not-to-exceed true interest cost of the 2017 Senior Bonds from 4.0% to 4.5%.

Professional Services

Norton Rose Fulbright US LLP is serving as Bond Counsel and Disclosure Counsel in connection with the issuance, sale and delivery of the 2017 Senior Bonds and NHA Advisors LLC is serving as municipal advisor in connection with the issuance, sale and delivery of the Bonds under professional services agreements on file with the City Manager. These two firms, along with Stifel Nicolaus and Company, Incorporated, serving as underwriter, successfully executed the City of Industry Public Facilities Authority's Tax Allocation Refunding Bond transaction in July, 2015 and Senior Sales Tax Revenue Refunding Bond transaction in December, 2015.

Schedule

All other 2017 Senior Bond financing documents were approved by City Council at its July 28, 2016 meeting. If City Council approves this Resolution, it is expected that the bond structure for the 2017 Senior Bonds will be finalized and the Preliminary Official Statement for the 2017 Senior Bonds will be posted for potential bond investors' review within the next week. Depending upon bond market conditions, expected pricing of the 2017 Senior Bonds would then occur on or about April 4, 2017 and closing would occur approximately two weeks later (approx. April 19, 2017).

FISCAL IMPACT:

Approving Resolution CC 2017-08 will decrease annual debt service, which is payable only from sales tax revenues, by approximately \$475,900 for the first year (partial year) and an average of \$683,300 per year over the next nine years.

RECOMMENDED ACTION:

Staff recommends the City Council approve Resolution CC 2017-08, approving the form of a preliminary official statement in connection with the issuance, sale and delivery of the City of Industry Senior Sales Tax Revenue Refunding Bonds, Series 2017 (Taxable); amending certain parameters of resolution no. 2016-49; and authorizing certain other actions in connection therewith.

ATTACHMENTS:

- A. Resolution No. CC 2017-08: Approving Preliminary Official Statement in Connection with Issuance, Sale and Delivery of 2017 Senior Sales Tax Revenue Refunding Bonds (Taxable); Amendment to Resolution No. CC 2016-49
- B. Preliminary Official Statement
- C. Summary of Cash Flow Savings

RESOLUTION NO. CC 2017-08

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA APPROVING THE FORM OF A PRELIMINARY OFFICIAL STATEMENT IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF CITY OF INDUSTRY SENIOR SALES TAX REVENUE REFUNDING BONDS, SERIES 2017 (TAXABLE); AMENDING CERTAIN PARAMETERS OF RESOLUTION NO. 2016-49; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the City of Industry, California (the "City") is a charter city duly organized and existing under the Constitution and laws of the State of California; and

WHEREAS, the City acting under the powers reserved to the City under Sections 3, 5 and 7 of Article XI of the Constitution of the State of California and the Charter of the City, has adopted its Ordinance No. 654 on June 22, 2000, which enacted the City of Industry Sales and Use Tax Financing Law, constituting Chapter 3.60 of Title 3 of the Industry Municipal Code (the "Bond Law"), authorizing the issuance of bonds by the City which are secured by a pledge of and lien on sales and use tax revenues of the City (the "Sales Tax Revenues"), for the purpose of financing public capital improvements and working capital expenditures; and

WHEREAS, at a special election held in the City on September 26, 2000, more than 2/3 of the voters of the City approved the issuance of bonds under the Bond Law in the aggregate principal amount of \$500,000,000, in accordance with Section 3.60.060 of the Bond Law and Section 18 of Article XVI of the Constitution of the State of California; and

WHEREAS, the City has previously issued its 2005 Taxable Sales Tax Revenue Bonds in the original aggregate principal amount of \$113,420,000 (the "2005 Bonds"), its 2008 Taxable Sales Tax Revenue Bonds in the original aggregate principal amount of \$77,540,000 (the "2008 Bonds") its 2010 Taxable Sales Tax Revenue Bonds in the original aggregate principal amount of \$45,380,000 (the "2010 Bonds") its \$336,570,000 Senior Sales Tax Revenue Refunding Series 2015 (Taxable) (the "2015A Bonds") and, its \$51,460,000 Subordinate Sales Tax Revenues Bonds, Series 2015B (Taxable); and

WHEREAS, the 2005 Bonds and the 2008 Bonds were refunded and defeased with the proceeds of the 2015A Bonds; and

WHEREAS, the City Council has determined to issue an additional series of bonds under the Bond Law, designated the City of Industry Senior Sales Tax Revenue Refunding Bonds, Series 2017 (Taxable) (the "2017 Bonds" and, together with the 2015A Bonds, the "Senior Bonds") to refund and defease the 2010 Bonds to be payable from and secured by a first pledge of and lien on the sales tax revenues which are collected by the State Board of Equalization and payable to the City under Section 7204 of the Bradley-Burns Uniform Local Sales and Use Tax Law (the "Sales Tax Revenues"), which,

after the issuance of the 2017 Bonds, will be on a parity with the pledge and lien which secures the 2015A Bonds; and

WHEREAS, on July 28, 2016, the City adopted its Resolution No. 2016-49 (the "Resolution No. 2016-49") approving the issuance of the 2017 Bonds in the total aggregate principal amount not to exceed \$36,000,000, approving certain documents in connection therewith and providing certain parameters under which the 2017 Bonds are to be issued;

WHEREAS, the City now wishes to approve a form of Preliminary Official Statement relating to the 2017 Bonds, the form of which on file with the Deputy City Clerk and has been presented to this meeting, and amend certain of the parameters that were provided in Resolution No. 2016-49; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Official Statement. The form of proposed preliminary official statement (the "Preliminary Official Statement"), in substantially the form presented to the City Council of the City, and filed with the Deputy City Clerk, is approved and adopted with such changes, additions, amendments or modifications as may be made in accordance with the provisions of Section 4 hereof. The City Manager is authorized and directed, to cause to be prepared a preliminary official statement for the 2017 Bonds authorized by the Resolution No. 2016-49. The City Manager is authorized to cause the distribution of the Preliminary Official Statement, deemed final by the City for purposes of Rule 15c2-12 of the Securities Exchange Act of 1934, as amended, and the City Manager or the Mayor are authorized to execute a certificate to that effect. The City Manager or the Mayor are authorized and directed to sign the final Official Statement for the 2017 Bonds. The City Manager, and his designee, is authorized and directed to cause to be delivered to prospective purchasers of the 2017 Bonds copies of the Preliminary Official Statement and the final Official Statement.

Section 2. Amendment of Resolution No. 2016-49. Subsection (a) of Section 3 of Resolution No. 2016-49 is hereby amended and restated in its entirety as follows:

"(a) The 2017 Bonds shall not have a true interest cost in excess of four and a half percent (4.5%). For purposes of this paragraph, true interest cost means that nominal annual interest rate which, when compounded semiannually and used to discount all payments of principal and interest payable on the 2017 Bonds to the dated date of such 2017 Bonds results in an amount equal to the principal amount of such 2017 Bonds plus the amount of any premium offered (disregarding for the purposes of the calculation the accrued interest to the date of delivery of the 2017 Bonds); and"

Section 3. Effect on Resolution No. 2016-49. Except as amended by Section 2 of this Resolution, Resolution No. 2016-49 shall continue in full force and effect.

Section 4. Modification to Documents. Any City official authorized by this Resolution to execute any document is further authorized, to approve and make such changes, additions, amendments or modifications to the document or documents the official is authorized to execute as may be necessary or advisable. The approval of any change, addition, amendment or modification to any of such documents shall be evidenced conclusively by the execution and delivery of such document.

Section 5. General Authority. The Mayor, the City Manager, the Deputy City Clerk and any other official of the City and their duly authorized deputies and agents are authorized and directed, for and in the name and on behalf of the City, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance, sale and delivery of the 2017 Bonds and to effectuate the purposes thereof and of the documents herein approved in accordance with this Resolution.

Section 6. Ratification. All actions heretofore taken by the officials, employees and agents of the City with respect to the sale and issuance of the 2017 Bonds are hereby approved, confirmed and ratified.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Industry, California, at a regular meeting held on the 23rd day of March 2017.

Mark D. Radecki, Mayor

ATTEST:

Diane M. Schlichting, Chief Deputy City Clerk

I, Diane M. Schlichting, Chief Deputy City Clerk of the City of Industry, certify that Resolution No. CC 2017-08 was adopted by the City Council of the City of Industry at a regular meeting thereof, held on the 23rd day of March 2017, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Diane M. Schlichting, Chief Deputy City Clerk

PRELIMINARY OFFICIAL STATEMENT DATED MARCH __, 2017

NEW ISSUE—BOOK-ENTRY ONLY

RATINGS

Moody's: “__”

See “RATINGS” herein.

In the opinion of Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel, under existing law interest on the Bonds is exempt from personal income taxes of the State of California. The City has taken no action to cause, and does not intend, interest on the Bonds to be excluded pursuant to section 103(a) of the Internal Revenue Code of 1986 from the gross income of the owners thereof for federal income tax purposes. See “TAX MATTERS” herein.

\$ _____*

City of Industry

Senior Sales Tax Revenue Refunding Bonds

Series 2017 (Taxable)

Dated: Delivery Date

Due: January 1, as shown on the inside cover

The City of Industry Senior Sales Tax Revenue Refunding Bonds, Series 2017 (Taxable) (the “Bonds”) are limited obligations of the City of Industry (the “City”) payable from and secured by a pledge of Sales Tax Revenues. Sales Tax Revenues consist of all of the sales and use taxes levied by the City on taxable sales transactions within the City which are collected by the California State Board of Equalization and payable to the City periodically under Section 7204 of the Revenue and Taxation Code of the State of California, constituting the Bradley-Burns Uniform Local Sales and Use Tax Law. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein.

The Bonds are being issued pursuant to an Indenture of Trust, dated as of April 1, 2017 (the “Indenture”), by and between the City and U.S. Bank National Association, as trustee (the “Trustee”), and are being issued by the City to (i) refund all of the outstanding City of Industry, California 2010 Taxable Sales Tax Revenue Bonds, (ii) fund a reserve account or purchase a reserve surety for the Bonds, and (iii) pay certain costs of issuance of the Bonds. See “PLAN OF FINANCE” and “ESTIMATED SOURCES AND USES OF FUNDS” herein.

Interest on the Bonds is payable semiannually on January 1 and July 1 of each year commencing July 1, 2017. The Bonds will be delivered in fully registered form only and, when issued and delivered, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), New York, New York. Ownership interests in the Bonds will be in denominations of \$5,000 or any integral multiple thereof. Beneficial owners of the Bonds will not receive physical certificates representing their interests in the Bonds, but will receive a credit balance on the books of the nominees for such beneficial owners. The principal and interest with respect to the Bonds will be paid by the Trustee to DTC, which will, in turn, remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described herein.

The Bonds are subject to redemption as described herein. See “THE BONDS – Redemption” herein.

THE OBLIGATION OF THE CITY TO PAY THE BONDS IS A SPECIAL LIMITED OBLIGATION PAYABLE SOLELY FROM SALES TAX REVENUES AND DOES NOT CONSTITUTE A DEBT OF THE STATE OF CALIFORNIA (THE “STATE”), OR ANY POLITICAL SUBDIVISION OF THE STATE (OTHER THAN THE CITY) WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION, AND DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE CITY, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION (OTHER THAN THE SALES TAX REVENUES) OR FOR WHICH THE CITY, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE HAS LEVIED OR PLEDGED ANY FORM OF TAXATION (OTHER THAN THE SALES TAX REVENUES).

The City has applied for a policy of municipal bond insurance and a reserve surety with respect to the Bonds. If bond insurance is purchased, payment of the principal of and interest on any insured Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the issuance of the Bonds. See “BOND INSURANCE” herein.

This cover page contains certain information for general reference only. It is not a summary of the security or terms of this issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision with respect to the Bonds.

The Bonds are offered, when, as and if issued and accepted by the Underwriter, subject to the approval of validity by Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel to the City. Certain legal matters will be passed on for the City by Norton Rose Fulbright US LLP as Disclosure Counsel and for the City by Casso & Sparks, LLP as City Attorney. Certain legal matters will be passed on for the Underwriter by its counsel, Nixon Peabody LLP, Los Angeles, California. It is anticipated that the Bonds will be available for delivery through the book-entry facilities of DTC in New York, New York, on or about April __, 2017.

Stifel

Dated: April __, 2017

* Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or filing under the securities laws of any such jurisdiction.

\$ _____ *

**CITY OF INDUSTRY
SENIOR SALES TAX REVENUE REFUNDING BONDS
SERIES 2017 (TAXABLE)**

MATURITY SCHEDULE

Maturity Date (January 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP† (Base 45656R)
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					

* Preliminary; subject to change.

† CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers have been assigned by an independent company not affiliated with the City and are included solely for the convenience of investors. None of the City, the Underwriter, or the Financial Advisor, is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

No dealer, salesman or any other person has been authorized by the City of Industry, California (the "City") or the underwriter of the Bonds listed on the cover page hereof (the "Underwriter") to give any information or to make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the City or the Underwriter.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale. This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Neither the delivery of this Official Statement nor the sale of any of the Bonds implies that the information herein is correct as of any time subsequent to the date hereof. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create the implication that there has been no change in the matters described herein since the date hereof. This Official Statement is submitted in connection with the sale of securities referred to herein and may not be reproduced or be used, as a whole or in part, for any other purpose.

The information set forth herein has been obtained from the City and other sources believed to be reliable. The information and expressions of opinions herein are subject to change without notice and neither delivery of the Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. All summaries contained herein of the Indenture (defined herein) or other documents are made subject to the provisions of such documents and do not purport to be complete statements of any or all of such provisions. All statements made herein are made as of the date of this document by the City except statistical information or other statements where some other date is indicated in the text.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL ON THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS AND OTHERS AT PRICES LOWER OR YIELDS HIGHER THAN THE PUBLIC OFFERING PRICES OR YIELDS STATED ON THE INSIDE COVER PAGE HEREOF AND SUCH PUBLIC OFFERING PRICES OR YIELDS MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

This Official Statement, including any supplement or amendment hereto, is intended to be deposited with the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access ("EMMA") website. The City maintains a website. However, the information presented therein is not part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds.

FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this Official Statement constitute forward-looking statements. Such statements are generally identifiable by the terminology used such as “plan,” “project,” “expect,” “anticipate,” “intend,” “believe,” “estimate,” “budget” or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. No assurance is given that actual results will meet the forecasts of the City in any way, regardless of the level of optimism communicated in the information. The City is not obligated to issue any updates or revisions to forward-looking statements in any event.

CITY OF INDUSTRY

Mark D. Radecki, *Mayor*
Cory C. Moss, *Mayor Pro Tem*
Roy Haber III, *Council Member*
Newell W. Ruggles, *Council Member*
Abraham N. Cruz, *Council Member*

OFFICIALS OF THE CITY OF INDUSTRY

Paul Philips, *City Manager/City Clerk*
Phyllis Tucker, *Treasurer*
Alex Gonzalez, *Director of Development Services and Administration*
Susan Paragas, *Director of Finance*

SPECIAL SERVICES

Bond and Disclosure Counsel
Norton Rose Fulbright US LLP
Los Angeles, California

City Attorney
Casso & Sparks, LLP
West Covina, California

Municipal Advisor
NHA Advisors, LLC
San Rafael, California

Trustee and Escrow Agent
U.S. Bank National Association
Los Angeles, California

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\$ _____*
City of Industry
Senior Sales Tax Revenue Refunding Bonds
Series 2017 (Taxable)

INTRODUCTION

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

General

This Official Statement, which includes the cover page, table of contents and appendices hereto, is provided to furnish information in connection with the sale by the City of Industry, California (the "City") of its \$ _____* aggregate principal amount of Senior Sales Tax Revenue Refunding Bonds, Series 2017 (Taxable) (the "Bonds"). The Bonds are being issued by the City to (i) refund all of the outstanding City of Industry, California 2010 Taxable Sales Tax Revenue Bonds (the "Refunded Bonds"), currently outstanding in the aggregate principal amount of \$32,335,000, (ii) fund a reserve account or purchase a reserve surety for the Bonds and (iii) pay certain costs of issuance of the Bonds. See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Authority for Issuance of the Bonds

The Bonds are being issued under (i) the powers reserved to the City under Sections 3, 5 and 7 of Article XI of the Constitution of the State of California (the "State"); (ii) the Charter of the City (the "Charter"); (iii) the City of Industry Sales and Use Tax Financing Law, constituting Chapter 3.60 of Title 3 of the Industry Municipal Code (the "Bond Law"); (iv) a vote of more than two-thirds of the voters of the City at an election held for that purpose on September 26, 2000 authorizing the issuance of up to \$500 million of bonds (the "Authorization"); and (v) a resolution adopted by the City Council on July 28, 2016 (the "Resolution"). In addition, the Bonds are being issued pursuant to an Indenture of Trust dated as of April 1, 2017 (the "Indenture"), by and between the City and U.S. Bank National Association, as trustee (the "Trustee"). All capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in APPENDIX F – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE," or, if not defined therein, shall have the meanings assigned to such terms in the Indenture.

The Bonds

Interest on the Bonds is payable on July 1, 2017, and semiannually thereafter on each January 1 and July 1. The Bonds will be issued in denominations of \$5,000, or any integral multiple thereof (each an "Authorized Denomination"). The Bonds will initially be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. Individual purchases may be made in book-entry form only. Purchasers will not receive certificates representing their interest in the Bonds purchased. So long as Cede & Co. is the Registered Owner of the Bonds, references to the Bondholders or Registered Owners shall mean Cede & Co. and shall not mean the beneficial owners of the Bonds. So long as Cede & Co. is the Registered Owner of the Bonds, principal of and interest on the

* Preliminary; subject to change.

Bonds are payable by wire transfer by the Trustee to Cede & Co., as nominee for DTC, which is required, in turn, to remit such amounts to the DTC Participants for subsequent disbursement to the beneficial owners. See “THE BONDS” herein and APPENDIX E – “BOOK-ENTRY SYSTEM.”

The Bonds are subject to redemption, as described under the caption “THE BONDS — Redemption” herein.

Security and Sources of Payment for the Bonds

The Bonds are limited obligations of the City payable from and secured by a pledge of “Sales Tax Revenues.” Sales Tax Revenues are defined as all sales and use taxes levied by the City on taxable sales transactions within the City collected by the State Board of Equalization (the “Board of Equalization”) and payable to the City periodically under Section 7204 of the Bradley-Burns Uniform Local Sales and Use Tax Law, commencing with Section 7200 and following of the California Revenue and Taxation Code (the “Sales Tax Law”). Collection of the sales and use taxes is administered by the Board of Equalization pursuant to an agreement with the City. The City has instructed the Board of Equalization pursuant to that agreement to pay Sales Tax Revenues, after deducting its costs and expenses, directly to the Trustee. Upon receipt by the Trustee of the Sales Tax Revenues, the Trustee is required to deposit and apply the Sales Tax Revenues as provided in the Indenture. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Sales Tax Revenues” herein.

The City has previously issued the Refunded Bonds and its 2015A Taxable Sales Tax Revenue Bonds (the “2015A Bonds”) under the Bond Law. The Refunded Bonds are currently outstanding in the aggregate principal amount of \$32,335,000. The 2015A Bonds are currently outstanding in the aggregate principal amount of \$335,970,000. The Refunded Bonds will be refunded with proceeds of the Bonds. Following the redemption of the Refunded Bonds, the Bonds will be secured on a parity with only the 2015A Bonds.

The City has previously issued \$51,460,000 aggregate principal amount of Subordinate Sales Tax Revenue Bonds (Taxable) (the “Subordinate Bonds”). The Subordinate Bonds will be payable from Sales Tax Revenues on a subordinate basis to the Bonds and the 2015A Bonds. The City has no remaining authorization to issue additional bonds under the Authorization.

In the event that the City determines to issue additional bonds pursuant to the Bond Law and the authorization to issue such bonds is approved by a vote of more than two-thirds of the voters of the City, then the City would be permitted to issue additional bonds payable from Sales Tax Revenues. Such bonds may be issued on a parity basis with the Bonds and the 2015A Bonds.

Reserve Account

The Indenture establishes a Reserve Account for the Bonds to be held by the Trustee for the benefit of the Owners of the Bonds (the “Reserve Account”). Amounts in the Reserve Account will be used to make payments of principal and interest on the Bonds to the extent amounts in the Interest Account or Principal Account are not sufficient to pay in full the principal or interest due. The Reserve Account shall be funded in an amount equal to the Reserve Requirement. In lieu of making a Reserve Account deposit in cash or in replacement of moneys then on deposit in any Reserve Account, the City may deliver to the Trustee a letter of credit or surety bond, subject to certain requirements of the Indenture, in an amount, equal to the Reserve Requirement. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Reserve Account” herein.

Limited Obligations

THE OBLIGATION OF THE CITY TO PAY THE BONDS IS A SPECIAL LIMITED OBLIGATION PAYABLE SOLELY FROM SALES TAX REVENUES AND DOES NOT CONSTITUTE A DEBT OF THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE (OTHER THAN THE CITY) WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION, AND DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE CITY, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION (OTHER THAN THE SALES TAX REVENUES) OR FOR WHICH THE CITY, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE HAS LEVIED OR PLEDGED ANY FORM OF TAXATION (OTHER THAN THE SALES TAX REVENUES).

Continuing Disclosure

The City will covenant for the benefit of the Owners and beneficial owners of the Bonds to provide certain financial information and operating data relating to the City and notices of the occurrence of certain enumerated events to the Municipal Securities Rulemaking Board (the "MSRB") pursuant to a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement"). These covenants are being made in order to assist the Underwriter of the Bonds in complying with Rule 15c2-12 (the "Rule") of the U.S. Securities and Exchange Commission ("SEC") promulgated under the Securities Exchange Act of 1934, as amended. See "CONTINUING DISCLOSURE" herein and APPENDIX D – "FORM OF CONTINUING DISCLOSURE AGREEMENT."

References

The descriptions and summaries of the Indenture and various other documents hereinafter referenced do not purport to be comprehensive or definitive, and reference is made to each such document for the complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each such document. See APPENDIX F – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE."

THE CITY

The City is a charter city operating under a charter approved by the voters of the City on June 8, 1976. Located in the County of Los Angeles (the "County") in the State of California (the "State"), the City consists of approximately 12 square miles and is located 20 miles east of the City of Los Angeles. The City was incorporated on June 18, 1957 and has a City Council/Manager form of government. Since its incorporation, the City has pursued a unique urban concept, namely, that a city may be conceived, developed and operated primarily for manufacturing, distribution and related industrial and commercial activities. See APPENDIX A – "CITY OF INDUSTRY – INFORMATION STATEMENT."

THE BONDS

General Provisions

The Bonds will be dated their date of delivery and will be issued as fully registered bonds without coupons in Authorized Denominations. Interest on the Bonds is payable semiannually on January 1 and July 1 of each year, commencing July 1, 2017 (each an "Interest Payment Date") to the Registered Owner thereof as of the close of business on the fifteenth calendar day of the month preceding each Interest

Payment Date. Principal of and premium (if any) on the Bonds will be payable on January 1 in each of the years and in the amounts shown on the inside cover page hereof.

The Bonds will initially be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. Individual purchases may be made in book-entry form only. Purchasers will not receive certificates representing their interest in the Bonds purchased. So long as Cede & Co. is the Registered Owner of the Bonds, references to the Bondholders or Registered Owners shall mean Cede & Co. and shall not mean the beneficial owners of the Bonds. So long as Cede & Co. is the Registered Owner of the Bonds, principal of and interest on the Bonds are payable by wire transfer by the Trustee to Cede & Co., as nominee for DTC, which is required, in turn, to remit such amounts to the DTC Participants for subsequent disbursement to the beneficial owners. See APPENDIX E – “BOOK-ENTRY SYSTEM.”

Redemption*

The Bonds are subject to redemption prior to their stated maturities as described below.

Optional Redemption of the Bonds. The Bonds maturing on or after January 1, 20__ are subject to redemption prior to their respective maturity dates as a whole or in part on any date on or after January 1, 20__, in any order determined by the City, and by lot within a maturity, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued but unpaid interest to the date fixed for redemption, without premium.

Manner of Redemption. Whenever any Bonds or portions thereof are to be selected for redemption by lot, the Trustee shall make such selection, in such manner as the Trustee shall deem appropriate, and shall assign to each Bond then Outstanding a distinctive number for each \$5,000 of the principal amount of each such Bond. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected, but only so much of the principal amount of each such Bond so selected. All Bonds redeemed or purchased shall be canceled and destroyed by the Trustee.

Notice of Redemption. The City shall be required to give the Trustee written notice or Electronic Notice of its intention to redeem Bonds at least thirty (30) days prior to the date fixed for such redemption, unless the Trustee shall agree to a shorter period for such notice. The Trustee on behalf of and at the expense of the City will mail (by first class mail, postage prepaid, by Electronic Notice or other means acceptable to the recipient thereof) notice of any redemption at least twenty (20) days but not more than sixty (60) days prior to the redemption date, to (i) the Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, and (ii) to the Securities Depositories and to the Information Services designated in a Written Request of the City filed with the Trustee at the time the City notifies the Trustee of its intention to redeem Bonds; but such sending of notice will not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein will affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice will state the redemption date and the redemption price, will designate the CUSIP number of the Bonds to be redeemed, state the individual number of each Bond to be redeemed or state that all Bonds between two stated numbers (both inclusive) or all of the Bonds Outstanding (or all Bonds of a maturity) are to be redeemed, will state that such notice may be rescinded and will require that such Bonds be then surrendered at the Principal Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

* Preliminary; subject to change.

Any notice of redemption of the Bonds described above may be rescinded by written notice given to the Trustee by the City and the Trustee shall provide notice of such rescission as soon thereafter as practicable in the same manner, and to the same recipients, as notice of such redemption was given, but in no event later than the date set for redemption. Any notice of optional redemption will be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation will not constitute an Event of Default..

Effect of Redemption

From and after the date fixed for redemption, if funds available for the payment of the redemption price of and interest on the Bonds so called for redemption shall have been duly deposited with the Trustee, such Bonds so called will cease to be entitled to any benefit under the Indenture other than the right to receive payment of the redemption price and accrued interest to the redemption date, and no interest shall accrue thereon from and after the redemption date specified in the notice of redemption.

PLAN OF REFUNDING

General

Proceeds of the Bonds are being used by the City to (i) refund all of the outstanding Refunded Bonds, (ii) fund a Reserve Account or purchase a reserve surety for the Bonds and (iii) pay certain costs of issuance of the Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS” herein.

Refunding of the Refunded Bonds

A portion of the proceeds of the Bonds, together with other available moneys, will be used to advance refund the Refunded Bonds. The City will effect the refunding of the Refunded Bonds by causing a portion of the proceeds of the Bonds, together with certain other available moneys, to be deposited into an escrow fund for the Refunded Bonds (the “Escrow Fund”) created under an Escrow Agreement, dated as of April 1, 2017 (the “Escrow Agreement”), between the City and U.S. Bank National Association, as escrow agent (the “Escrow Agent”). Such proceeds and other available moneys deposited in the Escrow Fund will be held by the Escrow Agent in cash or will be used to purchase direct general obligations of the United States of America, for which the full faith and credit of United States of America are pledged, or obligations of any agency, department or instrumentality of the United States of America, the timely payment of principal and interest on which are directly or indirectly secured or guaranteed by the full faith and credit of the United States of America (“Federal Securities”) that will bear interest at such rates and will be scheduled to mature at such times and in such amounts so that, when paid in accordance with their respective terms, and together with any amounts held as cash in the Escrow Fund, sufficient moneys will be available (i) to pay principal and interest coming due on the Refunded Bonds on and prior to January 1, 2020 and (ii) to redeem the Refunded Bonds on January 1, 2020 at a price of 100% of the principal amount thereof, plus accrued interest thereon to the redemption date, plus a redemption premium for each Refunded Bond equal to 1/8 of 1% for each whole year and any remaining fraction of a whole year between the redemption date and the stated maturity date of the applicable Refunded Bond (the “Redemption Price”).

Causey Demgen Moore P.C., (the “Verification Agent”), upon delivery of the Bonds, will deliver a report on the mathematical accuracy of certain computations, contained in schedules provided to it by the City, relating to the sufficiency of moneys deposited into the Escrow Fund, to provide for the payments to be made on the Refunded Bonds. The report of the Verification Agent will include a statement to the effect that the scope of its engagement is limited to verifying the mathematical accuracy

of the computations contained in such schedules provided to it, and that it has no obligation to update its report because of events occurring, or date or information coming to its attention, subsequent to the date of its report. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS" herein.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the Bonds, and other available amounts, are expected to be applied as follows:

Sources of Funds	\$
Principal Amount.....	
[Net][Premium][Discount].....	
Other Sources ⁽¹⁾	
Total Sources.....	\$
 Uses of Funds	
Refunded Bonds Redemption Account.....	\$
Costs of Issuance ⁽²⁾	
Underwriter's Discount.....	
Total Uses.....	\$

⁽¹⁾ Amounts consist of the release of funds held in the debt service fund and debt service reserve fund established for the Refunded Bonds.

⁽²⁾ Includes rating agency fees, Trustee fees, printing costs, Verification Agent fees, Bond Counsel, Disclosure Counsel, and Financial Advisor fees and expenses, bond insurance and reserve surety premiums, if any, and other miscellaneous expenses.

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DEBT SERVICE SCHEDULE

The following table shows the annual debt service requirements (with principal and interest shown separately) on the 2015A Bonds and the Bonds. The 2015A Bonds are currently outstanding in the aggregate principal amount of \$335,970,000. The lien of the Refunded Bonds on the Sales Tax Revenues is expected to be defeased upon the delivery of the Bonds and funding of the Escrow Fund; other than the 2015A Bonds, upon such defeasance there will be no obligations of the City secured by a parity or more senior lien on Sales Tax Revenues than that securing the Bonds. The Subordinate Bonds are secured on a subordinate basis to the Bonds and the 2015A Bonds.

Fiscal Year Ending June 30	Bonds Principal ⁽¹⁾	Bonds Interest	2015A Bonds Debt Service ⁽¹⁾	Combined Debt Service ⁽¹⁾
2017			\$ 18,256,645	
2018			18,263,695	
2019			18,258,163	
2020			18,257,363	
2021			18,258,363	
2022			18,258,088	
2023			18,261,138	
2024			18,261,913	
2025			18,260,413	
2026			18,255,963	
2027			18,260,956	
2028			22,998,556	
2029			22,997,756	
2030			22,995,906	
2031			22,996,431	
2032			22,996,950	
2033			22,999,894	
2034			22,999,338	
2035			22,999,588	
2036			22,995,544	
2037			22,995,875	
2038			22,999,044	
2039			22,998,513	
2040			22,998,000	
2041			22,995,969	
2042			22,995,881	
2043			22,995,944	
2044			22,999,363	
2045			22,999,088	
2046			22,998,325	
2047			22,995,025	
2048			22,997,138	
2049			22,997,100	
2050			22,997,606	
2051			22,996,094	
Total			\$752,791,621	

⁽¹⁾ Includes mandatory sinking fund payments.

BOND INSURANCE

The City has applied for a policy of municipal bond insurance with respect to the Bonds. If bond insurance is purchased, payment of the principal of and interest on any insured Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the issuance of the Bonds. The terms of any such municipal bond insurance will be described in the final Official Statement.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Limited Obligations

The Bonds are limited obligations of the City payable from and secured by a pledge of Sales Tax Revenues received by the City. The Bonds are secured on a parity with the 2015A Bonds. In addition, the Bonds are secured by a first pledge and lien on amounts in the Interest Account, Principal Account, the Reserve Account and the Redemption Account established under the Indenture.

THE OBLIGATION OF THE CITY TO PAY THE BONDS IS A SPECIAL LIMITED OBLIGATION PAYABLE SOLELY FROM SALES TAX REVENUES AND DOES NOT CONSTITUTE A DEBT OF THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE (OTHER THAN THE CITY) WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION, AND DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE CITY, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION (OTHER THAN THE SALES TAX REVENUES) OR FOR WHICH THE CITY, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE HAS LEVIED OR PLEDGED ANY FORM OF TAXATION (OTHER THAN THE SALES TAX REVENUES).

Sales Tax Revenues

Sales Tax Revenues consist of all sales and use taxes levied by the City on taxable sales transactions within the City collected by the Board of Equalization and payable to the City periodically under the Sales Tax Law. In general, the Sales Tax Revenues consist of the City's share of the general sales tax levy on taxable transactions in the City, less amounts payable by the City to the Board of Equalization for costs and expenses for its services in connection with administration of the sales and use tax.

Collection of the sales and uses taxes is administered by the Board of Equalization pursuant to an agreement with the City. The City has instructed the Board of Equalization pursuant to that agreement to pay Sales Tax Revenues, after deducting its costs and expenses, directly to the Trustee. Upon receipt by the Trustee of the Sales Tax Revenues, the Trustee is required to deposit and apply the Sales Tax Revenues as provided in the Indenture.

The table below shows the total of annual taxable transactions by business type within the City for 2012 through 2014 and the aggregate amount for the first and second quarters of 2015. For calendar year 2015, the City's taxable transactions for retail and food services was \$1,570,650,932 and was \$2,623,535,724 for the total of all outlets. Annual data for 2015 for the total taxable transactions by business type is not currently available from the Board of Equalization. In addition, data for 2016 is not currently available from the Board of Equalization.

CITY OF INDUSTRY
Permits and Taxable Transactions
(In Thousands)

Type of Business	2012		2013		2014		2015 ⁽¹⁾	
	Permits	Taxable Transactions	Permits	Taxable Transactions	Permits	Taxable Transactions	Permits	Taxable Transactions
Retail and Food Services								
Motor Vehicle and Parts Dealers	106	\$ 373,058	106	\$ 405,136	104	\$ 441,643	130	\$ 228,920
Home Furnishings and Appliance Stores	191	301,498	164	282,240	154	281,113	229	125,737
Building Material and Garden Equipment and Supplies	51	95,536	51	106,676	50	106,221	79	54,355
Food and Beverage Stores	53	17,297	52	19,532	49	19,880	60	9,914
Gasoline Stations	16	110,838	16	106,207	15	93,255	16	46,306
Clothing and Clothing Accessories Stores	358	74,459	298	80,079	279	90,066	562	42,979
General Merchandise Stores	155	285,320	137	285,644	119	285,619	274	129,047
Food Services and Drinking Places	166	141,980	174	152,795	186	161,090	196	87,410
Other Retail Group	2,352	84,752	2,096	89,387	2,118	100,752	1,994	49,765
Total Retail and Food Services	3,448	1,484,737	3,094	1,527,696	3,074	1,579,638	3,540	774,436
All Other Outlets	1,327	\$1,513,796	1,322	\$1,197,380	1,329	\$1,238,176	1,531	\$ 510,781
Totals All Outlets	4,775	\$2,998,533	4,416	\$2,725,077	4,403	\$2,817,814	5,071	\$1,285,217

⁽¹⁾ 2015 data only available for the first and second quarters.
Source: Board of Equalization.

The sales and use tax represents the City's one percent (1.0%) share of the State retail transaction and use tax that is allocated to cities based upon the dollar amount of taxable transactions occurring within their boundaries. In general, the statewide sales tax applies to gross receipts of retailers from the sale of tangible personal property. The use tax is imposed on the storage, use or other consumption in the State of property purchased from a retailer for such storage, use or other consumption. Since the use tax does not apply to cases where the sale of the property is subject to the sales tax, the application of the use tax generally is to purchases made outside of the State for use within the State. The sales and use tax is imposed upon the same transactions and items subject to the statewide sales tax and the statewide use tax.

Currently, taxable transactions in the City are taxed at an aggregate rate of 9.00%, including the 1.00% rate which generates Sales Tax Revenues pledged to the Bonds. The table below shows the breakdown of the overall sales tax rate levied on taxable transactions in the City for the Fiscal Year 2016-17.

**CITY OF INDUSTRY
Sales Tax Rates**

	Fiscal Year 2016-17	
		Total
State Tax		6.25%
State General Fund	3.94%	
Other State Funds	0.25	
State Local Revenue Fund	1.56	
State Local Public Safety Fund	0.50	
Local Tax		2.75%
"Sales Tax Revenues" (as used in this Official Statement)	1.00%	
County Transportation Funds	1.75	
Total:		9.00%

Source: City of Industry.

Certain transactions are exempt from the sales and use tax and, hence, are not included in the Sales Tax Revenues. Exempt transactions include:

- sales of food products for home consumption;
- sales of prescription medicine;
- sales of newspapers and periodicals; sales of edible livestock and their feed;
- sales of seed and fertilizer used in raising food for human consumption; and
- sales of gas, electricity and water when delivered to consumers through mains, lines and pipes.

This is not an exhaustive list of exempt transactions. A comprehensive list can be found in the Board of Equalization's July 2014 publication entitled "Sales and Use Taxes: Exemptions and Exclusions," which can be found on the Board of Equalization's website at <http://www.boe.ca.gov>. The information set forth on such website is not incorporated by reference herein.

Historical Sales Tax Revenues

The following table sets forth the Sales Tax Revenues received by the City for the last 10 Fiscal Years.

CITY OF INDUSTRY Historical Sales Tax Revenues

Fiscal Year	Sales Tax Revenues ⁽¹⁾
2006-07	\$33,537,487
2007-08	33,048,407
2008-09	27,169,412
2009-10	23,486,124
2010-11	24,414,131
2011-12	28,659,966
2012-13	32,592,793
2013-14	40,619,388 ⁽²⁾
2014-15	33,620,881
2015-16	31,545,596

⁽¹⁾ Sales and use tax receipts net of the Board of Equalization administrative fees.

⁽²⁾ Amount includes proceeds of a \$8.61 million taxpayer settlement.

Source: City of Industry.

Debt Service Coverage

The Maximum Annual Debt Service coverage for the Bonds and the 2015A Bonds is _____. The Maximum Annual Debt Service coverage is based on Sales Tax Revenues received by the City for the Fiscal Year 2015-16.

City Loan of General Fund Monies for the Payment of Debt Service on the 2015 Bonds and the Refunded Bonds

On June 23, 2016, the City made an approximately \$7.7 million loan from its General Fund for the purpose of making deposits in the debt service accounts established for the Refunded Bonds, the 2015A Bonds and the Subordinate Bonds to ensure that an entire year's debt service for the Fiscal Year 2016-17 was on deposit in the respective debt service accounts for the Refunded Bonds, the 2015A Bonds and the Subordinate Bonds pursuant to the requirements of the indentures relating to the Refunded Bonds, 2015A Bonds and the Subordinate Bonds. The necessity for the City to make the loan was due in part to two cash-flow timing issues that the City has determined are not likely to be reoccurring events. The first such issue was that the City was required to fund the Fiscal Year 2015-16 debt service on the Refunded Bonds and the entire Fiscal Year 2016-17 debt service on both the Refunded Bonds and the 2015A Bonds from Sales Tax Revenues received in a single fiscal year. In subsequent fiscal years, Sales Tax Revenues received in the then current fiscal year will be accumulated in an amount equal to the debt service payable in the following fiscal year. The second issue was the timing of the final payment to the City relating to

the expiration of the "Triple Flip." The payment was not received by the City until July 20, 2016. Going forward, the amounts received as part of the Triple Flip payments will be included in the monthly payments of Sales Tax Revenues received by the City.

An additional factor contributing to the necessity to make the loan was the timing of the June Board of Equalization distribution of Sales Tax Revenues to the City. The City did not receive the distribution of the Sales Tax Revenues until June 24, 2016. In order to ensure that it would meet the deposit requirements relating to debt service provided in the indentures for the Refunded Bonds and the 2015A Bonds, the City determined to make the loan of General Fund monies previously described. While the City believes that in subsequent fiscal years it will receive the June Board of Equalization distribution of Sales Tax Revenues on a date that will allow for adequate time to make the necessary transfers required under the Indenture and indentures for the 2015A Bonds and the Subordinate Bonds, the distribution from the Board of Equalization could be delayed and such Sales Tax Revenues may not be available for deposit in the respective debt service accounts. While the City has made a loan of General Fund monies in the past to ensure compliance with the debt service deposit requirements of the indentures relating to the Refunded Bonds, the 2015A Bonds and the Subordinate Bonds, the City is not obligated to make such loans in the future.

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Top Twenty-Five Sales Tax Producers

The following table provides the top twenty-five sales tax producers for the Fiscal Year 2015-16. The aggregate share of Sales Tax Revenues produced by the top twenty-five sales tax producers was 48% of total Sales Tax Revenues received by the City during that period. The top ten sales tax producers represented 29.0% of total Sales Tax Revenues received by the City during that period. Within the tables below, the parties are presented in alphabetical order.

CITY OF INDUSTRY
Top Twenty-Five Sales Tax Producers
Fiscal Year 2015-16⁽¹⁾
(in Alpha Order)

1 Through 10

Costco
Diamond Honda
Frys Electronics
Newegg
Puente Hills Chevrolet
Puente Hills Nissan
Puente Hills Toyota Scion
Quinn Power Systems
Sysco Food Services
US Air Conditioning Distributors

11 Through 25

Best Buy	Puente Hills Ford
Cal Lift	Puente Hills Hyundai
Golden State Foods	Puente Hills Subaru
HD Supply	Rush Truck Center
Home Depot	Sam's Club
Lowe's	Target
PRL Glass Systems	Walmart
Puente Hills Chrysler Dodge Jeep Ram	

⁽¹⁾The Fiscal Year 2015-16 total Sales Tax Revenues were \$31,545,596.

Source: *City of Industry*.

Sales Tax Collection Procedures

Collection of the sales and use tax is administered by the Board of Equalization. The Board of Equalization distributes quarterly tax revenues to cities, counties and special districts using the following method: Using the prior year's like quarterly tax allocation as a starting point, the Board of Equalization first eliminates nonrecurring transactions such as fund transfers, audit payments and refunds, and then adjusts for growth, in order to establish the estimated base amount. The Board of Equalization disburses 90 percent to each local jurisdiction in three monthly installments (advances) prior to the final computation of the quarter's actual receipts. Ten percent is withheld as a reserve against unexpected

occurrences that can affect tax collections (such as earthquakes, fire or other natural disaster) or distributions of revenue such as unusually large refunds or negative fund transfers. The first and second advances each represent 30 percent of the 90 percent distribution, while the third advance represents 40 percent. One advance payment is made each month, and the quarterly reconciliation payment (clean-up) is distributed in conjunction with the first advance for the subsequent quarter. Statements showing total collections, administrative costs, prior advances and the current advance are provided with each quarterly clean-up payment.

The Board of Equalization receives an administrative fee based on the cost of services provided by the Board of Equalization to the City in administering the sales and use tax; the fee is deducted from revenue generated by the sales and use tax before it is distributed to the City. Collection of the sales and use taxes is administered by the Board of Equalization pursuant to an agreement with the City. The City has instructed the Board of Equalization pursuant to that agreement to pay Sales Tax Revenues, after deducting its fee, directly to the Trustee. Upon receipt by the Trustee of the Sales Tax Revenues, the Trustee is required to deposit and apply the Sales Tax Revenues as provided in the Indenture.

Additional information relating to historical and comparative trends in the City's taxable sales and other economic data can be found below under APPENDIX A – "CITY OF INDUSTRY – INFORMATION STATEMENT" herein.

Pledge of Sales Tax Revenues and Certain Amounts Held Under the Indenture

Under the Indenture, the City grants a first pledge of and lien on, and a security interest in, all of the Sales Tax Revenues to secure the Bonds on a parity with the pledge, lien and security interest that secures the 2015A Bonds and any Parity Debt that may be issued in the future. Such pledge, lien and security interest are for the equal security of the Bonds, the 2015A Bonds and any Parity Debt without preference or priority for number, date of execution or date of delivery.

In addition, the Bonds (but not the 2015A Bonds or any Parity Debt) are secured by a first pledge of and lien on, and a security interest in, all of the moneys on deposit in the Interest Account, the Principal Account, the Reserve Account and the Redemption Account established under the Indenture.

Except for the Sales Tax Revenues, no funds of the City are pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium, if any, on the Bonds.

Deposit of Sales Tax Revenues and Transfers of Amounts to Trustee

Pursuant to the Indenture, there is established the "Sales Tax Revenues Fund," which will be held by the Trustee for the benefit of the Owners and the owners of the Bonds, the 2015A Bonds and any Parity Debt. Under the Indenture, the City shall cause the Sales Tax Revenues to be transmitted by the Board of Equalization directly to the Trustee. The Indenture directs the Trustee to deposit all Sales Tax Revenues, when and as received by the Trustee, into the Sales Tax Revenues Fund. The Trustee will transfer money from the Sales Tax Revenues Fund as follows:

(a) On the date that is the 5th Business Day prior to each January 1 or July 1, after taking into account amounts in the Debt Service Fund established under the Indenture and the debt service funds established for the 2015A Bonds and any Parity Debt, the Trustee will transfer amounts necessary to pay the principal of and interest on the Outstanding Bonds, outstanding 2015A Bonds and any Parity Debt coming due on such January 1 or July 1 to the Debt Service Fund established pursuant to the Indenture or to the trustees for the 2015A Bonds and any Parity Debt, as applicable, in the amounts necessary to make such payments; provided that the Trustee will not be required to make such transfers if amounts on

deposit in the Debt Service Fund and the debt service funds established for the 2015A Bonds and any Parity Debt are sufficient to pay the principal of and interest on the Outstanding Bonds, the 2015A Bonds and any Parity Debt coming due on such January 1 or July 1; provided further, that if such transfer is necessary and that if on the date that is five (5) Business Days prior to any July 1 or January 1, there are insufficient amounts on deposit in the Sales Tax Revenues Fund to pay the entire amount of principal or interest coming due on such date for all of the Outstanding Bonds, the outstanding 2015A Bonds and any outstanding Parity Debt, then amounts in Sales Tax Revenues Fund shall be allocated on a *pro rata* basis based on the relative amounts of principal and/or interest coming due on such date for the Outstanding Bonds, the outstanding 2015A Bonds and any outstanding Parity Debt.

(b) On the date that amounts on deposit in the Sales Tax Revenues Fund, together with amounts held in the Debt Service Fund established under the Indenture and the debt service funds established for the 2015A Bonds and any Parity Debt are sufficient to pay the principal of and interest on the Bonds, the 2015A Bonds and any Parity Debt coming due in the then-current Fiscal Year and the Bond Year beginning in that Fiscal Year and to cure any deficiency in the Reserve Account, the reserve account for the 2015A Bonds and the reserve account for any Parity Debt, the Trustee will transfer amounts necessary to pay the principal of and interest on the Outstanding Bonds, outstanding 2015A Bonds and any outstanding Parity Debt coming due in the then-current Fiscal Year and the Bond Year beginning in the then current Fiscal Year and to cure any deficiency in the Reserve Account, the reserve account for the 2015A Bonds and the reserve account for any Parity Debt, as applicable, to the Debt Service Fund established pursuant to the Indenture and to the trustees for the 2015A Bonds and any Parity Debt in the amounts necessary to make such payments and cure such deficiencies. All amounts in the Sales Tax Revenues Fund in excess of the amounts required to be transferred pursuant to the prior sentence, and all additional amounts deposited in the Sales Tax Revenues Fund through June 30 of such Fiscal Year after the transfer described in such sentence has been made shall be transferred as soon as practicable after receipt into the Surplus Account.

Under the Indenture, there is established a fund to be known as the “Debt Service Fund” which will be held by the Trustee in trust for the benefit of the Owners. The Trustee will hold the Debt Service Fund for the uses and purposes set forth therein, so long as any of the Bonds remain Outstanding. The Trustee will deposit Sales Tax Revenues transferred from the Sales Tax Revenues Fund pursuant to (a) and (b) above, as applicable, in the following respective special accounts within the Debt Service Fund, which accounts are established under the Indenture with the Trustee with respect to the Bonds, as soon as practicable after transfer of the Sales Tax Revenues into the Debt Service Fund and in any event no later than the dates set forth below, in the following order of priority:

First Interest Account. (i) With respect to amounts transferred pursuant to (a) above, on or before the 5th Business Day preceding each date on which interest on the Bonds is due and payable, the Trustee will deposit in the Interest Account an amount which, when added to the amount then on deposit in the Interest Account, equals the aggregate amount of the interest coming due and payable on the Outstanding Bonds on such date and (ii), with respect to amounts transferred pursuant to (b) above, the Trustee will deposit in the Interest Account an amount which, when added to the amount then on deposit in the Interest Account, equals the interest coming due and payable on the Outstanding Bonds in the then-current Fiscal Year and in the Bond Year beginning in the such Fiscal Year. The Trustee will apply amounts in the Interest Account solely for the purpose of paying the interest on the Bonds when due and payable.

Second Principal Account. (i) With respect to amounts transferred pursuant to (a) above, on or before the 5th Business Day preceding each date on which principal of the Bonds is due and payable at maturity or upon mandatory sinking fund redemption, the Trustee will deposit in the Principal Account an amount which, when added to the amount then on deposit in the Principal Account, equals the amount of

principal coming due and payable on that date on the Outstanding Bonds, and (ii), with respect to amounts transferred pursuant to (b) above, the Trustee will deposit in the Principal Account an amount which, when added to the amount then on deposit in the Principal Account, equals the principal coming due and payable on the Outstanding Bonds in the then-current Fiscal Year and in the Bond Year beginning in such Fiscal Year. The Trustee will apply amounts in the Principal Account solely for the purpose of paying the principal of the Bonds at the maturity thereof and the principal of the Term Bonds upon the mandatory sinking fund redemption thereof.

Third Reserve Account. The Trustee will value the balance in the Reserve Account on each July 2. If the amount on deposit in the Reserve Account at any time falls below the Reserve Requirement, the Trustee will deposit an amount sufficient to maintain the amount of the Reserve Requirement on deposit in the Reserve Account. The Trustee will apply amounts in the Reserve Account solely (i) for the purpose of making transfers to the Interest Account and the Principal Account, in that order of priority, on any date on which the principal of or interest on the Bonds is due and payable under the Indenture, if there is a deficiency at any time in any of such accounts, or (ii) at any time for the retirement of all the Outstanding Bonds at the Written Request of the City. So long as no Event of Default has occurred and is continuing, the Trustee shall withdraw any amount in the Reserve Account in excess of the Reserve Requirement no later than the 5th Business Day preceding each Interest Payment Date and deposit such amount in the Interest Account.

Fourth Redemption Account. On or before the 5th Business Day preceding any date on which Bonds are subject to redemption (other than mandatory sinking fund redemption of Term Bonds), the City will transfer to the Trustee for deposit in the Redemption Account an amount required to pay the principal of and premium, if any, on the Bonds to be so redeemed on such date. The Trustee will apply amounts in the Redemption Account solely for the purpose of paying the principal of and premium, if any, on the Bonds upon the redemption thereof, other than mandatory sinking fund redemption of Term Bonds which will be made from amounts in the Principal Account, on the date set for such redemption.

Fifth Surplus Account. As long as the amounts on deposit in the Interest Account, the Principal Account and the Reserve Account are equal to amounts sufficient to pay, as applicable, the principal of and interest on the Outstanding Bonds coming due in the then-current Fiscal Year and the Bond Year beginning in such Fiscal Year and satisfy the Reserve Requirement and no Event of Default relating to the payment of principal of and interest on the Bonds has occurred and is continuing, then on June 30 of each year, commencing June 30, 2017 the Trustee shall transfer any amounts on deposit in the Surplus Account following the deposits required by First, Second, Third, and Fourth above and otherwise pursuant to the transfer required by the last sentence of (b) above to the trustee for the 2015B Subordinate Bonds, and such amounts transferred will constitute "Subordinate Sales Tax Revenues" and will be released from the pledge and lien which secures the Bonds.

The Indenture requires that the trustee for the Bonds, the 2015A Bonds, any Parity Debt and the Subordinate Bonds be the same financial institution.

Reserve Account

The Indenture establishes a Reserve Account for the Bonds to be held by the Trustee for the benefit of the Owners of the Bonds. Amounts in the Reserve Account will be used to make payments of principal and interest on the Bonds to the extent amounts in the Interest Account or the Principal Account are not sufficient to pay in full the principal or interest due. The Reserve Account shall be funded in an amount as of any date of calculation equal to the Reserve Requirement. In lieu of making a Reserve Account deposit in cash or in replacement of moneys then on deposit in any bond reserve account, the City may deliver to the Trustee an irrevocable standby or direct-pay letter of credit or surety bond issued

by a commercial bank or insurance company (a "Qualified Reserve Account Credit Instrument"), subject to certain requirements of the Indenture, in an amount, equal to the Reserve Requirement. See APPENDIX F – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE."

"Reserve Requirement" means, as of the date of any calculation, an amount equal to the Maximum Annual Debt Service on the Bonds then Outstanding. The Reserve Requirement for the Bonds as of the Closing Date is \$_____.

Issuance of Parity Debt

Under the Indenture, the City is permitted to issue Parity Debt in such principal amount as it determines, under the Bond Law or under any other law that permits the City to issue its obligations secured in whole or in part by a pledge of and lien on the Sales Tax Revenues, subject to the following conditions precedent:

(a) No Event of Default (or no event with respect to which notice has been given and which, once all notice of grace periods have passed, would constitute an Event of Default) has occurred and is continuing.

(b) The issuance of such Parity Debt has been authorized by at least 2/3 of the voters of the City as required by Section 18 of Article XVI of the California Constitution.

(c) The Sales Tax Revenues, as shown in audited financial statements for the most recent Fiscal Year for which audited financial statements are available, are at least equal to 125% of Maximum Annual Debt Service on all Bonds, 2015A Bonds and Parity Debt that will be Outstanding following the issuance of the Parity Debt.

(d) The Supplemental Indenture or other document authorizing the issuance of such Parity Debt provides that:

(i) interest on the Parity Debt is payable on January 1 and July 1 in each year of the term of the Parity Debt, except that interest during the first twelve month period may be payable on any January 1 or July 1;

(ii) the principal of the Parity Debt is payable on January 1 in any year in which principal of the Bonds is payable; and

(iii) an amount is deposited in a reserve fund from the proceeds of the sale of the Parity Debt in an amount equal to the lesser of (A) Maximum Annual Debt Service on such Parity Debt, or (B) if interest on the Bonds is excludable from gross income for federal income tax purposes, the maximum permitted under applicable federal tax law; or a Qualified Reserve Account Credit Instrument is issued to fund the reserve fund in such amount.

Any Parity Debt issued by the City will be secured by a pledge of and lien on Sales Tax Revenues on a parity with the pledge and lien that secures the Bonds. Such Parity Debt, unless issued pursuant to the terms of the Indenture, will not be secured by or payable from amounts held in the Interest Account, the Principal Account, the Redemption Account or the Reserve Account which are established for the Bonds under the Indenture.

Issuance of Subordinate Bonds

The City may from time to time issue its bonds, notes or other obligations which are payable from Sales Tax Revenues, in such principal amount as determined by the City, provided that such bonds, notes or other obligations are unsecured or are secured by a pledge of or lien on any Sales Tax Revenues that is subordinate to the pledge and lien that secures the Bonds and any Parity Debt and provided that the Sales Tax Revenues, as shown in audited financial statements for the most recent Fiscal Year for which audited financial statements are available, are at least equal to 100% of the projected Maximum Annual Debt Service on all Bonds, the 2015A Bonds and Parity Debt then Outstanding, the proposed subordinate obligations and any other subordinate obligations that will be outstanding following the issuance of the proposed subordinate obligations.

Certain Covenants of the City

As long as the Bonds are outstanding, the City will faithfully observe and perform all of the conditions, covenants and requirements contained in the Indenture, including the following:

Punctual Payment. The City will punctually pay or cause to be paid the principal, premium, if any, and interest to become due in respect of all the Bonds in strict conformity with the terms of the Bonds and the Indenture from Sales Tax Revenues.

Budget and Appropriation. So long as any Bonds remain Outstanding under the Indenture, the City shall adopt all necessary budgets and make all necessary appropriations for the payment of principal of and interest and premium, if any, on such Bonds from the Sales Tax Revenues. If any payment of principal of and interest and premium, if any, on the Bonds requires the adoption by the City of a supplemental budget or appropriation, the City will promptly adopt the same. The covenants on the part of the City contained in this paragraph constitute duties imposed by law and it is the duty of each and every public official of the City to take such actions and do such things as are required by law in the performance of the official duty of such officials to enable the City to carry out and perform the covenants and agreements in this paragraph.

Compliance with Parity Debt Documents. The City will faithfully observe and perform all of the conditions, covenants and requirements of the indenture under which the 2015A Bonds were issued (the "2015A Indenture") and the respective documents authorizing the issuance of any other Parity Debt. The City will not take any action, or omit to take any action within its control, which constitutes or which with the passage of time if not cured would constitute an event of default under and within the meaning of the 2015A Indenture and the respective documents authorizing the issuance of any other Parity Debt.

Payment of Claims. The City will pay and discharge, or cause to be paid and discharged, any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the properties owned by the City or upon the Sales Tax Revenues or any part thereof, or upon any funds held by the Trustee hereunder, or which might impair the security of the Bonds. Nothing herein requires the City to make any such payment so long as the City in good faith contests the validity of such claims.

Books and Accounts; Financial Statements; Additional Information. The City will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the City, in which complete and correct entries are made of all transactions relating to the Sales Tax Revenues. Such books of record and accounts shall at all times during business hours be subject, upon prior written request, to the reasonable inspection of the Trustee (who has no duty to inspect) and the Owners of not less than 10% in aggregate principal amount of the Bonds then Outstanding, or their representatives authorized in writing. The City will cause to be prepared annually, within nine months after the close of

each Fiscal Year so long as any of the Bonds are Outstanding, complete audited financial statements with respect to such Fiscal Year showing the Sales Tax Revenues and all disbursements thereof as of the end of such Fiscal Year. The City shall furnish a copy of such statements, upon reasonable request, to the Trustee and any Owner. The Trustee has no duty to review any such financial statement.

Protection of Security and Rights of Owners. The City will preserve and protect the security of the Bonds and the rights of the Owners. The City will not repeal the sales and use tax providing Sales Tax Revenues. From and after the date of issuance of the Bonds, the City will not contest the validity or enforceability of the Bonds or the Indenture.

Additional Debt. The City will not incur any obligation with a lien on the Sales Tax Revenues that is superior to the lien of the Bonds, the 2015A Bonds and any Parity Debt. Except as permitted pursuant to the Indenture, the City will not incur any obligation that is secured by lien on Sales Tax Revenues that is on a parity with, or subordinate to, the lien of the Bonds, the 2015A Bonds and any Parity Debt.

CONSTITUTIONAL PROVISIONS AFFECTING CITY REVENUES AND APPROPRIATIONS

Article XIII B of the California Constitution – Limitations on Appropriations

On November 6, 1979, State voters approved Proposition 4, the so-called Gann Initiative, which added Article XIII B to the California Constitution (“Article XIII B”). In June 1990, Article XIII B was amended by the voters through their approval of Proposition 111, which is described below. Article XIII B limits the annual appropriations of the State and of any city, county, school district, authority, or other political subdivision of the State to the level of appropriations for the prior fiscal year, as adjusted annually for changes in the cost of living, population, and cost of services rendered by the governmental entity. The “base year” for establishing such appropriation limit is fiscal year 1978-79. Increases in appropriations by a governmental entity are also permitted (i) if financial responsibility for providing services is transferred to the governmental entity, or (ii) for emergencies, so long as the appropriations limits for the three years following the emergency are reduced to prevent any aggregate increase above the Constitutional limit. Decreases are required where responsibility for providing services is transferred from the government entity.

Appropriations of an entity of local government subject to Article XIII B include generally any authorization to expend during the fiscal year the proceeds of taxes levied by the State or other entity of local government, exclusive of certain State subventions, refunds of taxes, benefit payments from retirement, unemployment insurance, and disability insurance funds. Appropriations subject to limitation pursuant to Article XIII B do not include debt service on indebtedness existing or legally authorized as of January 1, 1979, on bonded indebtedness thereafter approved according to law by a vote of the electors of the issuing entity voting in an election for such purpose, appropriations required to comply with mandates of courts or the federal government, appropriations for qualified capital outlay projects, and appropriations by the State of revenues derived from any increase in gasoline taxes and motor vehicle weight fees above January 1, 1990, levels. “Proceeds of taxes” include, but are not limited to, all tax revenues and the proceeds to any entity of government from (i) regulatory licenses, user charges, and user fees to the extent such proceeds exceed the cost of providing the service or regulation, (ii) the investment of tax revenues, and (iii) certain State subventions received by local governments. Article XIII B includes a requirement that if an entity’s revenues in any year exceed the amount permitted to be spent, the excess must be returned by revising tax rates or fee schedules over the subsequent two fiscal years.

In the June 1990 election, the voters approved Proposition 111 amending the method of calculation of State and local appropriations limits. Proposition 111 made several changes to Article

XIIIB. First, the term “change in the cost of living” was redefined as the change in the California per capita personal income (“CPCPI”) for the preceding year. Previously, the lower of the CPCPI or the United States Consumer Price Index was used. Second, the appropriations limit for the fiscal year was recomputed by adjusting the 1986-87 limit by the CPCPI for the three subsequent years. Third and lastly, Proposition 111 excluded appropriations for “qualified capital outlay for fiscal year 1990-91 as defined by the legislature” from proceeds of taxes.

Article XIIIB allows voters to approve a temporary waiver of a government’s Article XIIIB limit. Such a waiver is often referred to as a “Gann limit waiver.” The length of any such waiver is limited to four years. The Gann limit waiver does not provide any additional revenues to the City or allow the City to finance additional services.

Debt service on the Bonds is subject to the Article XIIIB appropriations limitations. The City’s appropriations limit for 2016-17 is \$489,556,758. The City’s appropriations subject to the limit for 2016-17 is projected to be \$0. The City has never made appropriations that exceeded the limitation on appropriations under Article XIII B. The impact of the appropriations limit on the City’s financial needs in the future is unknown.

Articles XIIIC and XIID of the California Constitution – The Right to Vote on Taxes

On November 5, 1996, State voters approved Proposition 218, entitled the “Right to Vote on Taxes Act” (“Proposition 218”). Proposition 218 added Article XIIIC (“Article XIIIC”) and Article XIID (“Article XIID”) to the California Constitution, which Articles contain a number of provisions affecting the ability of local agencies to levy and collect both existing and future taxes, assessments, fees, and charges. The interpretation and application of certain provisions of Proposition 218 will ultimately be determined by the courts with respect to some of the matters discussed below. It is not possible at this time to predict with certainty the future impact of such interpretations. The provisions of Proposition 218, as so interpreted and applied, may affect the ability of the City to meet certain obligations.

Article XIIIC requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes require a majority vote and taxes for specific purposes, even if deposited in a general fund such as a general fund of the City, require a two-thirds vote. Article XIIIC further provides that any general purpose tax imposed, extended, or increased, without voter approval, after December 31, 1994, may continue to be imposed only if approved by a majority vote in an election, which must be held within two years of November 5, 1996.

Article XIIIC also expressly extends the initiative power to give voters the power to reduce or repeal local taxes, assessments, fees, and charges, regardless of the date such taxes, assessments, fees, and charges were imposed. Article XIIIC expands the initiative power to include reducing or repealing assessments, fees, and charges, which had previously been considered administrative rather than legislative matters and therefore beyond the initiative power. This extension of the initiative power is not limited by the terms of Article XIIIC to fees imposed after November 6, 1996, and absent other legal authority could result in the retroactive reduction in any existing taxes, assessments, fees, or charges. No assurance can be given that the voters within the jurisdiction of the City will not, in the future, approve initiatives which reduce or repeal, or prohibit the future imposition or increase of, local taxes, assessments, fees or charges currently comprising a substantial part of the City’s general fund. “Assessments,” “fees,” and “charges” are not defined in Article XIIIC, and it is unclear whether these terms are intended to have the same meanings for purposes of Article XIIIC as for Article XIID described below. If not, the scope of the initiative power under Article XIIIC potentially could include any general fund local tax, assessment, or fee not received from or imposed by the federal or State government or derived from investment income.

The voter approval requirements of Proposition 218 reduce the flexibility of the City to raise revenues for its general fund, and no assurance can be given that the City will be able to impose, extend, or increase taxes in the future to meet increased expenditure needs.

Article XIID also added several new provisions relating to how local agencies may levy and maintain “assessments” for municipal services and programs. These provisions include, among other things, (i) a prohibition against assessments that exceed the reasonable cost of the proportional special benefit conferred on a parcel, (ii) a requirement that the assessment must confer a “special benefit,” as defined in Article XIID, over and above any general benefits conferred, and (iii) a majority protest procedure that involves the mailing of a notice and a ballot to the record owner of each affected parcel, a public hearing, and the tabulation of ballots weighted according to the proportional financial obligation of the affected party. “Assessment” in Article XIID is defined to mean any levy or charge upon real property for a special benefit conferred upon the real property and applies to landscape and maintenance assessments for open space areas, street medians, street lights, and parks.

In addition, Article XIID added several provisions affecting “fees” and “charges,” defined for purposes of Article XIID to mean “any levy other than an ad valorem tax, a special tax, or an assessment, imposed by a local government upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property related service.” All new and existing property related fees and charges must conform to requirements prohibiting, among other things, fees and charges that (i) generate revenues exceeding the funds required to provide the property related service, (ii) are used for any purpose other than those for which the fees and charges are imposed, (iii) are for a service not actually used by, or immediately available to, the owner of the property in question, or (iv) are used for general governmental services, including police, fire, ambulance, or library services, where the service is available to the public at large in substantially the same manner as it is to property owners. Depending on the interpretation of what constitutes a “property related fee” under Article XIID, there could be future restrictions on the ability of the City to charge its respective enterprise funds for various services provided. Further, before any property related fee or charge may be imposed or increased, written notice must be given to the record owner of each parcel of land affected by such fee or charge. The City must then hold a hearing upon the proposed imposition or increase and, if written protests against the proposal are presented by a majority of the owners of the identified parcels, the City may not impose or increase the fee or charge. Moreover, except for fees or charges for wastewater, water, and refuse collection services, or fees for electrical and gas service, which fees or charges are not treated as “property related” for purposes of Article XIID, no property related fee or charge may be imposed or increased without majority approval by the property owners subject to the fee or charge or, at the option of the City, two-thirds voter approval by the electorate residing in the affected area.

The City does not believe that the provisions of Article XIIC or Article XIID will directly impact the Sales Tax Revenues available to the City to pay principal of and interest on the Bonds.

Future Initiatives

Article XIIB, Article XIIC, and Article XIID were each adopted as measures that qualified for the ballot pursuant to the State’s Constitutional initiative process. From time to time other initiative measures could be adopted, affecting the ability of the City to increase or apply revenues and to make or increase appropriations, all of which could adversely impact the amount of Sales Tax Revenues received by the City.

RISK FACTORS

Economy of the City and the State

The Bonds are secured by a pledge of Sales Tax Revenues, which consist of all of the sales and use taxes levied by the City on taxable sales transactions within the City which are collected by the Board of Equalization and payable periodically under Section 7204 of the Revenue and Taxation Code of the State of California, constituting the Bradley-Burns Uniform Local Sales and Use Tax Law. The level of Sales Tax Revenues collected at any time is dependent upon the level of retail sales within the City, which is, in turn, dependent upon the level of economic activity in the City and in the State generally. As a result, any substantial deterioration in the level of economic activity within the City or in the State could have a material adverse impact upon the level of Sales Tax Revenues and therefore upon the ability of the City to pay principal of and interest on the Bonds.

Limited Obligations

THE OBLIGATION OF THE CITY TO PAY THE BONDS IS A SPECIAL LIMITED OBLIGATION PAYABLE SOLELY FROM SALES TAX REVENUES AND DOES NOT CONSTITUTE A DEBT OF THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE (OTHER THAN THE CITY) WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION, AND DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE CITY, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION (OTHER THAN THE SALES TAX REVENUES) OR FOR WHICH THE CITY, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE HAS LEVIED OR PLEDGED ANY FORM OF TAXATION (OTHER THAN THE SALES TAX REVENUES).

Parity Debt

Subject to certain restrictions set forth in the Indenture, the City is permitted to issue Parity Debt that constitutes additional charges against its Sales Tax Revenues without the consent of Owners of the Bonds. To the extent that Parity Debt is issued by the City, the Sales Tax Revenues available to pay debt service on the Bonds may be decreased. See "APPENDIX F – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE."

Limitations on Remedies; Bankruptcy

The City may be authorized to file for Chapter 9 municipal bankruptcy under certain circumstances. Should the City file for bankruptcy, there could be adverse effects on the holders of the Bonds.

If the City is in bankruptcy, the parties (including the holders of the Bonds) may be prohibited from taking any action to collect any amount from the City or to enforce any obligation of the City, unless the permission of the bankruptcy court is obtained. These restrictions may also prevent the Trustee from making payments to the holders of the Bonds from funds in the Trustee's possession. The procedure pursuant to which Sales Tax Revenues are paid directly by the Board of Equalization to the Trustee may no longer be enforceable and, as a result, the City may be able to require the Board of Equalization to pay Sales Tax Revenues directly to the City.

The City as a debtor in bankruptcy may be able to borrow additional money that is secured by a lien on any of its property (including the Sales Tax Revenues), which lien could have priority over the

lien of the Indenture, or to cause the Sales Tax Revenues to be released to it, free and clear of lien of the Indenture, in each case provided that the bankruptcy court determines that the rights of the Trustee and the holders of the Bonds will be adequately protected. The City may also be able, without the consent and over the objection of the Trustee and the holders of the Bonds, to alter the priority, interest rate, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Indenture and the Bonds, provided that the bankruptcy court determines that the alterations are “fair and equitable.”

There may be delays in payments on the Bonds while the court considers any of these issues. There may be other possible effects of a bankruptcy of the City that could result in delays or reductions in payments on the Bonds, or result in losses to the holders of the Bonds. Regardless of any specific adverse determinations in a City bankruptcy proceeding, the fact of a City bankruptcy proceeding could have an adverse effect on the liquidity and value of the Bonds.

Constitutional Limitations on Appropriations

California law imposes various taxing, revenue, and appropriations limitations on public agencies such as the City. See “CONSTITUTIONAL PROVISIONS AFFECTING CITY REVENUES AND APPROPRIATIONS” herein for a discussion of these limitations.

California State Legislature or Electorate May Change Items Subject to Sales and Use Tax

With limited exceptions, the sales and use tax will be imposed upon the same transactions and items subject to the sales tax levied statewide by the State. In the past, the California State Legislature and the State electorate have made changes to the transactions and items subject to the State’s general sales tax and, therefore, the sales and use tax. In 1991, the California State Legislature enacted legislation that expanded the transactions and items subject to the general statewide sales tax to include fuel for aviation and shipping, bottled water, rental equipment, and newspapers and magazines. In 1992, the State electorate approved an initiative that eliminated candy, gum, bottled water, and confectionery items as items subject to the State’s general sales tax. The State Legislature or the voters within the State, through the initiative process, could change or limit the transactions and items upon which the statewide sales tax and the sales and use tax are imposed. Any such change or limitation could have an adverse impact on the Sales Tax Revenues received by the City. For a further description of the Sales Tax Revenues, see “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein.

Increases in Sales Tax Rate May Cause Declines in Sales Tax Revenues

The total sales tax rate in the City is 9.00%. Future increases, if any, in the State sales tax, the City’s sales and use tax or the sales tax levied in the County could have an adverse effect on consumer spending decisions and consumption, resulting in a reduction of Sales Tax Revenues generated within the City.

Increased Internet Use May Reduce Sales Tax Revenues

The increasing use of the internet to conduct electronic commerce may affect the levels of sales and use tax. Internet sales of physical products by businesses located in the State, and Internet sales of physical products delivered to the State by businesses located outside of the State are generally subject to the sales and use tax. However, under the federal constitution the State may be materially restricted in its ability to cause out of state retailers not going business in the State to collect use tax. In addition, the historic pattern of voluntary payment of use by taxpayers in the State has varied and it may be that some taxpayers in the State fail to pay use tax on Internet transactions through error or deliberate nonreporting

and this potentially reduces the amount of the sales and use tax. As a result, the more that Internet use increases, along with a failure to collect sales taxes on such Internet purchases, the more Sales Tax Revenues may be reduced.

Economic, Political, Social, and Environmental Conditions

Prospective investors are encouraged to evaluate current and prospective economic, political, social, and environmental conditions as part of an informed investment decision. Changes in economic, political, social, or environmental conditions on a local, state, federal, or international level may adversely affect investment risk generally. Such conditional changes may include (but are not limited to) the reduction or elimination of previously available State or federal revenues, fluctuations in business production, consumer prices, or financial markets, unemployment rates, technological advancements, shortages or surpluses in natural resources or energy supplies, changes in law, social unrest, fluctuations in the crime rate, political conflict, acts of war or terrorism, environmental damage and natural disasters.

Limited Secondary Market

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. Although the City has committed to provide certain statutorily-required financial and operating information, there can be no assurance that such information will be available to Bondholders on a timely basis. The failure to provide the required annual financial information does not give rise to monetary damages but merely an action for specific performance. Occasionally, because of general market conditions, lack of current information, the absence of credit rating for the Bonds or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price.

Limitations on Remedies

Remedies available to the owners of the Bonds may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest on the Bonds or to preserve the State tax-exempt status of the Bonds.

Bond Counsel has limited its opinion as to the enforceability of the Bonds and the Indenture to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium, or other similar laws affecting generally the enforcement of creditors' rights, by equitable principles and by the exercise of judicial discretion. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay, limitation or modification of the rights of the owners of the Bonds.

Concentration of Sales Tax Producers

The risk of reduction in Sales Tax Revenues as a result of factors described herein may generally increase where the production of Sales Tax Revenues is concentrated among a relatively few number of taxpayers. The top ten sales tax producers accounted for 29.0% of total Sales Tax Revenues received by the City in Fiscal Year 2015-16. If all or a significant portion of such taxpayers leave the City, and as a result no longer contribute Sales Tax Revenues, there may be a material adverse effect on the City's ability to pay debt service on the Bonds as such payments become due and payable. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS –Top Twenty-Five Sales Tax Producers" herein.

Defeasance

The City is permitted under the Indenture to defease in whole or in part the liens of the Indenture securing some or all of the Bonds through the substitution for that lien an escrow of monies or securities as security for the payment of those Bonds (as to such Bonds, a "defeasance"). As described in "Tax Matters" herein, such a defeasance could constitute for federal income tax purposes a constructive disposition by each owner of a defeased Bond resulting in a tax realization event in the year of the defeasance, and in the consequent recognition of gain or loss for federal income tax purposes, all without any corresponding current distribution of monies to that owner

TAX MATTERS

State Tax Exemption. In the opinion of Bond Counsel, under existing law interest on the Bonds is exempt from personal income taxes of the State of California. Except as set forth in the preceding sentence, Bond Counsel will provide no opinion in connection with the issuance or offering of the Bonds with regard to any federal, state or local tax consequence of the ownership or disposition of or the receipt of interest on any Bond. A copy of the form of opinion of Bond Counsel relating to the Bonds is included in Appendix C.

Federal Income Tax Considerations. The following is a general summary of certain United States federal income tax consequences of the purchase and ownership of the Bonds. The discussion is based upon the Internal Revenue Code of 1986 (the "Code"), United States Treasury Regulations, rulings and decisions now in effect, all of which are subject to change (possibly, with retroactive effect) or possibly differing interpretations. No assurance can be given that future changes in the law will not alter the conclusions reached herein.

The discussion below does not purport to deal with United States federal income tax consequences applicable to all categories of investors and generally does not address consequences relating to the disposition of a Bond by the owner thereof for federal income tax purposes. Further, the discussion below does not discuss all aspects of federal income taxation that may be relevant to a particular investor in the Bonds in light of the investor's particular circumstances or to certain types of investors subject to special treatment under the federal income tax laws (including insurance companies, tax exempt organizations and other entities, financial institutions, broker-dealers, persons who have hedged the risk of owning the Bonds, traders in securities that elect to use a mark to market method of accounting, thrifts, regulated investment companies, pension and other employee benefit plans, partnerships and other pass through entities, certain hybrid entities and owners of interests therein, persons who acquire Bonds in connection with the performance of services, or persons deemed to sell Bonds under the constructive sale provisions of the Code). The discussion below also does not discuss any aspect of state, local, or foreign law or United States federal tax laws other than United States federal income tax law. The discussion below is limited to certain issues relating to initial investors who will hold the Bonds as "capital assets" within the meaning of section 1221 of the Code, and acquire such Bonds for investment and not as a dealer or for resale. The discussion below addresses certain federal income tax consequences applicable to owners of the Bonds who are United States persons within the meaning of section 7701(a)(30) of the Code ("United States persons") and, except as discussed below, does not address any consequences to persons other than United States persons. Prospective investors should note that no rulings have been or will be sought from the Internal Revenue Service (the "Service") with respect to any of the United States federal income tax consequences discussed below, and no assurance can be given that the Service will not take contrary positions.

Prospective investors should note that no rulings have been or will be sought from the Service with respect to any of the United States federal income tax consequences discussed below, and no assurance can be given that the Service will not take contrary positions.

ALL PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE FEDERAL, STATE, LOCAL, FOREIGN AND ANY OTHER TAX CONSEQUENCES TO THEM FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE BONDS.

Interest on the Bonds. Bond Counsel has rendered no opinion regarding the exclusion pursuant to section 103(a) of the Code of interest on the Bonds from gross income for federal income tax purposes. The City has taken no action to cause, and does not intend, interest on the Bonds to be excluded pursuant to section 103(a) of the Code from the gross income of the owners thereof for federal income tax purposes. The City intends to treat the Bonds as debt instruments for all federal income tax purposes, including any applicable reporting requirements under the Code. THE CITY EXPECTS THAT THE INTEREST PAID ON A BOND GENERALLY WILL BE INCLUDED IN THE GROSS INCOME OF THE OWNER THEREOF FOR FEDERAL INCOME TAX PURPOSES WHEN RECEIVED OR ACCRUED, DEPENDING UPON THE TAX ACCOUNTING METHOD OF THAT OWNER.

Disposition of Bonds, Inclusion of Acquisition Discount and Treatment of Market Discount. An owner of Bonds will generally recognize gain or loss on the sale or exchange of the Bonds equal to the difference between the sales price (exclusive of the amount paid for accrued interest) and the owner's adjusted tax basis in Bonds. Generally, the owner's adjusted tax basis in the Bonds will be the owner's initial cost, increased by original issue discount (if any) previously included in the owner's income to the date of disposition. Any gain or loss generally will be capital gain or loss and will be long-term or short-term, depending on the owner's holding period for the Bonds.

Under current law, a purchaser of a Bond who did not purchase that Bond in the initial public offering (a "subsequent purchaser") generally will be required, on the disposition (or earlier partial principal payment) of such Bond, to recognize as ordinary income a portion of the gain (or partial principal payment), if any, to the extent of the accrued "market discount." In general, market discount is the amount by which the price paid for such Bond by such a subsequent purchaser is less than the stated redemption price at maturity of that Bond (or, in the case of a Bond bearing original issue discount, is less than the "revised issue price" of that Bond (as defined below) upon such purchase), except that market discount is considered to be zero if it is less than one quarter of one percent of the principal amount times the number of complete remaining years to maturity. The Code also limits the deductibility of interest incurred by a subsequent purchaser on funds borrowed to acquire Bonds with market discount. As an alternative to the inclusion of market discount in income upon disposition, a subsequent purchaser may elect to include market discount in income currently as it accrues on all market discount instruments acquired by the subsequent purchaser in that taxable year or thereafter, in which case the interest deferral rule will not apply. The recharacterization of gain as ordinary income on a subsequent disposition of such Bonds could have a material effect on the market value of such Bonds.

Stated Interest and Reporting of Interest Payments. The stated interest on the Bonds will be included in the gross income, as defined in section 61 of the Code, of the owners thereof as ordinary income for federal income tax purposes at the time it is paid or accrued, depending on the tax accounting method applicable to the owners thereof. Subject to certain exceptions, the stated interest on the Bonds will be reported to the Service. Such information will be filed each year with the Service on Form 1099-INT (or other appropriate reporting form) which will reflect the name, address, and taxpayer identification number of the owner. A copy of such Form 1099-INT will be sent to each owner of a Bond for federal income tax purposes.

Original Issue Discount. If the first price at which a substantial amount of the Bonds of any stated maturity is sold (the "Issue Price") is less than the stated redemption price at maturity of those Bonds, the excess of the stated redemption price at maturity of each Bond of that maturity over the Issue Price of that maturity is "original issue discount." If the original issue discount on a Bond is less than the product of one quarter of one percent of its face amount times the number of complete years to its maturity, the original issue discount on that Bond will be treated as zero. Original issue discount on a Bond will be amortized over the life of the Bond using the "constant yield method" provided in the Treasury Regulations. As original issue discount on a Bond would accrue under the constant yield method, the owner of a Bond issued with original issue discount generally will be required to include such accrued amount in its gross income as interest, regardless of its regular method of accounting. This can result in taxable income to the beneficial owner of such a Bond that exceeds actual cash distributions to that owner in a taxable year. To the extent that a Bond is purchased at a price that exceeds the sum of the Issue Price of that Bond and all original issue discount on that Bond previously includible by any holder in gross income (the "revised issue price" of that Bond), the subsequent inclusion of original issue discount by that purchaser must be reduced to reflect that excess.

The amount of the original issue discount that accrues on the Bonds each taxable year will be reported annually to the Service and to the owners. The portion of the original issue discount included in each owner's gross income while the owner holds the Bonds will increase the adjusted tax basis of the Bonds in the hands of such owner.

Amortizable Bond Premium. An owner that purchases a Bond for an amount that is greater than its stated redemption price at maturity will be considered to have purchased the Bond with "amortizable bond premium" equal in amount to such excess. The owner may elect to amortize such premium using a constant yield method over the remaining term of the Bond and may offset interest otherwise required to be included in respect of the Bond during any taxable year by the amortized amount of such excess for the taxable year. Bond premium on a Bond held by an owner that does not make such an election will decrease the amount of gain or increase the amount of loss otherwise recognized on the sale, exchange, redemption or retirement of a Bond. However, if the Bond may be optionally redeemed after the beneficial owner acquires it at a price in excess of its stated redemption price at maturity, special rules would apply under the Treasury Regulations which could result in a deferral of the amortization of some bond premium until later in the term of the Bond. Any election to amortize bond premium applies to all taxable debt instruments held by the beneficial owner on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the Service.

Medicare Contribution Tax. Pursuant to Section 1411 of the Code, as enacted by the Health Care and Education Reconciliation Act of 2010, an additional tax is imposed on individuals beginning January 1, 2013. The additional tax is 3.8% of the lesser of (i) net investment income (defined as gross income from interest, dividends, net gain from disposition of property not used in a trade or business, and certain other listed items of gross income), or (ii) the excess of "modified adjusted gross income" of the individual over \$200,000 for unmarried individuals (\$250,000 for married couples filing a joint return and a surviving spouse). Owners of the Bonds should consult with their own tax advisor concerning this additional tax, as it may apply to interest earned on the Bonds as well as gain on the sale of a Bond.

Defeasance. Persons considering the purchase of a Bond should be aware that the bond documents permit the City under certain circumstances to deposit monies or securities with the Trustee, resulting in the release of the lien of the Indenture (a “defeasance”). A defeasance could be a taxable event resulting in the realization of gain or loss by the owner of a defeased Bond for federal income tax purposes, without any corresponding receipt of monies by the owner. Such gain or loss generally would be subject to recognition for the tax year in which such realization occurs, as in the case of a sale or exchange; in addition, the defeased instrument may be treated as having been reissued with original issue discount or bond issuance premium with the consequences described above. Owners of Bonds are advised to consult their own tax advisers with respect to the tax consequences resulting from such events.

Backup Withholding. Under section 3406 of the Code, an owner of a Bond who is a United States person may, under certain circumstances, be subject to “backup withholding” of current or accrued interest on a Bond or with respect to proceeds received from a disposition of the Bond. This withholding applies if such owner of a Bond: (i) fails to furnish to the payor such owner’s social security number or other taxpayer identification number (“TIN”); (ii) furnishes the payor an incorrect TIN; (iii) fails to properly report interest, dividends, or other “reportable payments” as defined in the Code; or (iv) under certain circumstances, fails to provide the payor with a certified statement, signed under penalty of perjury, that the TIN provided to the payor is correct and that such owner is not subject to backup withholding.

Backup withholding will not apply, however, with respect to payments made to certain owners of the Bonds. Owners of Bonds should consult their own tax advisors regarding their qualification for exemption from backup withholding and the procedures for obtaining such exemption.

Withholding on Payments to Nonresident Alien Individuals and Foreign Corporations. Under sections 1441 and 1442 of the Code, nonresident alien individuals and foreign corporations are generally subject to withholding at the current rate of 30% (subject to change) on periodic income items arising from sources within the United States, provided such income is not effectively connected with the conduct of a United States trade or business.

Assuming the interest income of such an owner of the Bonds is not treated as effectively connected income within the meaning of section 864 of the Code, such interest will be subject to 30% withholding, or any lower rate specified in an income tax treaty, unless such income is treated as portfolio interest. Interest will be treated as portfolio interest if: (i) the owner provides a statement to the payor certifying, under penalties of perjury, that such owner is not a United States person and providing the name and address of such owner; (ii) such interest is treated as not effectively connected with the owner’s United States trade or business; (iii) interest payments are not made to a person within a foreign country that the Service has included on a list of countries having provisions inadequate to prevent United States tax evasion; (iv) interest payable with respect to the Bonds is not deemed contingent interest within the meaning of the portfolio debt provision; (v) such owner is not a controlled foreign corporation, within the meaning of section 957 of the Code; and (vi) such owner is not a bank receiving interest on the Bonds pursuant to a loan agreement entered into in the ordinary course of the bank’s trade or business.

Assuming payments on the Bonds are treated as portfolio interest within the meaning of sections 871 and 881 of the Code, then no withholding under section 1441 and 1442 of the Code and no backup withholding under section 3406 of the Code is required with respect to owners or intermediaries who have furnished Form W-8 BEN, Form W-8 EXP or Form W-8 IMY, as applicable, provided the payor does not have actual knowledge or reason to know that such person is a United States person.

The preceding discussion of certain United States federal income tax consequences is for general information only and is not tax advice. Accordingly, each investor should consult its own tax advisor as to particular tax consequences to it of purchasing, owning, and disposing of the Bonds, including the applicability and effect of any state, local, or foreign tax laws, and of any proposed changes in applicable laws.

FINANCIAL STATEMENTS

The financial statements of the City for the Fiscal Year ended June 30, 2016, included in APPENDIX B of this Official Statement have been audited by The Pun Group, LLP (the "Auditor"), independent auditors, as stated in their report therein. The Auditor was not requested to consent to the inclusion of its report in APPENDIX B, nor has it undertaken to update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report. The Auditor has not been engaged to perform and has not performed, since the date of its report, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Official Statement.

CERTAIN LEGAL MATTERS

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Norton Rose Fulbright US LLP, Bond Counsel to the City. A complete copy of the proposed form of Bond Counsel opinion is contained in APPENDIX C. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will be passed upon for the City by Norton Rose Fulbright US LLP, as Disclosure Counsel, and for the Underwriter by Nixon Peabody LLP, as Underwriter's Counsel. Payment of fees of Bond Counsel and Disclosure Counsel is contingent upon the issuance of the Bonds.

FINANCIAL ADVISOR

NHA Advisors is serving as Financial Advisor to the City with respect to the Bonds. The Financial Advisor has assisted the City in the matters relating to the planning, structuring, execution and delivery of the Bonds. Because of its limited participation in reviewing this Official Statement, the Financial Advisor assumes no responsibility for the accuracy or completeness of any of the information contained herein. The Financial Advisor will receive compensation from the City contingent upon the sale and delivery of the Bonds.

VERIFICATION OF MATHEMATICAL ACCURACY

Upon delivery of the Bonds, the Verification Agent will deliver a report on the mathematical accuracy of certain computations, contained in schedules provided to them by the City, relating to the sufficiency of monies deposited into the Escrow Fund to pay, when due, the principal of, interest on and the Redemption Price, as applicable, of the Refunded Bonds.

The report of the Verification Agent will include the statement to the effect that the scope of its engagement is limited to verifying the mathematical accuracy of the computations contained in such schedules provided to it, and that it has no obligation to update its report because of events occurring, or date or information coming to its attention, subsequent to the date of its report.

ABSENCE OF LITIGATION

There is no pending litigation, notice of which has been received by the City, or, to the knowledge of the City, threatened litigation seeking to restrain or enjoin the issuance or delivery of the Bonds or questioning or affecting the validity of the Bonds or the proceedings or authority under which they are to be issued or the levy, collection and pledge of Sales Tax Revenues.

The City is a party to various litigation from time to time. The City does not expect any pending litigation, notice of which has been received by the City, to have a material adverse effect on the City's ability to pay debt service on the Bonds.

CONTINUING DISCLOSURE

The City has covenanted for the benefit of the Owners and beneficial owners of the Bonds to provide certain financial information and operating data relating to the City by not later than nine (9) months following the end of the City's Fiscal Year (presently June 30) (the "Annual Report"), commencing with the report for the Fiscal Year ended June 30, 2017, and to provide notices of the occurrence of certain enumerated events. The Annual Report and notices of enumerated events will be filed by the Dissemination Agent on behalf of the City with the MSRB. The filing of the Annual Report and notices of enumerated events will be made in accordance with the EMMA system of the MSRB or in another manner approved under the Rule. The specific nature of the information to be contained in the Annual Report and the notices of enumerated events is set forth in the form of Continuing Disclosure Agreement attached hereto as APPENDIX D – "FORM OF CONTINUING DISCLOSURE AGREEMENT." The City has not failed to comply with an undertaking pursuant to the Rule in the past five years, except as provided in the following paragraph.

The City, as an obligated person under the Rule, has undertaken to provide required continuing disclosures with respect to its outstanding general obligation bonds, revenue bonds, and sales tax revenue bonds, as well as certain outstanding lease revenue bonds issued by the City of Industry Public Finance Authority (the "Authority"). The City failed to file on a timely basis its audited financial statements for (i) fiscal year ended June 30, 2012 in connection with its outstanding general obligation bonds and (ii) fiscal years ended June 30, 2011 through June 30, 2013 in connection with its outstanding sales tax revenue bonds, an outstanding issue of the City's revenue bonds and certain issues of the City of Industry Public Facilities Authority's outstanding lease revenue bonds. The City's audited financials for the past five fiscal years have now been posted on EMMA. In addition, the City failed to file on a timely basis required annual financial and operating data for fiscal years ended June 30, 2011 through June 30, 2014 in connection with certain of its outstanding general obligation, sales tax revenue bonds and revenue bonds and certain issues of the City of Industry Public Facilities Authority's outstanding lease revenue bonds. Amended filings have been posted on EMMA to address these annual reporting omissions. The City did not file notices of late filings for each of the preceding. In the past five years, like many issuers, the City did not file notices of rating changes of the bond insurers. The City has filed notices with EMMA regarding the current ratings of its insured bonds. After making the filings described above in this paragraph, the City is in compliance in all material respects with its continuing disclosure undertakings under the Rule for the last five years.

The City elected to participate in the Securities and Exchange Commission's Municipalities Continuing Disclosure Cooperation Initiative ("MCDC") prior to MCDC's December 1, 2014 filing deadline. MCDC is a program allowing issuers and underwriters to voluntarily report issuances of municipal obligations where the official statement or other offering document therefor may have made misstatements about compliance with the issuer's or other obligated person's continuing disclosure undertakings.

On March 27, 2014, the City adopted Continuing Disclosure Compliance Procedures to assist the City in complying with its undertakings under the Rule. The City believes that with such Continuing Disclosure Compliance Procedures in-place it will timely comply with its continuing disclosure undertaking entered into in connection with the issuance of the Bonds.

RATINGS

Moody's Investors Service, Inc. ("Moody's") has assigned a rating of "___" to the Bonds. This rating reflects only the view of Moody's and does not constitute a recommendation to buy, sell or hold the Bonds. An explanation of this rating and any outlook associated with such rating should be obtained from Moody's.

The City has furnished to Moody's certain information regarding the Bonds and the City, including information not included herein. Generally, rating agencies base their ratings on such information and materials and their own investigations, studies and assumptions. The ratings are subject to revision or withdrawal at any time by such rating agencies and there is no assurance that the ratings will continue for any period of time or that it will not be lowered, suspended or withdrawn. The City undertakes no responsibility to oppose any revision, suspension or withdrawal of any rating. Any reduction, suspension or withdrawal of a rating, or other actions by Moody's relating to its rating, may have an adverse effect on the market price for, or marketability of, the Bonds.

UNDERWRITER

Stifel, Nicolaus & Company, Incorporated, as Underwriter of the Bonds (the "Underwriter") has agreed, subject to certain conditions, to purchase the Bonds at a price of \$_____ (representing \$_____ aggregate principal amount of Bonds, [less [net] original issue discount] [plus [net] original issuance premium] of \$_____, less an Underwriter's discount of \$_____). The Bond Purchase Agreement provides that the Underwriter will purchase all of the Bonds if any are purchased.

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MISCELLANEOUS

The references herein to the Indenture are brief summaries of certain provisions thereof. Such summaries do not purport to be complete and for full and complete statements of such provisions reference is made to each document, as the case may be. Copies of the documents mentioned under this heading are available for inspection at the City and following delivery of the Bonds will be on file at the offices of the Trustee in Los Angeles, California. References are made herein to certain other documents and reports which are brief summaries thereof which do not purport to be complete or definitive. Reference is made to such documents and reports for full and complete statements of the content thereof.

Any statement in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or Owners of any of the Bonds.

The execution and delivery of this Official Statement and its distribution have been duly authorized and approved by the City.

CITY OF INDUSTRY, CALIFORNIA

By _____
Mayor

APPENDIX A

CITY OF INDUSTRY – INFORMATION STATEMENT

The following information regarding the City of Industry (the "City") and the surrounding area is presented for general information only. The Bonds are payable solely from and are secured by Sales Tax Revenues as described in the Official Statement under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

General

The City is a charter city operating under a charter approved by the voters of the City on June 8, 1976. The City was incorporated on June 18, 1957. Located in the County of Los Angeles (the "County") in the State of California (the "State"), the City consists of approximately 12 square miles and is located 20 miles east of the City of Los Angeles. As of January 1, 2016, the City had a population of 441 people.

The City is governed by a City Council which elects a Mayor from among its members. The City has adopted the Council-Manager form of government under which the City Council may appoint a City Manager who is responsible for supervising the day-to-day operations of the City and allied agencies and carrying out policies set by the Council.

The basic purpose of the City is to provide a center for industry and commerce of all types. The City serves as a substantial employment base for the approximately 2 million people living in the San Gabriel Valley. Approximately 15% of Industry's area is available for development. The remaining 85% of the available land has been developed at a ratio of approximately 95% industrial and 5% commercial. The industrial area within the City represents nearly 10% of the total industrial acreage in the County.

The City of Industry has a total plan of development. The City has planned the location of future streets, storm drains, sewers and utility lines in presently undeveloped areas. The planned improvements are designed to facilitate industrial development. Development of the City is now about 85% complete.

Government

The City is governed by a City Council which elects a Mayor from among its members. The City has adopted the Council-Manager form of government under which the City Council may appoint a City Manager who is responsible for supervising the day-to-day operations of the City and allied agencies and carrying out policies set by the City Council. As of June 30, 2016, the City had approximately 17 full time employees.

The members of the City Council are listed below.

Name and Office	Expiration of Term
Mark D. Radecki, Mayor	June 2019
Cory C. Moss, Mayor Pro Tem	June 2019
Roy Haber III, Council Member	June 2017
Newell W. Ruggles, Council Member	June 2019
Abraham N. Cruz, Council Member	June 2017

Location

Situated in the eastern section of Los Angeles County in the San Gabriel Valley, the City is located near the center of a vast five-county population concentration in Southern California. The region includes Los Angeles, Ventura, San Bernardino, Orange and Riverside Counties. The City is located in an established industrial area, centered in the core of a 40-mile radius encompassing other major industrial centers in the Los Angeles Basin.

The City of Industry enjoys easy access to the region's freeways, seaports, airports and rail facilities. The City is 22 miles from downtown Los Angeles and is bounded on the north by the San Bernardino (I-10), the south by the Pomona (I-60), the east by the Orange (I-57) and the west by the San Gabriel River (I-605) Freeways, all of which have immediate accessibility to the central Los Angeles/Orange and San Bernardino Counties freeway network.

The City is 40 miles from the seaports of Los Angeles and Long Beach, 45 miles from Los Angeles International Airport, 20 miles from Ontario International Airport, and is served by two transcontinental rail lines including a line to the harbors.

Industrial Activity

Approximately 2,500 industrial manufacturing plants and distribution facilities are located within the City. These facilities employ approximately 65,000 people as of June 2015 and have an annual payroll estimated to be in excess of \$2.6 billion. The vast majority of the workforce in the City live in the neighboring communities of the San Gabriel Valley.

The San Gabriel Valley has a total residential population of over 1,800,000. About one third of these residents are employed in a wide range of occupations. Industries in which employment is provided include: manufacturing, trade service, retail, government, transportation, finance, insurance, real estate, construction and others. A highly diversified source of labor as well as professional management personnel is available to firms that select the City as a location for conducting business.

With only 3.1 percent of the total land area in the San Gabriel Valley, the City is the source of approximately 40 percent of all the basic manufacturing/distribution jobs in the San Gabriel Valley communities.

Major Employers

The following table sets forth the major employers in the City.

CITY OF INDUSTRY Top Employers

<u>Employer</u>	<u>Number of Employees</u>
Hacienda La Puente Unified School District ⁽¹⁾	2975
LA County Sanitation District ⁽²⁾	1750
SYSCO Food Services of LA	1100
US Postal Service	1100
Leegin Creative Leather Products Inc.	600
Acorn Engineering Company	520
US Air Conditioning Distributors Inc.	508
Fed Ex Ground Package System Inc.	500
Operon Distributors	500
Snak King Corporation	500
Golden State Foods – Manufacturing	425
Pacific Palms Resort	425
Alta Dena Certified Dairy Inc.	420
Closet World	400
Lights of America Inc.	400
Golden State Foods Corporation	391
Fiserv	355
Alcoa Fastening Systems	350

⁽¹⁾ Includes employees from schools outside of the City.

⁽²⁾ Includes employees for the full district.

Source: The City

Commercial Activity

The City is home to many industrial, retail and business centers. The Puente Hills Mall is a 66-acre complex, containing over 600,000 square feet of retail space, and is one of Southern California's largest shopping centers. The Puente Hills Mall has 200 retail outlets. Puente Hills Auto Mall has 12 major dealerships. Puente Hills East Business Center and Crossroads Business Park provides approximately 1.2 million square feet of office and research and development space. The 190 acre Fairway Business Center is a light Industrial complex in a business park environment. The Grand Crossing Industrial Center provides 400 acres of commercial and industrial development space.

Utilities

Electrical energy is distributed to the City and surrounding areas by Southern California Edison Company, an investor-owned electric utility serving Central and Southern California.

Water is supplied to the City by the following companies: San Gabriel Valley Water Company, Suburban Water Systems, Rowland Water District, La Puente Valley County Water District and Walnut Valley Water District.

The Southern California Gas Company provides natural gas to the City.

Meeting and Convention Facilities

Surrounded by 640 acres of public grounds, the Industry Hills Exhibit-Conference Center and Hotel Resort, known as the "Pacific Palms Hotel and Resort," offers comprehensive meeting and recreational facilities. This resort has two 18-hole championship golf courses. The facility is designed to support the needs of the firms in the City and others in Southern California that require the use of exhibit and conference facilities. The center has more than 45,000 square feet of flexible function space, including 28 meeting rooms and breakout rooms with 12,000 square feet alone is for the main event venue space called the "Majestic Ballroom." The center also has several full food service facilities. Atop the facility is the Hotel, offering 294 hotel rooms and/or suites. There is an equestrian center, clubhouse, spa and fitness center.

Health Services

The City accesses medical care available from local community hospitals and clinics and medical research institutes. Examples include the City of Hope National Medical Center in the nearby City of Duarte, which has been designated a Clinical Cancer Research Center; Inter-Community Medical Center, Presbyterian Intercommunity Hospital; and Citrus Valley Health Partners, that includes: Citrus Valley Medical Center, Foothill Presbyterian Hospital, Queen of the Valley Campus, and Hospice of the San Gabriel Valley.

Transportation

Located within the core of a 40 mile radius, encompassing Los Angeles, Orange County and the Inland Empire, the City has numerous resources for transportation. Firms in the City are serviced by both the Union Pacific and Southern Pacific transcontinental railroads, both running westerly to Los Angeles and easterly toward Riverside. Southern Pacific operates a mainline switching yard and major intermodal (piggy-back) facility in the City which cuts delivery and transit times substantially. In addition, a 41-mile rail bypass opens the City directly into both of the West Coast's largest seaports: Los Angeles Harbor and the Port of Long Beach. In addition, Metrolink, a community rail line which serves nearby communities, has a station in the city. Local and Los Angeles bus service is provided by the Metropolitan Transit Authority and Foothill Transit, while state and nationwide service is available through Greyhound and Continental Trailways.

The City is bordered by four major freeways. The Pomona Freeway (60) also intersects the Long Beach (710), San Gabriel River (605) and Orange (57) Freeways, providing direct access to Orange County markets. The San Bernardino (10) Freeway borders the City on the north. More than 50 major trucking lines are franchised to serve the area. Overnight delivery can be made to all major California cities, as well as Phoenix, Arizona and Las Vegas, Nevada.

Air transportation is available at any of the three leading airports serving the Greater Los Angeles area as well as several local private airports. The City is located 18 miles from Ontario International Airport and approximately 45 miles from both Los Angeles International and John Wayne Airport. The airports have excellent air freight facilities. Private aircraft facilities are also available at Brackett Field in La Verne, 9 miles away, and El Monte Airport, just 8 miles away.

Public Safety

The City's law enforcement is provided by contract with the Los Angeles County Sheriff's Department that maintains a station in the City staffed by over 265 deputies and support personnel. The Industry Sheriff's Station serves as headquarters for patrol, detective and juvenile bureaus, and also serves as the local police headquarters for three contract cities. The Industry Station serves an area of 54 square miles with a population of approximately 180,000.

Helicopter patrol is also provided as a contracted service. The Los Angeles County Sheriff's Department has numerous aircraft. The Civic-Financial Center helipad, located adjacent to the Sheriff's Station, can accommodate the largest of these aircraft and has refueling capabilities.

The City of Industry is part of the Consolidated Fire Protection District administered by the Los Angeles County Fire Department. There are three fire stations located within the City. These stations are equipped with the latest in firefighting equipment, including snorkel devices, and are staffed by experienced and well-trained industrial fire fighters. In addition, local fire officials may call upon the resources of the County Fire Department in the case of emergency. These include firefighting helicopters, resuscitators, rescue units and foam trucks.

The County Fire Department also maintains a fire prevention bureau that aids businessmen in solving potentially dangerous situations.

Financial Institutions

The financial requirements of the business and commercial community are well accommodated by the City of Industry's numerous banks and savings and loan associations. Specialists in every banking field are available and financial services are provided for both large and small businesses.

Education

Education at all levels is to be found in the communities surrounding the City of Industry.

There are five unified school districts in the immediate vicinity of the City of Industry. They are: Walnut Unified School District, Rowland Unified School District, Hacienda-La Puente Unified School District, Bassett Unified School District, and Pomona Unified School District.

There are two community colleges serving the area. Mt. San Antonio College, located in Walnut, offers academic and vocational instruction as does Rio Hondo College in Whittier. Both colleges offer daytime and evening classes.

Located within a 15-mile radius of the City of Industry are several state and private colleges and universities including: California State Polytechnic University in Pomona (6 miles); Whittier College (3 miles); Claremont Colleges (10 miles); La Verne College (9 miles); and Pomona College (10 miles).

Recreation and Leisure

Residents in the communities surrounding the City of Industry are afforded convenient and easy access to numerous recreational areas in Southern California.

The City of Industry has developed its own 6,450-acre Industry Hills Exhibit-Conference Center & Hotel Resort. This area includes two 18-hole championship golf courses and driving range, a 175,000

square foot golf service area which includes clubhouse, retail shop and golf cart facilities, exhibit and conference center, a 292-room hotel, equestrian center, spa and fitness center. The facility is leased to a managing operator and is known as the Pacific Palms Resort.

Medical Facilities

The City of Industry and the surrounding communities are served by a number of medical centers that are complemented by specialists in all phases of medical and dental care. In all, more than 20 hospitals are available, together with some 1,300 doctors and 800 dentists.

Historical

The Workman and Temple Family Homestead Museum is a six-acre site in the City of Industry containing eight structures that document over 100 years of Southern California life and architecture. There is the Workman House, an 1840's adobe which was remodeled in the 1870's, incorporating elements of popular mid-nineteenth century architectural styles; a water tower and pump house dating from circa 1872-1897; a cast stone neoclassical mausoleum, built in 1919; and a Spanish-Colonial Revival residence and its accompanying teepee-like retreat, both constructed in the early 1920's. The facilities are now owned and maintained by the City of Industry.

Climate

The climate of the City is mild through the year with temperatures seldom varying more than 25 degrees between winter and summer. The mean high temperature for the city is 77 degrees. Most rainfall comes during the winter with nearly 85 percent of the annual total occurring from November through March.

Prevailing winds are from the west during the spring, summer and early autumn, with northeasterly winds predominating the remainder of the year.

Air pollution is generally of no greater intensity than throughout other areas of the Los Angeles Basin. The Los Angeles Air Pollution Control District reports that, "because the City of Industry does not have any heavy industry such as steel plants or foundries and does not have heavy concentrations of automotive traffic, concentrations of the emitted or source area contaminants are relatively low in that area."

General Fund Financial Summary

The information contained in the following table of revenues, expenditures and changes in fund balances has been derived from the City's Annual Financial Reports for the fiscal years shown. A copy of the City's Annual Financial Report for the twelve months ended June 30, 2016, is attached as APPENDIX B hereto.

CITY OF INDUSTRY
General Fund
Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Years 2011-12 through 2015-16

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Revenues					
Taxes	\$ 32,448,959	\$ 38,934,839	\$ 46,899,638	\$ 39,420,470	\$ 37,339,981
Licenses and permits	2,153,176	2,375,346	2,539,226	2,646,610	3,089,243
Fine, forfeitures and penalties	452,252	480,126	415,812	563,890	338,268
Revenues from use of money and property	<u>11,031,455</u>	<u>7,799,425</u>	<u>12,806,242</u>	<u>5,761,481</u>	<u>12,606,738</u>
Total Revenues	\$ 46,085,842	\$ 49,589,736	\$ 62,660,918	\$ 48,442,451	\$ 53,374,230
Expenditures					
Legislative	\$ 324,968	\$ 351,063	\$ 357,373	\$ 431,807	\$ 682,050
General administration	3,144,094	4,099,759	5,936,313	3,903,997	2,685,848
Support services	8,345,608	7,789,417	6,557,824	17,747,787	8,429,092
Community development	503,448	655,514	689,857	731,013	864,366
Community services	4,435,215	4,544,184	3,148,503	3,725,258	3,522,249
Public safety	7,741,218	9,681,513	8,729,322	8,311,866	8,610,354
Public works	15,582,528	14,273,519	12,752,783	10,881,576	13,176,829
Capital Projects	<u>5,341,694</u>	<u>6,635</u>	<u>--</u>	<u>2,385,000</u>	<u>8,927,978</u>
Total Expenditures	\$ 45,418,773	\$ 41,401,604	\$ 38,171,975	\$ 48,118,304	\$ 46,898,766
Excess of Revenue Over Expenditures	\$ 667,069	\$ 8,188,132	\$ 24,488,943	\$ 324,149	\$ 6,175,000
Other Financing Sources (Uses)					
Transfers in from other governmental funds	\$ 23,508,061	\$ 97,956,573	\$ 23,873,802	\$97,082,200	\$ 492,189,721 ⁽¹⁾
Transfers in from enterprise and fiduciary funds	9,933,424	7,967,707	--	--	--
Proceeds from sale of capital assets	-	1,000,000	--	--	--
Loss on write off debts due from Successor Agency	-	(6,486,139)	--	--	(14,421,307)
Proposition A Exchange	(2,025,000)	(1,402,000)	2,906,000	(2,827,500)	--
Transfers out to enterprise and fiduciary funds	(3,420,176)	(3,945,695)	(53,790)	--	--
Transfers out to other governmental funds	(35,359,569)	(76,928,834)	--	(136,330)	(27,619,896)
Write off of escheated liabilities	--	--	--	1,069,615	--
Litigation Settlement	(5,000,000)	--	(42,500,000)	(1,002,412)	--
Other Income	<u>--</u>	<u>--</u>	<u>1,000,000</u>	<u>--</u>	<u>--</u>
Total other financings sources (uses)	<u>(12,363,260)</u>	<u>18,161,612</u>	<u>(20,585,988)</u>	<u>94,185,573</u>	<u>450,148,518</u>
Net changes in fund balance	\$(11,696,191)	\$ 26,349,744	\$ 3,902,955	\$ 94,509,720	\$ 456,623,982
FUND BALANCES, beginning of year	\$219,000,959	\$207,304,768	\$233,654,512	\$237,557,467	\$ 332,067,187
FUND BALANCES, end of year	\$207,304,768	\$233,654,512	\$237,557,467	\$332,067,167	\$ 788,691,169

⁽¹⁾ Amount represents a one-time transfer to the City of proceeds derived from the refunding of subordinate debt obligations of the Successor Agency to the Industry Urban-Development Agency that were held by the City.
Sources: City of Industry Annual Financial Reports.

CITY INVESTIGATIONS

In April 2015, the City received notification that the Los Angeles County district attorney's office had opened an investigation into certain financial transactions between the City and companies controlled by a former mayor of the City, David Perez, and his relatives. The transactions under investigation occurred over the past 20 years and, according to an audit of the finances of the City performed in 2015 by KPMG at the request of the City, resulted in more than \$326 million being paid by the City to companies owned by Mr. Perez and his family. As of the date of this Official Statement, the findings of the investigation and any determinations by the Los Angeles County district attorney have not been made public by the office of the Los Angeles County district attorney.

In May 2015, the State Controller's office announced that it would conduct an investigation into discrepancies in the financial reporting of the City and an analysis of the City's administrative and internal accounting controls. In addition, the State Controller's office announced that it would examine allegations of wrongdoing by City officials and any irregularities in local, state and federal programs administered by the City. The State Controller's review will begin with the fiscal years 2012-13 and 2013-14. The State Controller's investigation of the City was completed and a report issued dated January 28, 2016 (the "State Controller's Report").

The State Controller's Report found deficiencies in the City accounting controls. In addition, the State Comptroller's Report found that a majority of the internal control elements that the City had in place were inadequate; the City made payments to certain contractors without adequate supporting documentation and, in certain instances, without proper authorization from the City's Finance Department or the City Manager; the City Council failed to exercise sufficient oversight of the City's finances and operations, approving contracts without detailed reviews and failing to analyze the measures it approved; the City failed to exercise adequate control over City-issued credit cards; some employees may have been paid twice for the same work; and the City did not maintain timesheets and did not provide documentation of performing annual employee reviews. A complete copy of the State Controller's Report can be found on the State Controller's website.

Since the period analyzed by the State Controller during the production of its report, the City has taken several steps to address the shortcomings outlined in the State Controller's Report, including the reviewing all of its contracts, giving closer scrutiny to invoices, destroying most of its City-issued credit cards and implementing a timesheet requirement.

[S&P GLOBAL RATINGS ACTIONS WITH RESPECT TO THE CITY'S LONG-TERM DEBT RATINGS

On August 12, 2016, S&P Global Ratings, a business unit of Standard and Poor's Financial Services LLC ("S&P"), released a RatingsDirect release that announced certain actions, as more further described below, that S&P had taken with respect to the long-term ratings on the outstanding debt of the City and certain of its related entities. S&P took such actions in response to the findings of the State Controller's Report discussed in the previous section. As noted in the previous section, the City has taken a number of steps to address the issues identified in the State Controller's Report.

S&P withdrew its long-term rating on the City's outstanding 2009 General Obligation Bonds (the "2009 GO Bonds"), its outstanding 2009 General Obligation Bonds, Series B (the "2009B GO Bonds"), its outstanding 2010 General Obligation Refunding Bonds (the "2010 Bonds") and its outstanding General Obligation Refunding Bonds, Series 2014 (Federally Taxable) (the "2014 GO Bonds" and, together with the 2009 GO Bonds, the 2009B GO Bonds and the 2010 GO Bond, the "GO Bonds"). Prior to withdrawing the ratings, S&P lowered the ratings on the GO Bonds to "BBB" from "AA."

S&P withdrew its long-term rating on the outstanding City of Industry Public Facilities Authority (the "Authority") 2010 Refunding Lease Revenue Bonds (the "Lease Revenue Bonds"). Prior to withdrawing the rating, S&P lowered the rating on the Lease Revenue Bonds to "BB+" from "AA-."

S&P placed its long-term ratings on the City's outstanding 2010 Taxable Sales Tax Revenue Bonds and its outstanding Senior Sales Tax Revenue Refunding Bonds, Series 2015A (Taxable) on Creditwatch with negative implications.

S&P placed its long-term ratings on the Authority's outstanding Tax Allocation Revenue Refunding Bonds, Series 2015A (Civic-Recreational-Industrial Redevelopment Project No. 1) (Taxable), its outstanding Tax Allocation Revenue Refunding Bonds, Series 2015A (Transportation-Distribution-Industrial Redevelopment Project No. 2) (Tax-Exempt), its outstanding Tax Allocation Revenue Refunding Bonds, Series 2015B (Transportation-Distribution-Industrial Redevelopment Project No. 2) (Taxable), its outstanding Tax Allocation Revenue Refunding Bonds, Series 2015A (Transportation-Distribution-Industrial Redevelopment Project No. 3) (Tax-Exempt) and its outstanding Tax Allocation Revenue Refunding Bonds, Series 2015A (Transportation-Distribution-Industrial Redevelopment Project No. 2) (Taxable) on Creditwatch with negative implications.]

DEFINED BENEFIT PENSION PLAN

Plan Description

The City contributes to the California Public Employees' Retirement System ("CalPERS"), a cost-sharing multiple-employer defined benefit pension plan. All full-time and certain part-time employees of the City are covered in this plan. The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance (or other local methods). CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. A full description of the pension plan, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2013 Annual Actuarial Valuation Report. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

Miscellaneous First Tier is a cost-sharing multiple-employer defined benefit plan that is part of the Miscellaneous 2.7% at 55 Risk Pool of the CalPERS, while Second Tier is the part of the Miscellaneous 2.0% at 60 Risk Pool. Starting July 2013, Public Employee Pension Reform Act (PEPRA) miscellaneous members become eligible for service retirement upon attainment of age 62 with at least 5 years of service. Retirement benefits for PEPRA miscellaneous employees are calculated as 2% of the average final 36 months compensation.

Funding Policy

Active plan members in the Plan are required to contribute 8% of their annual covered salary. The City makes contributions required of the employees on their behalf. The City is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate of covered payroll for the years ended June 30, 2016, 2015 and 2014 were 13.243%, 18.858% and 17.889%, respectively. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

Pension Reporting

Prior to 2015, accounting standards required the City to account for pension cost annually and unfunded liability –which was considered a liability to be reported in future periods- only to be disclosed in the notes to the financial statements and as required supplemental information. In 2015, the City adopted GASB Statement No. 68, “Accounting and Financial Reporting for Pension—an amendment of GASB Statement No. 27. The statement required cost sharing plan sponsors to record its proportionate share of net pension liability (unfunded liability –plan assets) on the financial statements instead of just disclosing future unfunded liabilities.

For the year ended June 30, 2016, the City’s proportionate share of contribution to CalPERS amounted to \$742,457. The City recognized pension expense of \$650,779 and net pension liabilities of \$6,336,456.

The City’s pension reporting for the year ended June 30, 2016 was determined using of June 30, 2014 actuarial valuations and measurement period of July 1, 2014 to June 30, 2015.

The actuarial assumptions included (a) 7.65% investment rate of return (net of administrative expenses); (b) projected salary increases ranging from 3.30% to 14.20%, which vary depending on age, duration of service and type of employment. Both (a) and (b) include an inflation component of 2.75%. The actuarial value of the Plan’s assets was determined using a technique that smooth’s the effect of short-term volatility in the market value of investments over a three year period depending on the size of investment gains and losses.

APPENDIX B

AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2015

The City's audited financial statements are presented for general information only. The Bonds are payable solely from and are secured by Sales Tax Revenues, as described in the Official Statement under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

[Closing Date]

City of Industry
14651 East Stafford Street
City of Industry, California 91744

\$ _____
City of Industry
Senior Sales Tax Revenue Refunding Bonds
Series 2017 (Taxable)

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance of the City of Industry (the "City") of its aggregate principal amount of City of Industry Senior Sales Tax Revenue Refunding Bonds, Series 2017 (Taxable) (the "Bonds"). The Bonds are being issued by the City under the City of Industry Sales and Use Tax Financing Law, constituting Chapter 3.60 of Title 3 of the Industry Municipal code (the "Bond Law"), and an Indenture of Trust, dated as of April 1, 2017 (the "Indenture"), by and between the City and U.S. Bank National Association, as trustee. Capitalized terms used herein but not defined shall have the meanings ascribed to them in the Indenture.

As Bond Counsel, we have examined applicable provisions of the Bond Law and copies certified to us as being true and complete copies of the proceedings of the City for the authorization and issuance of the Bonds. Our services as Bond Counsel were limited to an examination of such proceedings and to the rendering of the opinions set forth below. In this connection we have also examined such certificates of public officials and officers of the City as we have considered necessary for the purposes of this opinion.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute valid and binding limited obligations of the City as provided in the Indenture, and are entitled to the benefits of the Indenture. The Bonds are payable from Sales Tax Revenues and the pledge of certain amounts held by the Trustee under the Indenture.

2. The Indenture has been duly and validly authorized, executed and delivered by the City and, assuming the enforceability thereof against the Trustee, constitutes the legally valid and binding obligation of the City, enforceable against the City in accordance with its terms. The Indenture creates a valid pledge, to secure the payment of principal of and interest on the Bonds, of the Sales Tax Revenues and other amounts held by the Trustee in certain funds and accounts established pursuant to the Indenture, subject to the provisions of the Indenture permitting the application thereof for other purposes and on the terms and conditions set forth therein.

3. Under existing law, interest on the Bonds is exempt from personal income taxes of the State of California.

The opinions expressed in paragraphs 1 and 2 above are qualified to the extent the enforceability of the Bonds and the Indenture may be limited by applicable bankruptcy, insolvency, debt adjustment, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally or as to the availability of any particular remedy. The enforceability of the Bonds and the Indenture is subject to the effect of general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, to the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or at law, and to the limitations on legal remedies against governmental entities in California.

No opinion is expressed herein on the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

Respectfully submitted,

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Disclosure Agreement”) is executed and delivered by the City of Industry, California (the “City”) and Digital Assurance Certification LLC, as dissemination agent (the “Dissemination Agent”), in connection with the issuance of the City of Industry Senior Sales Tax Revenue Refunding Bonds, Series 2017 (Taxable) (the “Bonds”). The Bonds are being issued pursuant to an Indenture of Trust, dated as of _____ 1, 2017, by and between the City and U.S. Bank National Association, as trustee (the “Trustee”). The City and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of this Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the City and the Dissemination Agent for the benefit of the Bondholders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters (as defined herein) in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Beneficial Owner” shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries); or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Dissemination Agent” shall mean Digital Assurance Certification LLC, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the City and which has filed a written acceptance of such designation.

“Fiscal Year” shall mean the period beginning on July 1 of each year and ending on the next succeeding June 30, or any twelve-month or fifty-two week period hereafter selected by the City, with notice of such selection or change in fiscal year to be provided as set forth herein.

“Holder” shall mean either the registered owners of the Bonds or, if the Bonds are registered in the name of The Depository Trust Company or another recognized depository, any applicable participant in such depository system.

“Listed Event” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934 or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Marketplace Access (“EMMA”) website of the MSRB, currently located at <http://emma.msrb.org>.

“Official Statement” shall mean the Official Statement for the Bonds dated _____, 2017.

“Participating Underwriter” shall mean any of the original underwriter of the Bonds listed in the Official Statement required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“State” shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than nine (9) months after the end of the Fiscal Year, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report must be submitted in electronic format, accompanied by such identifying information as prescribed by the MSRB. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; *provided*, that if the audited financial statements of the City are not available by the date required above for the filing of the Annual Report, the City shall submit the audited financial statements as soon as available. If the City’s Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(f).

(b) If the City is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Dissemination Agent shall send, in a timely manner, to the MSRB a notice in substantially the form attached hereto as Exhibit A.

(c) The Dissemination Agent shall:

- (i) determine the electronic filing address of, and then-current procedures for submitting Annual Reports to, the MSRB each year prior to the date for providing the Annual Report; and
- (ii) file a report with the City certifying that the Annual Report has been provided to the MSRB pursuant to this Disclosure Agreement, and stating the date it was provided.

SECTION 4. Content of Annual Reports. The City’s Annual Report shall contain or include by reference the following categories or similar categories of information updated to incorporate information for the most recent fiscal or calendar year, as applicable (the tables referred to below are those appearing in the Official Statement relating to the Bonds):

(a) The audited financial statements of the City for the prior Fiscal Year, prepared in accordance with Generally Accepted Accounting Principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the City’s audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available;

(b) To the extent not contained in the audited financial statements filed under the preceding clause (a), the Annual Report shall contain information showing (all capitalized terms have the meaning of such terms in the Official Statement): (i) the total amount of Sales Tax Revenues received by the City for the most recent completed Fiscal Year; (ii) the percent by which annual Sales Tax Revenues have provided coverage for debt service on the Bonds, the 2015 Bonds and Parity Debt (if any) for the most recent completed Fiscal Year; (iii) an update of the information presented in the table in the Official Statement entitled "CITY OF INDUSTRY – Permits and Taxable Transactions" for the most current year of information made available by the California State Board of Equalization; and (iv) an update of the information presented in the table in the Official Statement entitled "CITY OF INDUSTRY – Sales Tax Rates" for the then current fiscal year.

(c) In addition to any of the information expressly required to be provided under paragraphs (a) and (b) of this Section, the City shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which have been submitted to the MSRB or the SEC. If any document included by reference is a final official statement, it must be available from the MSRB. The City shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Listed Events.

(a) Pursuant to the provisions of this section, upon the occurrence of any of the following events (in each case to the extent applicable) with respect to the Bonds, the City shall give, or cause to be given by so notifying the Dissemination Agent in writing and instructing the Dissemination Agent to give, notice of the occurrence of such event, in each case, pursuant to Section 5(c) hereof:

1. principal or interest payment delinquencies;
2. non-payment related defaults, if material;
3. modifications to the rights of the Bondholders, if material;
4. Bond calls, if material, and tender offers;
5. defeasances;
6. rating changes;
7. adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
8. unscheduled draws on the debt service reserves reflecting financial difficulties;
9. unscheduled draws on the credit enhancements reflecting financial difficulties;
10. substitution of the credit or liquidity providers or their failure to perform;

11. release, substitution or sale of property securing repayment of the Bonds, if material;
12. bankruptcy, insolvency, receivership or similar proceedings of the City, which shall occur as described below;
13. appointment of a successor or additional trustee or the change of name of a trustee, if material, or;
14. the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

For these purposes, any event described in item 12 of this Section 5(a) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

(b) Upon receipt of notice from the City and instruction by the City to report the occurrence of any Listed Event, the Dissemination Agent shall provide notice thereof to the MSRB in accordance with Section 5(c) hereof. In the event the Dissemination Agent shall obtain actual knowledge of the occurrence of any of the Listed Events, the Dissemination Agent shall, immediately after obtaining such knowledge, contact the Disclosure Representative, inform such person of the event, and request that the City promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to Section 5(c). For purposes of this Disclosure Agreement, “actual knowledge” of the occurrence of such Listed Event shall mean actual knowledge by the Dissemination Agent, if other than the Trustee, and if the Dissemination Agent is the Trustee, then by the officer at the corporate trust office of the Trustee with regular responsibility for the administration of matters related to the Indenture. The Dissemination Agent shall have no responsibility to determine the materiality, if applicable, of any of the Listed Events.

(c) The City, or the Dissemination Agent, if the Dissemination Agent has been instructed by the City to report the occurrence of a Listed Event, shall file a notice of such occurrence with the MSRB in a timely manner not more than ten business days after the occurrence of the event.

SECTION 6. Termination of Reporting Obligation. The City’s obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(f).

SECTION 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to this Disclosure Agreement. The Dissemination Agent shall receive

compensation for the services provided pursuant to this Disclosure Agreement. The Dissemination Agent may resign by providing thirty (30) days written notice to the City. If at any time there is no designated Dissemination Agent appointed by the City, or the Dissemination Agent is unwilling or unable to perform the duties of the Dissemination Agent hereunder, the City shall be the Dissemination Agent and undertake or assume its obligations hereunder.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the City and the Dissemination Agent may amend this Disclosure Agreement provided, the Dissemination Agent shall not be obligated to enter into any such amendment that modifies or increases its duties or obligations hereunder, and any provision of this Disclosure Agreement may be waived, provided that in the opinion of nationally recognized bond counsel, such amendment or waiver is permitted by the Rule. In the event of any amendment or waiver of a provision of this Disclosure Agreement, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City.

SECTION 9. Filings with the MSRB. All information, operating data, financial statements, notices and other documents provided to the MSRB in accordance with this Disclosure Agreement shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the City shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the City or the Dissemination Agent to comply with any provision of this Disclosure Agreement, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the City or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance hereunder.

SECTION 12. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. Article VIII of the Indenture is hereby made applicable to this Disclosure Agreement as if the Disclosure Agreement were (solely for this purpose) contained in the Indenture. The Dissemination Agent shall be entitled to the protections and limitations on liability afforded to the Trustee thereunder. The Dissemination Agent (if other than the Trustee in its capacity as Dissemination Agent) shall have only such duties as are specifically set forth in this Disclosure Agreement, and the City agrees to indemnify and save the Trustee and the Dissemination Agent, their officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding any loss, expense and liabilities due to the

Dissemination Agent's negligence or willful misconduct. The obligations of the City under this Section 12 shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the City, the Trustee, the Dissemination Agent, the Participating Underwriters and the Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, this Disclosure Agreement has been executed on behalf of the City and the Dissemination Agent by their duly authorized representatives as of _____, 2017.

THE CITY OF INDUSTRY

By: _____
City Manager

DIGITAL ASSURANCE CERTIFICATION LLC, as
Dissemination Agent

By: _____
Authorized Officer

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Authority: City of Industry

Name of Bond Issues: City of Industry Senior Sales Tax Revenue Refunding Bonds, Series 2017 (Taxable)

Date of Issuance: _____, 2017

NOTICE IS HEREBY GIVEN that the City of Industry (the "City") has not provided an Annual Report with respect to the above-named Bonds as required by Section 3(a) of the Continuing Disclosure Agreement, dated _____, 2017, by and between the City and Digital Assurance Certification LLC. The City anticipates that the Annual Report will be filed by _____, 20__.

Dated: _____, 20__

DIGITAL ASSURANCE CERTIFICATION LLC., as
Dissemination Agent on behalf of the City

By: _____
Authorized Officer

cc: City of Industry

APPENDIX E

BOOK-ENTRY SYSTEM

The information in this Appendix E concerning The Depository Trust Company ("DTC"), New York, New York, and DTC's Book-Entry System has been obtained from DTC and the City of Industry (the "City"), U.S. Bank National Association, as trustee (the "Trustee") and Stifel, Nicolaus & Company, Incorporated takes no responsibility for the completeness or accuracy thereof.

The City, the Trustee and the Underwriter cannot and do not give any assurances that DTC, DTC Participants or Indirect Participants (each as defined below) or others will distribute any (a) payments of principal or purchase price or interest with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will do so on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC. The City, the Trustee and the Underwriter are not responsible or liable for the failure of DTC or any DTC Participant to make any payment or give any notice to a beneficial owner with respect to the Bonds or an error or delay relating thereto.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of each series of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The information set forth on this website is not incorporated by reference herein.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual

purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, if any, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the Trustee, on a payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered. The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered.

APPENDIX F

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

SUMMARY OF CASH FLOW SAVINGS

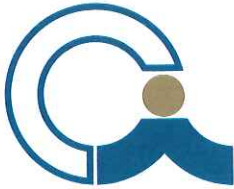
City of Industry
 Senior Sales Tax Revenue Refunding Bonds
 Series 2017 (Taxable)

Underlying Ratings: 'A1' (Moody's)
 Bond Insurance and Reserve Surety from NPMG
 Market Conditions as of March 8, 2017

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 04/19/2017 @ 3.7612915%
1/1/2018	4,736,120.00	4,260,213.75	475,906.25	481,735.69
1/1/2019	4,737,212.50	4,054,037.50	683,175.00	652,211.73
1/1/2020	4,737,542.50	4,054,118.76	683,423.74	627,731.95
1/1/2021	4,737,992.50	4,052,218.76	685,773.74	606,018.23
1/1/2022	4,739,192.50	4,055,218.76	683,973.74	581,497.65
1/1/2023	4,738,792.50	4,057,250.00	681,542.50	557,368.78
1/1/2024	4,737,552.50	4,056,750.00	680,802.50	535,447.16
1/1/2025	4,736,552.50	4,053,900.00	682,652.50	516,239.88
1/1/2026	4,741,000.00	4,057,312.50	683,687.50	496,990.46
1/1/2027	4,735,800.00	4,051,125.00	684,675.00	478,294.12
TOTALS	47,377,757.50	40,752,145.03	6,625,612.47	5,533,535.65

CITY COUNCIL

ITEM NO. 6.2



CITY OF INDUSTRY

Incorporated June 18, 1957

MEMORANDUM

To: Honorable Mayor Radecki and Members of the City Council

From: Paul Philips, City Manager *Paul J. Philips*

Staff: Alex Gonzalez, Director of Development Services and Administration *AG*

Date: March 23, 2017

SUBJECT: Consideration of Agreement with Karen Wise and Jane Pisano regarding the Review and Analysis of Operations of the Workman and Temple Homestead Museum

The City of Industry ("City") owns the Workman and Temple Family Homestead Museum ("Museum"). The City is interested in completing an initial assessment of the potential of the site to becoming a regional destination in the San Gabriel Valley and surrounding area. In order to complete the assessment, a review of the organization, governance, management, structure and operations of the museum site, especially an assessment of their adherence to professional standards and practices in the museum field including planning, programming, budgeting, collections and financial management. Karen Wise and Jane Pisano delivered a presentation on their professional backgrounds and experience in analyzing museum operations to the City Council on March 9, 2017.

The City Council requested that an Agreement be developed for consideration at the March 23, 2017 City Council meeting. City staff have worked with the consultants to craft an agreement. However, as the consultants are sole proprietors engaged in a project that is of a low dollar value and low risk, the consultants have expressed serious concerns regarding the indemnification and duty to defend provisions in the City's professional services agreement template. The consultants have requested relief from the City's indemnification and duty to defend provisions in order to accept the assignment. City staff requests that the City Council consider the consultant's request based on the nature of work performed.

Fiscal Impact:

This item is included in the FY 2016-2017 budget under General Fund – Community Promotions, Professional Services.

Recommendation:

Staff recommends consideration to enter into a Professional Services Agreement for review and analysis of operations of the Workman and Temple Homestead Museum

subject to City Council approval.

Exhibits:

- A. Professional Services Agreement with Karen Wise and Jane Pisano dated March 23, 2017
-

PJP/AG:kw

EXHIBIT A

**Professional Services Agreement with Karen Wise and Jane Pisano
dated March 23, 2017**

[Attached]

CITY OF INDUSTRY

PROFESSIONAL SERVICES AGREEMENT

This PROFESSIONAL SERVICES AGREEMENT ("Agreement"), is made and effective as of March 23, 2017 ("Effective Date"), between the City of Industry, a municipal corporation ("City") and Karen Wise, a sole proprietorship ("Wise") and Jane G. Pisano, a sole proprietorship ("Pisano") (Wise and Pisano are hereinafter collectively referred to as "Consultants"). The City and Consultant are hereinafter collectively referred to as the "Parties".

RECITALS

WHEREAS, City desires to engage Consultants to perform the services described herein, and Consultants desire 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, City and Consultants 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 December 31, 2017, unless sooner terminated pursuant to the provisions of this Agreement.

2. SERVICES

(a) Consultants 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 City. The Services shall be performed by Consultants, unless prior written approval is first obtained from the City. In the event of conflict or inconsistency between the terms of this Agreement and Exhibit A, the terms of this Agreement shall prevail.

(b) City 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) Consultants shall perform all Services in a manner reasonably satisfactory to the City and in a first-class manner in conformance with the standards of quality normally observed by an entity providing review and analysis of museum operations services, serving a municipal agency.

(d) Consultants 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, Consultants shall not perform any work for another person or entity for whom Consultants were not working on the Effective Date if both (i) such work would require Consultants to abstain from a decision under this Agreement pursuant to a conflict of interest statute or law; and (ii) City has not consented in writing to Consultants' performance of such work. No officer or employee of City shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.* Consultants hereby warrant that each is not now, nor has it been in the previous twelve (12) months, an employee, agent, appointee, or official of the City. If Consultants were an employee, agent, appointee, or official of the City in the previous twelve (12) months, Consultants warrant that neither participated in any manner in the forming of this Agreement. Consultants understand that, if this Agreement is made in violation of Government Code §1090 *et seq.*, the entire Agreement is void and Consultants will not be entitled to any compensation for Services performed pursuant to this Agreement, and Consultants will be required to reimburse the City for any sums paid to the Consultants. Consultants understand 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) Consultants represent that all services will be performed by Jane Pisano and Karen Wise. No Subconsultants will be engaged to develop final deliverables.

(f) City shall provide Consultants with access to existing documents that include but are not limited to: museum charter/governance, finance and budget documents, metrics or data available on museum operations, and museum policies and procedures. City staff will coordinate with Consultants to achieve a cooperative environment with existing contractors that is conducive to development of strategic goals for the museum.

3. MANAGEMENT

City's City Manager shall represent the City in all matters pertaining to the administration of this Agreement, review and approval of all products submitted by Consultants, but shall have no authority to modify the Services or the compensation due to Consultants.

4. PAYMENT

(a) The City agrees to pay Consultants a total of Thirty Three Thousand Dollars \$33,000.00 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 Thirty Three Thousand Dollars (\$33,000.00) for the total Term of the Agreement unless additional payment is approved as provided in this Agreement.

(b) Consultants shall not be compensated for any services rendered in connection with their 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 City. Consultants shall be compensated for any additional services in the amounts and in the manner as agreed to by City and Consultants at the time City's written authorization is given to Consultants for the performance of said services.

(c) Consultants shall submit invoices for actual services performed. Invoices shall be submitted upon agreement execution, and at the time of City's receipt of the preliminary and final reports, as detailed in Exhibit A. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the City disputes any of Consultants' fees it shall give written notice to the Consultant to whom the disputed fees pertain, 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 30 days of receipt of an invoice.

5. SUSPENSION OR TERMINATION OF AGREEMENT

(a) The City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Consultants at least ten (10) days prior written notice. Upon receipt of said notice, the Consultants shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the City 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 City shall pay to Consultants the actual value of the work performed up to the time of termination, provided that the work performed is in accordance with the work specified in the agreement. Upon termination of the Agreement pursuant to this Section, the Consultants shall submit an invoice to the City pursuant to Section 4 of this Agreement.

6. OWNERSHIP OF DOCUMENTS

(a) Consultants shall maintain, if applicable, complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by City that relate to the performance of services under this Agreement. Consultants agree that no reimbursement requests will be submitted for travel, materials, or other supplemental expenses, as the total payment proposed includes all expenses and no subcontractors or markups are proposed for this project. Consultants 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. Consultants shall provide free access to the representatives of City or its designees at reasonable times to review such books and records; shall give City the right to examine and audit said books and records; shall permit City 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 City and may be used, reused, or otherwise disposed of by the City without the permission of the Consultants. With respect to computer files, Consultants shall make available to the City, at the Consultants' office, and upon reasonable written request by the City, the necessary computer software and hardware for purposes of accessing, compiling, transferring, copying and/or printing computer files. Consultants hereby grants to City 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 Consultants in the course of providing the services under this Agreement. All reports, documents, or other written material developed by Consultants in the performance of the Services pursuant to this Agreement, shall be and remain the property of the City.

7. INDEMNIFICATION

(a) Indemnity for professional liability

When the law establishes a professional standard of care for Consultants' Services, to the fullest extent permitted by law, Consultants shall indemnify, protect, defend and hold harmless the City 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 Consultants, their officers, agents, employees or Subconsultants (or any agency or individual that Consultants 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, Consultants shall indemnify, defend and hold harmless City, 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 Consultants or by any individual or agency for which Consultants are legally liable, including but not limited to officers, agents, employees or subcontractors of Consultants.

(c) **DUTY TO DEFEND.** In the event the City, 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 City, Consultants shall have an immediate duty to defend the City at Consultants' cost or at City's option, to reimburse the City for its costs of defense, including reasonable attorney's fees and costs incurred in the defense of such matters.

Payment by City is not a condition precedent to enforcement of this indemnity. In the event of any dispute between Consultants and City, as to whether liability arises from the sole negligence of the City or its officers, employees, or agents, Consultants will be obligated to pay for City's defense until such time as a final judgment has been entered adjudicating the City as solely negligent. Consultants 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

Consultants 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) Consultants are and shall at all times remain as to the City wholly independent consultants and/or independent contractors. Neither City nor any of its officers, employees, or agents shall have control over the conduct of Consultants, except as set forth in this Agreement. Consultants shall not at any time or in any manner represent that they or any of their officers, employees, or agents are in any manner officers, employees, or agents of the City. Consultants shall not incur or have the power to incur any debt, obligation, or liability whatever against the City, or bind the City in any manner.

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

10. LEGAL RESPONSIBILITIES

The Consultants shall keep themselves 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 Consultants shall at all times observe and comply with all such laws and regulations. The City, and its officers and employees, shall not be liable at law or in equity occasioned by failure of the Consultants to comply with this Section.

11. UNDUE INFLUENCE

Consultants declare and warrant that no undue influence or pressure was used against or in concert with any officer or employee of the City 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 City has or will

receive compensation, directly or indirectly, from Consultants, or from any officer, employee or agent of Consultants, 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 City to any and all remedies at law or in equity.

12. NO BENEFIT TO ARISE TO LOCAL OFFICERS AND EMPLOYEES

No member, officer, or employee of City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the Project performed under this Agreement.

13. RELEASE OF INFORMATION/CONFLICTS OF INTEREST

(a) All information gained by Consultants in performance of this Agreement shall be considered confidential and shall not be released by Consultants without City's prior written authorization. Consultants, their officers, employees, agents, or subconsultants, shall not without written authorization from the City, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the City, unless otherwise required by law or court order. (b) Consultants shall promptly notify City should Consultants, their officers, employees, agents, or subconsultants be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request ("Discovery"), court order, or subpoena from any person or party regarding this Agreement and the work performed there under or with respect to any project or property located within the City, unless Consultants are prohibited by law from informing the City of such Discovery, court order or subpoena. City retains the right, but has no obligation, to represent Consultants and/or be present at any deposition, hearing, or similar proceeding as allowed by law. Unless City is a party to the lawsuit, arbitration, or administrative proceeding and is adverse to Consultants in such proceeding, Consultants agree to cooperate fully with the City and to provide the opportunity to review any response to discovery requests provided by Consultants. However, City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

14. NOTICES

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

To City:

City of Industry
15625 E. Stafford, Suite 100

City of Industry, CA 91744

Attention: City Manager

With a Copy To:

James M. Casso, City Attorney
Casso & Sparks, LLP
13200 Crossroads Parkway North, Suite 345
City of Industry, CA 91746

To Wise:

Karen Wise
3435 Ocean Park Boulevard
Santa Monica, CA 90405

To Pisano:

Jane G. Pisano
4200 Dundee Drive
Los Angeles, CA 90405

15. ASSIGNMENT

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

16. GOVERNING LAW/ATTORNEYS' FEES

The City and Consultants 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 Consultants 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 City, Wise, or Pisano 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 City, Wise, or Pisano 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 Wise and Pisano represents and warrants that he/she has the authority to execute this Agreement on behalf

of the Consultants and has the authority to bind Wise and/or Pisano 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.

“CITY”
City of Industry

“CONSULTANTS”
Karen Wise

By: _____
Paul J. Philips, City Manager

By: _____
Karen Wise, Sole Proprietor

Jane Pisano

Attest:

By: _____
Diane M. Schlichting, Chief Deputy City Clerk

By: _____
Jane Pisano, Sole Proprietor

Approved as to form:

By: _____
James M. Casso, City Attorney

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

EXHIBIT A

SCOPE OF SERVICES

Consultants' review and analysis of operations of the Workman and Temple Homestead Museum ("Museum") shall include, but is not limited to:

- Review of the organization, governance, management, structure and operations of the museum and the site, especially an assessment of their adherence to professional standards and practices in the museum field including planning, programming, budgeting, collections and financial management; and
- Initial assessment of the potential of the site to become a regional destination in the San Gabriel Valley and surrounding area.

Consultants' review shall include, but is not limited to:

- A. Review available documents, recent written and digital records, reports and any other written (including digital) documentation of museum activities and of activities that Historical Resources, Inc., ("HRI") performs on behalf of the Museum, as well as services provided by the City outside of the HRI contract:
- B. Visit the site, including public tours and behind the scenes tours, review the collections and operations and activities, programs, etc., the condition and maintenance of the site;
- C. Review of all manual and electronic/digital systems in use at the Museum including collections management database, ticketing system and all automated and non-automated systems in use at the museum. Ideally this will be a staff facilitated review;
- D. Individual interviews with up to 20 people, including staff, volunteers and stakeholders as follows:
 - a. Interview all staff currently working at the Museum
 - b. Interview a selection docents and a selection of other local stakeholders
 - c. Interview/gather information from a selection of regional (Southern California) stakeholders, experts and analogous sites
- E. Additional review and research as needed (e.g. digital/web output, other official and unofficial activities at or for the Museum)
- F. Research and provide comparative information on at least four Museums and similar sites which are analogous in relevant respects to the Workman and Temple Homestead Museum and which can provide benchmarks for Consultants' analysis.

Consultants will use available information to analyze and review the information gathered from documents, site visits, interviews and research to:

- A. Identify the Museum's core assets and unique advantages, especially as they relate to the potential of the site to serve as a destination and resource for the City and surrounding areas;
- B. Understand current practices and policies and assess the extent to which they align with current standards in museum governance, management and practice. This includes oversight, governance, planning, budgeting, fiscal and resource management policies and procedures and human resources including paid staff and volunteer programs;
- C. Understand recent patterns in attendance and visitor/community response to programs and activities; and
- D. Provide the City with an assessment of the current management of the museum and the extent to which it aligns with current best practices in museums and historic site management, identify any issues and provide options and recommendations as needed.

This information and analysis will be provided to the City in the form of a preliminary presentation and a final written report.

Deliverables to be provided to the City by Consultants:

1. In person presentation of first draft findings to City administration in late July 2017; and
2. Final written report with additional presentation in September 2017.

The report shall include an assessment of the degree to which the Museum is managed in accordance with standard museum practice, and as needed, options and recommendations to bring the museum, its governance, management and operations into alignment with current best practices in the museum field.

The report shall cover the following topics, which are standard elements of museum management: governance and oversight, mission and vision, planning and goal setting, budgeting and financial management, collections policies and procedures, exhibits, activities and programs, staffing and volunteer program, attendance and audience. The report will include a benchmark summary of at least four (4) museums or similar organizations that are analogous in salient respects to the Museum. It will also include a preliminary list of high level recommendations and/or options for increasing the profile and attendance of the museum and an assessment of what it would take to make it into a regional destination in the San Gabriel Valley and surrounding areas.

EXHIBIT B

RATE SCHEDULE

Consultants shall be compensated Thirty Three Thousand Dollars (\$33,000.00) for the Services set forth herein.

The City shall pay Consultants as follows:

20% (\$6,600.00) due upon execution of the agreement, 25% to Jane Pisano and 75% to Karen Wise;

60% (\$19,800.00) due upon presentation of preliminary report, 25% to Jane Pisano and 75% to Karen Wise; and

20% (\$6,600.00) due upon receipt and acceptance of final report, 25% to Jane Pisano and 75% to Karen Wise.

EXHIBIT C

INSURANCE REQUIREMENTS

Without limiting Consultants' indemnification of City, and prior to commencement of the Services, Consultants shall each 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. Consultants shall each 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. Consultants shall each 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 Consultants 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. Consultants shall each 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 Consultants agree to maintain continuous coverage through a period no less than three years after completion of the services required by this Agreement.

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

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

Proof of insurance. Consultants shall each provide certificates of insurance to City 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 City's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with City at all times during the term of this contract. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

Duration of coverage. Consultants shall each 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 Consultants, their agents, representatives, employees or subconsultants.

Primary/noncontributing. Coverage provided by Consultants shall be primary and any insurance or self-insurance procured or maintained by City 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 City before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

City'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, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by Consultants, or City will withhold amounts sufficient to pay premium from Consultants' payments. In the alternative, City 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 City's Risk Manager.

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

Enforcement of contract provisions (non estoppel). Consultants acknowledge and agree that any actual or alleged failure on the part of the City to inform Consultants of non-compliance with any requirement imposes no additional obligations on the City 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 Consultants maintain higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Consultants. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

Notice of cancellation. Consultants agree to oblige its insurance agent or broker and insurers to provide to City 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 City 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 City and approved of in writing.

Separation of Insureds. A severability of interests provision must apply for all additional insureds ensuring that Consultants' 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. Consultants agree to ensure that their subconsultants, subcontractors, and any other party involved with the project who is brought onto or involved in the project by Consultants, provide the same minimum insurance coverage and endorsements required of Consultants. Consultants agree 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. Consultants agree that upon request, all agreements with consultants, subcontractors, and others engaged in the project will be submitted to City for review.

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

Self-insured retentions. Any self-insured retentions must be declared to and approved by the City. The City 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 City.

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

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

CITY COUNCIL

ITEM NO. 6.3





CITY OF INDUSTRY

P.O. Box 3366 • 15625 E. Stafford St. • City of Industry, CA 91744-0366 • (626) 333-2211 • FAX (626) 961-6795

MEMORANDUM

TO: Honorable Mayor Radecki and Members of the City Council

FROM: Paul J. Philips, City Manager 

STAFF: Clement N. Calvillo, City Engineer, CNC Engineering 
Joshua Nelson, Deputy City Engineer, CNC Engineering

DATE: March 23, 2017

SUBJECT: Consideration of Amendment No. 1 to the Professional Services Agreement with CASC Engineering and Consulting, Inc. (1-CASC 15-01 MP 11-09), to perform additional NPDES Engineering Services at 23400-23600 E. Fork Road, Azusa, CA), in the amount of \$11,365.00, for a total Agreement amount not-to-exceed \$46,025.00, on a time and material basis (MP 11-09)

On October 22, 2015, the City of Industry ("CITY") entered into a Professional Services Agreement with CASC Engineering and Consulting, Inc. ("CASC"). CASC was retained to perform NPDES engineering services for a one year period at 23400-23600 E. Fork Road, Azusa, California ("Follows Camp")

CASC has provided stormwater and erosion control related consulting services over the past 16 months and has submitted a budget increase request (Exhibit B) for additional NPDES consulting services, which include:

1. Perform pre-and post-storm site visits and prepare reports through May 2017 (due to increased precipitation during the 2016-2017 season – estimated 4 per month)
2. Perform BMP installation and maintenance through May, 2017 (estimated 2-two man crews for one day each)

Fiscal Impact:

CASC has submitted a request for total budget increase of \$11,365.00 to perform this additional work for a total Agreement amount not to exceed \$46,025.00. CNC has reviewed the proposal and has found it to be in order.

Recommendation:

Staff recommends that the City Council approve Amendment No. 1 to the Professional Services Agreement with CASC Engineering and Consulting, Inc.

Exhibits:

- A. Amendment No. 1 to Professional Services Agreement with CASC Engineering and Consulting, Inc., dated March 23, 2017
 - B. Budget Increase Request from CASC Engineering & Consulting, Inc., dated February 20, 2017
-

PJP/CC/JN:af

EXHIBIT A

Amendment No. 1 to Professional Services Agreement with CASC Engineering and Consulting, Inc., dated March 23, 2017

[Attached]

**AMENDMENT NO. 1
TO PROFESSIONAL SERVICES AGREEMENT WITH CASC ENGINEERING AND
CONSULTING, INC.**

This Amendment No. 1 to the Professional Services Agreement (“Agreement”), is made and entered into this 23rd day of March, 2017, by and between the City of Industry, a California municipal corporation (“City”) and CASC Engineering and Consulting, Inc., a California Corporation (“Consultant”). The City and Consultant are hereinafter collectively referred to as the “Parties.”

RECITALS

WHEREAS, on or about October 22, 2015, the Agreement was entered into and executed between the City and Consultant to perform NPDES Engineering Services for 23400-23600 E. Fork Road, Azusa, California; and

WHEREAS, pursuant to Section 1 (“Term”) of the Agreement, the Agreement was to terminate on October 22, 2016, however, the project is still in progress and it is anticipated that it will take until October 22, 2017 to complete the work; and

WHEREAS, given the increased precipitation during the current rainy season, it is necessary to perform additional pre and post-storm site visits at the property, and to perform BMP installation and maintenance through May 2017; and

WHEREAS, given the additional services required to complete the project, it is therefore necessary to amend Section 4 (“Payment”) with a budget increase in the amount of \$11,365.00.

WHEREAS, for the reasons set forth herein, the City and Consultant desire to enter into this Amendment No. 1, 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:

The City hereby approves an extension of the Agreement from October 22, 2016, through the Effective Date of this Amendment No. 1.

Section 1 shall be revised to read in its entirety as follows:

1. TERM

This Agreement shall commence on the Effective Date and shall remain and continue in effect until October 22, 2017, unless sooner terminated pursuant to the provisions of this Agreement.

Section 4.a. shall be revised to read in its entirety as follows:

4. PAYMENT

(a) The City 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 spend on the above tasks. This amount shall not exceed Forty Six Thousand Twenty-Five Dollars (\$46,025.00) for a total Term of the Agreement unless additional payment is approved as provided in this Agreement.

Exhibit A shall be revised to include the following additional services:

1. Perform pre-and post-storm site visits and prepare reports through May 2017 (due to increased precipitation during the 2016-2017 season – estimated 4 per month)
2. Perform BMP installation and maintenance through May, 2017 (estimated 2-two man crews for one day each)

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 1 to the Agreement as of the Effective Date.

**“CITY”
CITY OF INDUSTRY**

**“CONSULTANT”
CASC ENGINEERING AND
CONSULTING, INC.**

By: _____
Paul J. Philips, City Manager

By: _____
Richard J. Sidor, President

Attest:

By: _____
Diane M. Schlichting, Chief Deputy City Clerk

APPROVED AS TO FORM

By: _____
James M. Casso, City Attorney

EXHIBIT A TO AMENMENT NO. 1:

**AGREEMENT FOR CONSULTING SERVICES WITH CASC ENGINEERING AND
CONSULTING, INC. (DATED OCTOBER 22,2015)**

CITY OF INDUSTRY

PROFESSIONAL SERVICES AGREEMENT

This PROFESSIONAL SERVICES AGREEMENT ("Agreement"), is made and effective as of October 22, 2015 ("Effective Date"), between the City of Industry, a municipal corporation ("City") and CASC Engineering and Consulting, Inc., a California corporation ("Consultant"). The City and Consultant are hereinafter collectively referred to as the "Parties".

RECITALS

WHEREAS, City 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, City 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 October 21, 2016, 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 City. The Services shall be performed by Consultant, unless prior written approval is first obtained from the City. In the event of conflict or inconsistency between the terms of this Agreement and Exhibit A, the terms of this Agreement shall prevail.

(b) City 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 City and in a first-class manner in conformance with the standards of quality normally observed by an entity providing NPDES engineering 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) City has not consented in writing to Consultant's performance of such work. No officer or employee of City 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 City. If Consultant was an employee, agent, appointee, or official of the City 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 City 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 City Manager or his designee shall represent the City 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 City 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 Thirty Four Thousand Six Hundred Sixty Dollars (\$34,660.00) 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 City. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to by City and Consultant at the time City's 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 City 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 City 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 City 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 City 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 City. Upon termination of the Agreement pursuant to this Section, the Consultant shall submit an invoice to the City 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 City 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 City or its designees at reasonable times to review such books and records; shall give City the right to examine and audit said books and records; shall permit City 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 City and may be used, reused, or otherwise disposed of by the City without the permission of the Consultant. With respect to computer files, Consultant shall make available to the City, at the Consultant's office, and upon reasonable written request by the City, the necessary computer software and hardware for purposes of accessing, compiling, transferring, copying and/or printing computer files. Consultant hereby grants to City 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 City.

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 City 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 City, 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 City, 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 City, Consultant shall have an immediate duty to defend the City at Consultant's cost or at City's option, to reimburse the City for its costs of defense, including reasonable attorney's fees and costs incurred in the defense of such matters.

Payment by City is not a condition precedent to enforcement of this indemnity. In the event of any dispute between Consultant and City, as to whether liability arises from the sole negligence of the City or its officers, employees, or agents, Consultant will be obligated to pay for City's defense until such time as a final judgment has been entered adjudicating the City 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 City 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 City 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 City. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against the City, or bind the City 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, City shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for City. City 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 City, 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 City 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 City 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 City to any and all remedies at law or in equity.

12. NO BENEFIT TO ARISE TO LOCAL OFFICERS AND EMPLOYEES

No member, officer, or employee of City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the Project performed under this Agreement.

13. RELEASE OF INFORMATION/CONFLICTS OF INTEREST

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without City's prior written authorization. Consultant, its officers, employees, agents, or subconsultants, shall not without written authorization from the City, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the City, unless otherwise required by law or court order. (b) Consultant shall promptly notify City should Consultant, its officers, employees, agents, or subconsultants be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request ("Discovery"), court order, or subpoena from any person or party regarding this Agreement and the work performed there under or with respect to any project or property located within the City, unless Consultant is prohibited by law from informing the City of such Discovery, court order or subpoena. City retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing, or similar proceeding as allowed by law. Unless City is a party to the lawsuit, arbitration, or administrative proceeding and is adverse to Consultant in such proceeding, Consultant agrees to cooperate fully with the City and to provide the opportunity to review any response to discovery requests provided by Consultant. However, City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

14. NOTICES

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

To City:	City of Industry 15625 E. Stafford, Suite 100 City of Industry, CA 91744 Attention: City Manager
With a Copy To:	James M. Casso, City Attorney P.O. Box 4131 West Covina, CA 91791
To Consultant:	CASC Engineering and Consulting, Inc. 2740 W. Magnolia Blvd., Suite 102 Burbank, CA 91505 Attention: Michael Kolbensschlag

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 City.

Before retaining or contracting with any subconsultant for any services under this Agreement, Consultant shall provide City with the identity of the proposed subconsultant, a copy of the proposed written contract between Consultant and such subconsultant which shall include and indemnity provision similar to the one provided herein and identifying City 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 City for such insurance.

Notwithstanding Consultant's use of any subconsultant, Consultant shall be responsible to the City 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 City 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 City 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 City 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 City 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.

"CITY"

City of Industry

By: *Raul J. Phillips* 10/22/2015
Raul J. Phillips, City Manager

"CONSULTANT"

CASC Engineering and Consulting, Inc.

By: *Richard J. Sidor*
Richard J. Sidor, President

Attest:

By: *Cecelia Dunlap*
Cecelia Dunlap, Deputy City Clerk

By: *Michelle E. Furlong*
Michelle E. Furlong, Secretary/Treasurer

Approved as to form:

By: *James M. Casso*
James M. Casso, City Attorney

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

EXHIBIT A

SCOPE OF SERVICES

Consultant shall provide NPDES engineering services for 23400-23600 East Fork Road, Azusa, California. Said NPDES engineering services shall include the following:

- Attend meetings, provide expert assistance on stormwater and permit compliance issues, and respond to regulatory inquiries or enforcement actions as required.
- Prepare plans, permit applications, and reports required by the RWQCB, US Forest Service, Army Corps of Engineers, and Department of Fish & Game, including:
 - SWPPPs
 - Clear Water Diversion Plans
 - Erosion and Sediment Control Plans
 - Monitoring and Reporting Plans (M&RP)
- Perform stormwater and receiving water sampling and reporting as required.
- Prepare plans, specifications and estimates for Erosion and Sediment Control contract work.
- Coordinate and/or assist with construction activities.

EXHIBIT B
RATE SCHEDULE

Civil Engineering

President/Principal Engineer	\$180.00
Director	\$170.00
Senior Program Manager/Technical Specialist	\$165.00
Program Manager	\$155.00
Project Manager/Senior Engineer III	\$150.00
Project Manager/Senior Engineer II	\$145.00
Project Manager/Senior Engineer I	\$140.00
Assistant Project Manager	\$135.00
Project Engineer	\$130.00
Senior Designer II	\$125.00
Senior Designer I	\$120.00
Design Engineer II	\$115.00
Design Engineer I	\$110.00
Designer II	\$105.00
Designer I	\$100.00
CADD Drafter II	\$90.00
CADD Drafter I	\$85.00
Technical Aide	\$75.00

Environmental/Water Quality Services

Director	\$170.00
Senior Program Manager/Technical Specialist	\$165.00
Program Manager	\$155.00
Project Manager/Technical Specialist	\$150.00
Senior Environmental Analyst/ Scientist III	\$145.00
Senior Environmental Analyst/ Scientist II	\$140.00
Senior Environmental Analyst/ Scientist I	\$135.00
Environmental Analyst/ Scientist III	\$130.00
Environmental Analyst/ Scientist II	\$125.00
Environmental Analyst/ Scientist I	\$115.00
Staff Analyst/Scientist II	\$105.00
Staff Analyst/Scientist I	\$95.00
Staff Assistant II	\$85.00
Staff Assistant I	\$75.00

Clerical

Project Coordinator/Clerical III	\$80.00
Project Coordinator/Clerical II	\$75.00
Project Coordinator/Clerical I	\$70.00
Project Assistant	\$65.00

Planning

Planning Director	\$170.00
Senior Project Manager/ Technical Specialist	\$165.00
Senior Project Manager - Planning	\$150.00
Project Manager - Planning	\$135.00
Senior Planner II	\$125.00
Senior Planner I	\$115.00
Planner II	\$105.00
Planner I	\$95.00
Graphic Artist	\$85.00
Associate Planner	\$75.00
Planning Aide	\$65.00

Landscape Architectures

Licensed Landscape Architect	\$150.00
Senior Landscape Designer	\$130.00
Associate Landscape Designer	\$110.00
Assistant Landscape Designer	\$95.00
Landscape CADD Drafter	\$80.00

Construction Management

Resident Engineer	\$150.00
Assistant Resident Engineer	\$135.00
Field Inspector III	\$115.00
Field Inspector II	\$100.00
Field Inspector I	\$85.00

Surveying and Mapping

Licensed Surveyor/ Director	\$170.00
Senior Survey Project Manager	\$145.00
Senior Survey Analyst	\$135.00
Senior Calculator	\$125.00
Calculator II	\$115.00
Calculator I	\$105.00
Survey Analyst II	\$95.00
Survey Analyst I	\$85.00
Technical Aide	\$75.00

Field Survey Crews

Three Person Survey/GPS Crew	\$265.00
Two Person Survey/GPS Crew	\$240.00
One Person Survey/GPS Crew	\$210.00

Litigation Support and Expert Witness shall be at 2.0 times the above noted hourly rates.

Reimbursable Expenses

Outside Services: Includes fees paid to sub-consultants, consultants, analytical laboratories, and other providers of services required for execution of the project.

Permits, Applications, and Fees: Includes fees for Notices of Intent (NOI), Notices of Termination (NOT), application fees, submittal fees, permit fees, and other fees required as part of the project and not paid directly by Client.

Reproduction Services: Includes blueprinting, copying, printing and plotting. In-house plots will be billed at \$6.00 per sheet for each client set and for a final in-house review set. B&W / Color copies: \$0.08 / \$0.90 for 8.5 X 11 and \$0.20 / \$1.20 for 11 X 17.

Rental Fees: Includes rental fees paid by the firm, including required vehicles, equipment, and tools required to complete the work.

Commercial Delivery Services: Including Express Mail, Federal Express, UPS and independent courier services.

Prevailing Wage: Projects and/or portions thereof designated by Client to be subject to Prevailing Wage shall be billed at the regular staff rate or the Prevailing Wage rate, whichever is higher. The Prevailing Wage rate shall be $(2.28) \times (\text{Total Hourly Rate})$, where the Total Hourly Rate is from the Wage Rate Determination issued by California's Director of Industrial Relations for the locality and employee classification at the time the work is performed.

EXHIBIT C

INSURANCE REQUIREMENTS

Without limiting Consultant's indemnification of City, 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 City, 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 City 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 City's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with City at all times during the term of this contract. City 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 City 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 City before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

City'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, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by Consultant, or City will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, City 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 City's Risk Manager.

Waiver of subrogation. All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against City, 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 City, 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 City 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 City 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 City.

Notice of cancellation. Consultant agrees to oblige its insurance agent or broker and insurers to provide to City 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 City 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 City 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 City for review.

City's right to revise specifications. The City 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 City and Consultant may renegotiate Consultant's compensation.

Self-insured retentions. Any self-insured retentions must be declared to and approved by the City. The City 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 City.

Timely notice of claims. Consultant shall give the City 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.

EXHIBIT B

Budget Increase Request from CASC Engineering and Consulting, Inc., dated February
20, 2017

[Attached]



2740 W. Magnolia Blvd., Ste 102
Burbank, CA 91505
Phone: (855) 383-0101
Fax: (818) 841-8013

February 20, 2017

City of Industry
c/o CNC Engineering
15660 East Stafford Street
City of Industry, CA 90638
Attention: Josh Nelson

Subject: Budget Increase Request

Project: 1-CASC 15-01 MP 11-09- 2300-23600 East Fork Road, Azusa, CA

Dear Mr. Nelson:

CASC is requesting a budget increase for additional NPDES consulting services as described below:

Job name/PM:	Job #	Description of work:	Amount requested:
Consulting Services for 23400-23600 East Fork Road, Azusa; Chris Brown	1-CASC 15-01 MP 11-09	<ul style="list-style-type: none">• Perform Pre-and Post-Storm site visits and prepare reports through May, 2017-(Due to increased precipitation during the 2016-2017 season - estimated 4 per month)	\$9,600
		<ul style="list-style-type: none">• Perform BMP installation and maintenance through May, 2017-(estimated 2-two man crews for one day each)	\$1,760
Total			\$11,365

Sincerely,

Ernie D. Mansfield, CPESC
CASC Engineering and Consulting

cc: Alicia Fernandez - CNC Engineering: File

CITY COUNCIL

ITEM NO. 6.4



CITY OF INDUSTRY

P.O. Box 3366 • 15625 E. Stafford St. • City of Industry, CA 91744-0366 • (626) 333-2211 • FAX (626) 961-6795

MEMORANDUM

TO: Honorable Mayor Radecki and Members of the City Council

FROM: Paul J. Philips, City Manager *Paul J. Philips*

STAFF: Clement N. Calvillo, City Engineer, CNC Engineering *CNC*
Joshua Nelson, Deputy City Engineer, CNC Engineering *JN*
Sean Calvillo, Project Manager, CNC Engineering *gm*

DATE: March 23, 2017

SUBJECT: Consideration of a Pipeline Crossing Agreement with the Union Pacific Railroad Company for underground sewer pipeline in conjunction with the Industry Business Center project (IBC-0384/MP 99-31 #16)

As part of the Industry Business Center (IBC-0384) project, an underground sewer pipeline is proposed to cross under the railroad tracks of the Union Pacific Railroad ("UPRR"). In order to proceed with the construction of the crossing, a Pipeline Crossing Agreement ("Agreement") was created between the City and UPRR. This Agreement has been reviewed and deemed acceptable by the City Attorney.

The Agreement allows the City the right to construct and thereafter maintain and operate, modify, remove or reconstruct the underground sewer pipeline. Since the Successor Agency to Industry Urban-Development Agency ("Agency") is responsible for the construction costs for public improvements, utilities and infrastructure on the IBC project, a one-time license fee of \$20,100.00 will be paid by the Agency, in addition to the construction costs of the crossing. Since the Agreement is binding as long as the sewer is in place, the City shall assume responsibility of the sewer including maintenance and operation once construction of the IBC project is complete. Therefore, the Agreement is between the City and the UPRR.

Fiscal Impact:

No fiscal impact.

Recommendation:

Staff recommends that the City Council approve the Pipeline Crossing Agreement.

Exhibits:

A. Pipeline Crossing Agreement – dated March 2, 2017

EXHIBIT A

Pipeline Crossing Agreement – dated March 2, 2017

[Attached]

PIPELINE CROSSING AGREEMENT

Mile Post: 26.55, Los Angeles Subdivision/Branch
Location: City Of Industry, Los Angeles County, California

THIS AGREEMENT (“Agreement”) is made and entered into as of March 2, 2107, (“Effective Date”) by and between **UNION PACIFIC RAILROAD COMPANY**, a Delaware corporation, (“Licensor”) and **CITY OF INDUSTRY**, a California municipality to be addressed at 15625 Stafford Street, Suite 100 Industry, California 91744 (“Licensee”).

IT IS MUTUALLY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

Article 1. LICENSOR GRANTS RIGHT.

In consideration of the license fee to be paid by the Licensee and in further consideration of the covenants and agreements herein contained to be by the Licensee kept, observed and performed, the Licensor hereby grants to the Licensee the right to construct and thereafter, during the term hereof, to maintain and operate, modify, remove or reconstruct

one twelve inch (12”) D.I.P. carrier, twenty-four inch (24”) steel casing, pipeline for transporting and conveying sewer only

across Licensor's track(s) and property (the “Pipeline”) in the location shown and in conformity with the dimensions and specifications indicated on the print dated October 31, 2016 and marked **Exhibit A**, attached hereto and hereby made a part hereof. Under no circumstances shall Licensee modify the use of the Pipeline for a purpose other than transporting and conveying sewer, and the Pipeline shall not be used to convey any other substance, any fiber optic cable, or for any other use, whether such use is currently technologically possible, or whether such use may come into existence during the life of this Agreement.

For the purposes of Exhibit A, Licensee acknowledges that if it or its contractor provides to Railroad digital imagery depicting the Pipeline crossing, Licensee authorizes Railroad to use the Digital Imagery in preparing the print attached as an exhibit hereto. Licensee represents and warrants that through a license or otherwise, it has the right to use the Digital Imagery and to permit Railroad to use the Digital Imagery in said manner.

Article 2. LICENSE FEE.

Upon execution of this Agreement, the Licensee shall pay to the Licensor a one-time License Fee of **Twenty Thousand One Hundred Dollars (\$20,100.00)**.

Article 3. CONSTRUCTION, MAINTENANCE AND OPERATION.

The grant of right herein made to the Licensee is subject to each and all of the terms, provisions, conditions, limitations and covenants set forth herein and in **Exhibit B**, attached hereto and hereby made a part hereof.

Article 4. DEFINITION OF LICENSEE.

For purposes of this Agreement, all references in this Agreement to the Licensee shall include the Licensee's contractors, subcontractors, officers, agents and employees, and others acting under its or their authority. If a contractor is hired by the Licensee for any work performed on the Pipeline (including initial construction and subsequent relocation or maintenance and repair work), then the Licensee shall provide a copy of this Agreement to its contractor and require its contractor to comply with all the terms and provisions hereof relating to the work to be performed. Any contractor or subcontractor shall be deemed an agent of Licensee for the purpose of this Agreement, and Licensee shall require such contractor or subcontractor to release, defend and indemnify Licensor to the same extent and under the same terms and conditions as Licensee is required to release, defend and indemnify Licensor herein.

Article 5. INSURANCE.

A. During the life of the License, Licensee shall fully comply with the insurance requirements described in **Exhibit C**.

B. Failure to maintain insurance as required shall entitle, but not require, Licensor to terminate this License immediately.

C. If the Licensee is subject to statute(s) limiting its insurance liability and/or limiting its ability to obtain insurance in compliance with **Exhibit C** of this license, those statutes shall apply.

D. Licensee hereby acknowledges that is has reviewed the requirements of **Exhibit C**, including without limitation the requirement for Railroad Protective Liability Insurance during construction, maintenance, installation, repair or removal of the pipeline which is the subject of this Agreement.

Article 6. TERM.

This Agreement shall take effect as of the Effective Date first herein written and shall continue in full force and effect until terminated as herein provided.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first herein written.

UNION PACIFIC RAILROAD COMPANY

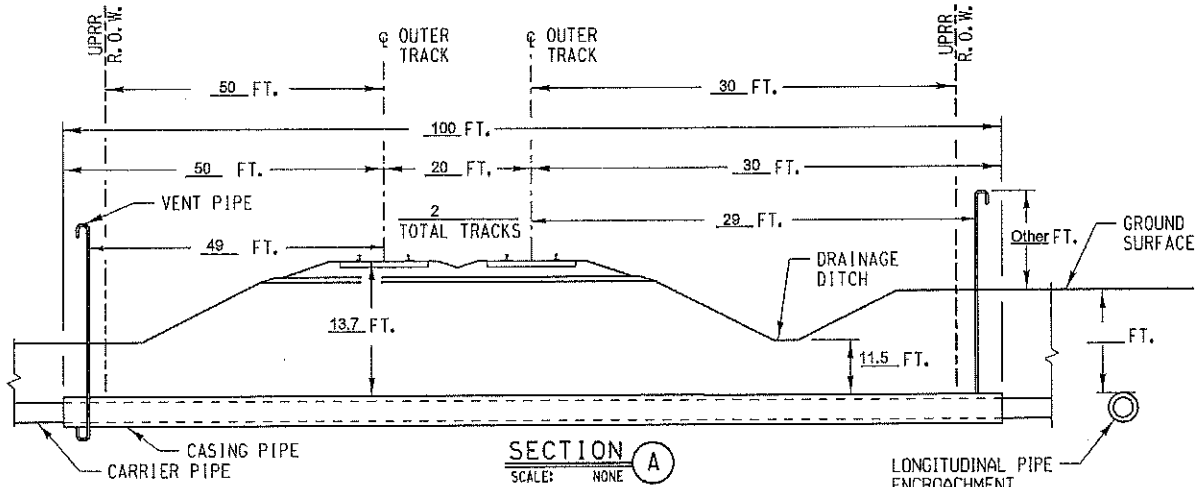
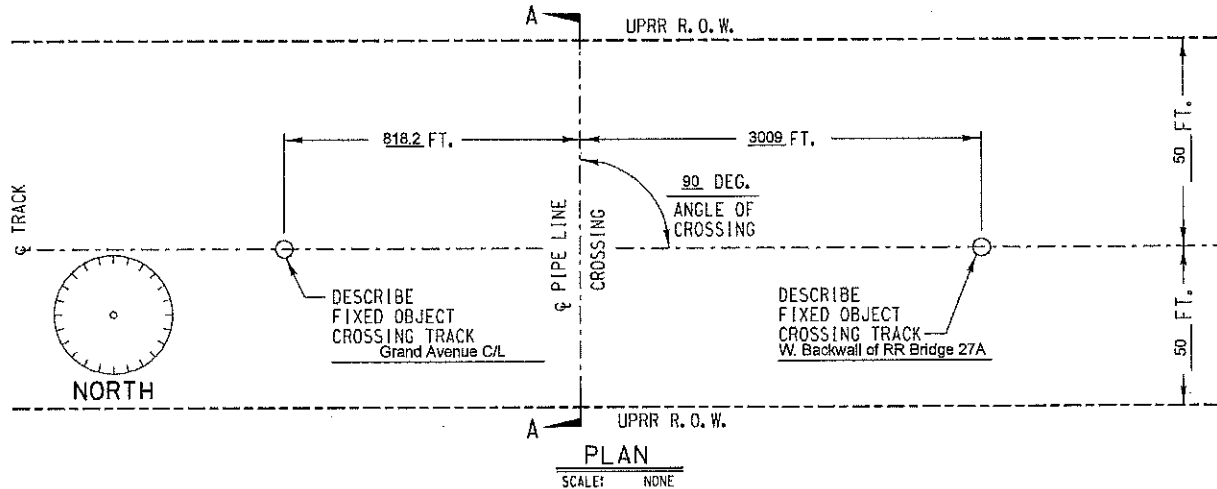
CITY OF INDUSTRY

By: _____
Valerie Harrill
Asst. Manager

By: _____
Paul Philips

NON-FLAMMABLE LIQUID PIPELINE

- CROSSING
- ENCROACHMENT
- BOTH



NOTES:
 1) ALL DIMENSIONS MEASURED PERPENDICULAR TO THE CENTERLINE OF TRACK
 2) REFER TO AREMA VOLUME 1, CHAPTER 1, PART 5, SECTION 5.1

A) METHOD OF INSTALLATION BORED AND JACKED

B) DIST. FROM CENTERLINE OF TRACK TO PIPE ENCROACHMENT _____

C) SIGNS PROVIDED? AT MINIMUM SIGNS WILL BE PROVIDED AS STATED ABOVE

D) CARRIER MATERIAL D.I.P. IF RCP, CLASS V? NA
 COMMODITY TO BE CONVEYED SEWER
 OPERATIONAL PRESSURE 0.0 PSI. MAOP 0.0 PSI.
 WALL THICKNESS (INCH)/ SCHEDULE 0.825 . DIAMETER 12 IN.
 CATHODIC/COATING PROTECTION YES

E) CASING MATERIAL STEEL PIPE IF RCP, CLASS V? NA
 TOTAL LENGTH CASING PIPE: 100 FT.
 WALL THICKNESS 0.3125 IN. DIAMETER 24.0 IN.
 CATHODIC/COATING PROTECTION YES
 CASING PIPE IS SEALED AT THE ENDS.

F) DISTANCE FROM CENTERLINE OF TRACK TO NEAR FACE OF BORING AND JACKING PITS WHEN MEASURED AT RIGHT ANGLES
30 AND 50 .



EXHIBIT "A"

SUBDIVISION: Los Angeles Sub.	
TRACK TYPE: MAINLINE TRACK	
M.P.: 26.55	LAT.: 34.024515965908
E.S.M.: 1402+28.6 ±	LONG.: -117.827913165
NEAREST CITY:	COUNTY: STATE:
CITY OF INDUSTRY	LOS ANGELES CA
APPLICANT: CITY OF INDUSTRY	
FILE NO.: 0300380	DATE: 10/31/2016

EXHIBIT B

Section 1. LIMITATION AND SUBORDINATION OF RIGHTS GRANTED.

- A. The foregoing grant of right is subject and subordinate to the prior and continuing right and obligation of the Licensor to use and maintain its entire property including the right and power of the Licensor to construct, maintain, repair, renew, use, operate, change, modify or relocate railroad tracks, signal, communication, fiber optics, or other wirelines, pipelines and other facilities upon, along or across any or all parts of its property, all or any of which may be freely done at any time or times by the Licensor without liability to the Licensee or to any other party for compensation or damages.
- B. The foregoing grant is also subject to all outstanding superior rights (including those in favor of licensees and lessees of the Licensor's property, and others) and the right of the Licensor to renew and extend the same, and is made without covenant of title or for quiet enjoyment.

Section 2. CONSTRUCTION, MAINTENANCE AND OPERATION.

- A. The Pipeline shall be designed, constructed, operated, maintained, repaired, renewed, modified and/or reconstructed by the Licensee in strict conformity with (i) Licensor's current standards and specifications ("UP Specifications"), except for variances approved in advance in writing by the Licensor's Assistant Vice President Engineering – Design, or his authorized representative; (ii) such other additional safety standards as the Licensor, in its sole discretion, elects to require, including, without limitation, American Railway Engineering and Maintenance-of-Way Association ("AREMA") standards and guidelines (collectively, "UP Additional Requirements"), and (iii) all applicable laws, rules and regulations ("Laws"). If there is any conflict between the requirements of any Law and the UP Specifications or the UP Additional Requirements, the most restrictive will apply.
- B. All work performed on property of the Licensor in connection with the design, construction, maintenance, repair, renewal, modification or reconstruction of the Pipeline shall be done to the satisfaction of the Licensor.
- C. Prior to the commencement of any work in connection with the design, construction, maintenance, repair, renewal, modification, relocation, reconstruction or removal of the Pipeline from Licensor's property, the Licensee shall submit to the Licensor plans setting out the method and manner of handling the work, including the shoring and cribbing, if any, required to protect the Licensor's operations, and shall not proceed with the work until such plans have been approved by the Licensor's Assistant Vice President Engineering Design, or his authorized representative, and then the work shall be done to the satisfaction of the Licensor's Assistant Vice President Engineering Design or his authorized representative. The Licensor shall have the right, if it so elects, to provide such support as it may deem necessary for the safety of its track or tracks during the time of construction, maintenance, repair, renewal, modification, relocation, reconstruction or removal of the Pipeline, and, in the event the Licensor provides such support,

the Licensee shall pay to the Licensor, within fifteen (15) days after bills shall have been rendered therefore, all expenses incurred by the Licensor in connection therewith, which expenses shall include all assignable costs.

- D. The Licensee shall keep and maintain the soil over the Pipeline thoroughly compacted and the grade even with the adjacent surface of the ground.
- E. In the prosecution of any work covered by this Agreement, Licensee shall secure any and all necessary permits and shall comply with all applicable federal, state and local laws, regulations and enactments affecting the work including, without limitation, all applicable Federal Railroad Administration regulations.

Section 3. NOTICE OF COMMENCEMENT OF WORK / LICENSOR REPRESENTATIVE / SUPERVISION / FLAGGING / SAFETY.

- A. If an emergency should arise requiring immediate attention, the Licensee shall provide as much notice as practicable to Licensor before commencing any work by calling the Response Management Communication Center (RMCC) at 888-877-7267. In all other situations, the Licensee shall notify the Licensor at least ten (10) days (or such other time as the Licensor may allow) in advance of the commencement of any work upon property of the Licensor in connection with the construction, maintenance, repair, renewal, modification, reconstruction, relocation or removal of the Pipeline. All such work shall be prosecuted diligently to completion. The Licensee will coordinate its initial, and any subsequent work with the following employee of Licensor or his or her duly authorized representative (hereinafter "Licensor Representative" or "Railroad Representative"):

SILVIO MOLINA
MGR TRACK MNTCE
11406 S Los Nietos Rd
Santa Fe Sprgs, CA 90670
Work Phone: 909-685-2469
Cell Phone: 402-618-3923
Email: semolina@up.com

JOSE A. RUBIO
MGR SIGNAL MNTCE
11406 LOS NIETOS RD
Santa Fe Springs, CA 90670
Work Phone: 626-935-7681
Cell Phone: 562-318-4153
Email: jarubio@up.com

- B. Licensee, at its own expense, shall adequately police and supervise all work to be performed. The responsibility of Licensee for safe conduct and adequate policing and supervision of work shall not be lessened or otherwise affected by Licensor's approval of plans and specifications involving the work, or by Licensor's collaboration in performance of any work, or by the presence at the work site of a Licensor Representative, or by compliance by Licensee with any requests or recommendations made by the Licensor Representative.
- C. At the request of Licensor, Licensee shall remove from Licensor's property any employee who fails to conform to the instructions of the Licensor Representative in connection with the work on Licensor's property. Licensee shall indemnify Licensor against any claims arising from the removal of any such employee from Licensor's property.
- D. Except in cases of an emergency, Licensee shall notify the Licensor Representative at least ten (10) working days in advance of proposed performance of any work in which any person or equipment will be within twenty-five (25) feet of any track, or will be near enough to any track that any equipment extension (such as, but not limited to, a crane boom) will reach to within twenty-five (25) feet of any track. No work of any kind shall be performed, and no person,

equipment, machinery, tool(s), material(s), vehicle(s), or thing(s) shall be located, operated, placed, or stored within twenty-five (25) feet of any of Licensor's track(s) at any time, for any reason, unless and until a railroad flagman is provided to watch for trains. Upon receipt of such ten (10) day notice, the Licensor Representative will determine and inform Licensee whether a flagman need be present and whether any special protective or safety measures need to be implemented. If flagging or other special protective or safety measures are performed by Licensor, Licensor will bill Licensee, at cost, for such expenses incurred by Licensor, unless Licensor and a federal, state or local governmental entity have agreed that Licensor is to bill such expenses to the federal, state or local governmental entity. If Licensor will be sending the bills to Licensee, Licensee shall pay such bills within thirty (30) days of receipt of billing. If Licensor performs any flagging, or other special protective or safety measures are performed by Licensor, Licensee agrees that Licensee is not relieved of any of responsibilities or liabilities set forth in this Agreement.

- E. The rate of pay per hour for each flagman will be the prevailing hourly rate in effect for an eight-hour day for the class of flagmen used during regularly assigned hours and overtime in accordance with Labor Agreements and Schedules in effect at the time the work is performed. In addition to the cost of such labor, a composite charge for vacation, holiday, health and welfare, supplemental sickness, Railroad Retirement and unemployment compensation, supplemental pension, Employees Liability and Property Damage and Administration will be included, computed on actual payroll. The composite charge will be the prevailing composite charge in effect at the time the work is performed. One and one-half times the current hourly rate is paid for overtime, Saturdays and Sundays, and two and one-half times current hourly rate for holidays. Wage rates are subject to change, at any time, by law or by agreement between Licensor and its employees, and may be retroactive as a result of negotiations or a ruling of an authorized governmental agency. Additional charges on labor are also subject to change. If the wage rate or additional charges are changed, Licensee (or the governmental entity, as applicable) shall pay on the basis of the new rates and charges.
- F. Reimbursement to Licensor will be required covering the full eight-hour day during which any flagman is furnished, unless the flagman can be assigned to other railroad work during a portion of such day, in which event reimbursement will not be required for the portion of the day during which the flagman is engaged in other railroad work. Reimbursement will also be required for any day not actually worked by the flagman following the flagman's assignment to work on the project for which Licensor is required to pay the flagman and which could not reasonably be avoided by Licensor by assignment of such flagman to other work, even though Licensee may not be working during such time. When it becomes necessary for Licensor to bulletin and assign an employee to a flagging position in compliance with union collective bargaining agreements, Licensee must provide Licensor a minimum of five (5) days notice prior to the cessation of the need for a flagman. If five (5) days notice of cessation is not given, Licensee will still be required to pay flagging charges for the five (5) day notice period required by union agreement to be given to the employee, even though flagging is not required for that period. An additional ten (10) days notice must then be given to Licensor if flagging services are needed again after such five day cessation notice has been given to Licensor.
- G. Safety of personnel, property, rail operations and the public is of paramount importance in the prosecution of the work performed by Licensee or its contractor. Licensee shall be responsible for initiating, maintaining and supervising all safety, operations and programs in connection with the work. Licensee and its contractor shall at a minimum comply with Licensor's safety standards listed in **Exhibit D**, hereto attached, to ensure uniformity with the safety standards followed by Licensor's own forces. As a part of Licensee's safety responsibilities, Licensee shall notify

Licensors if it determines that any of Licensors's safety standards are contrary to good safety practices. Licensee and its contractor shall furnish copies of **Exhibit D** to each of its employees before they enter the job site.

- H. Without limitation of the provisions of paragraph G above, Licensee shall keep the job site free from safety and health hazards and ensure that their employees are competent and adequately trained in all safety and health aspects of the job.
- I. Licensee shall have proper first aid supplies available on the job site so that prompt first aid services may be provided to any person injured on the job site. Prompt notification shall be given to Licensors of any U.S. Occupational Safety and Health Administration reportable injuries. Licensee shall have a non-delegable duty to control its employees while they are on the job site or any other property of Licensors, and to be certain they do not use, be under the influence of, or have in their possession any alcoholic beverage, drug or other substance that may inhibit the safe performance of any work.
- J. If and when requested by Licensors, Licensee shall deliver to Licensors a copy of its safety plan for conducting the work (the "Safety Plan"). Licensors shall have the right, but not the obligation, to require Licensee to correct any deficiencies in the Safety Plan. The terms of this Agreement shall control if there are any inconsistencies between this Agreement and the Safety Plan.

Section 4. LICENSEE TO BEAR ENTIRE EXPENSE.

The Licensee shall bear the entire cost and expense incurred in connection with the design, construction, maintenance, repair and renewal and any and all modification, revision, relocation, removal or reconstruction of the Pipeline, including any and all expense which may be incurred by the Licensors in connection therewith for supervision, inspection, flagging, or otherwise.

Section 5. REINFORCEMENT, RELOCATION OR REMOVAL OF PIPELINE.

- A. The license herein granted is subject to the needs and requirements of the Licensors in the safe and efficient operation of its railroad and in the improvement and use of its property. The Licensee shall, at the sole expense of the Licensee, reinforce or otherwise modify the Pipeline, or move all or any portion of the Pipeline to such new location, or remove the Pipeline from the Licensors's property, as the Licensors may designate, whenever, in the furtherance of its needs and requirements, the Licensors, at its sole election, finds such action necessary or desirable.
- B. All the terms, conditions and stipulations herein expressed with reference to the Pipeline on property of the Licensors in the location hereinbefore described shall, so far as the Pipeline remains on the property, apply to the Pipeline as modified, changed or relocated within the contemplation of this section.

Section 6. NO INTERFERENCE WITH LICENSOR'S OPERATION.

- A. The Pipeline and all parts thereof within and outside of the limits of the property of the Licensors shall be designed, constructed and, at all times, maintained, repaired, renewed and operated in such manner as to cause no interference whatsoever with the constant, continuous and uninterrupted use of the tracks, property and facilities of the Licensors and nothing shall be done or suffered to be done by the Licensee at any time that would in any manner impair the safety thereof.

- B. Explosives or other highly flammable substances shall not be stored on Licensor's property without the prior written approval of Licensor.
- C. No additional vehicular crossings (including temporary haul roads) or pedestrian crossings over Licensor's trackage shall be installed or used by Licensee or its contractors without the prior written permission of Licensor.
- D. When not in use, any machinery and materials of Licensee or its contractors shall be kept at least fifty (50) feet from the centerline of Licensor's nearest track.
- E. Operations of Licensor and work performed by Licensor's personnel may cause delays in the work to be performed by Licensee. Licensee accepts this risk and agrees that Licensor shall have no liability to Licensee or any other person or entity for any such delays. Licensee shall coordinate its activities with those of Licensor and third parties so as to avoid interference with railroad operations. The safe operation of Licensor's train movements and other activities by Licensor take precedence over any work to be performed by Licensee.

Section 7. PROTECTION OF FIBER OPTIC CABLE SYSTEMS.

- A. Fiber optic cable systems may be buried on the Licensor's property. Protection of the fiber optic cable systems is of extreme importance since any break could disrupt service to users resulting in business interruption and loss of revenue and profits. Licensee shall telephone the Licensor during normal business hours (7:00 a.m. to 9:00 p.m. Central Time, Monday through Friday, except for holidays) at 1-800-336-9193 (also a 24-hour, 7-day number for emergency calls) to determine if fiber optic cable is buried anywhere on the Licensor's premises to be used by the Licensee. If it is, Licensee will telephone the telecommunications company(ies) involved, arrange for a cable locator, make arrangements for relocation or other protection of the fiber optic cable, all at Licensee's expense, and will commence no work on the Licensor's property until all such protection or relocation has been accomplished. Licensee shall indemnify and hold the Licensor harmless from and against all costs, liability and expense whatsoever (including, without limitation, attorneys' fees, court costs and expenses) arising out of or caused in any way by Licensee's failure to comply with the provisions of this paragraph.
- B. IN ADDITION TO OTHER INDEMNITY PROVISIONS IN THIS AGREEMENT, THE LICENSEE SHALL, AND SHALL CAUSE ITS CONTRACTOR TO, RELEASE, INDEMNIFY, DEFEND AND HOLD THE LICENSOR HARMLESS FROM AND AGAINST ALL COSTS, LIABILITY AND EXPENSE WHATSOEVER (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES, COURT COSTS AND EXPENSES) CAUSED BY THE NEGLIGENCE OF THE LICENSEE, ITS CONTRACTORS, AGENTS AND/OR EMPLOYEES, RESULTING IN (1) ANY DAMAGE TO OR DESTRUCTION OF ANY TELECOMMUNICATIONS SYSTEM ON LICENSOR'S PROPERTY, AND/OR (2) ANY INJURY TO OR DEATH OF ANY PERSON EMPLOYED BY OR ON BEHALF OF ANY TELECOMMUNICATIONS COMPANY, AND/OR ITS CONTRACTOR, AGENTS AND/OR EMPLOYEES, ON LICENSOR'S PROPERTY, EXCEPT IF SUCH COSTS, LIABILITY OR EXPENSES ARE CAUSED SOLELY BY THE DIRECT ACTIVE NEGLIGENCE OF THE LICENSOR. LICENSEE FURTHER AGREES THAT IT SHALL NOT HAVE OR SEEK RECOURSE AGAINST LICENSOR FOR ANY CLAIM OR CAUSE OF ACTION FOR ALLEGED LOSS OF PROFITS OR REVENUE OR LOSS OF SERVICE OR OTHER CONSEQUENTIAL DAMAGE TO A TELECOMMUNICATION COMPANY USING LICENSOR'S PROPERTY OR A CUSTOMER OR USER OF SERVICES OF THE FIBER OPTIC CABLE ON**

LICENSOR'S PROPERTY.

Section 8. CLAIMS AND LIENS FOR LABOR AND MATERIAL; TAXES.

- A. The Licensee shall fully pay for all materials joined or affixed to and labor performed upon property of the Licensor in connection with the construction, maintenance, repair, renewal, modification or reconstruction of the Pipeline, and shall not permit or suffer any mechanic's or materialman's lien of any kind or nature to be enforced against the property for any work done or materials furnished thereon at the instance or request or on behalf of the Licensee. The Licensee shall indemnify and hold harmless the Licensor against and from any and all liens, claims, demands, costs and expenses of whatsoever nature in any way connected with or growing out of such work done, labor performed, or materials furnished.
- B. The Licensee shall promptly pay or discharge all taxes, charges and assessments levied upon, in respect to, or on account of the Pipeline, to prevent the same from becoming a charge or lien upon property of the Licensor, and so that the taxes, charges and assessments levied upon or in respect to such property shall not be increased because of the location, construction or maintenance of the Pipeline or any improvement, appliance or fixture connected therewith placed upon such property, or on account of the Licensee's interest therein. Where such tax, charge or assessment may not be separately made or assessed to the Licensee but shall be included in the assessment of the property of the Licensor, then the Licensee shall pay to the Licensor an equitable proportion of such taxes determined by the value of the Licensee's property upon property of the Licensor as compared with the entire value of such property.

Section 9. RESTORATION OF LICENSOR'S PROPERTY.

In the event the Licensee in any manner moves or disturbs any of the property of the Licensor in connection with the construction, maintenance, repair, renewal, modification, reconstruction, relocation or removal of the Pipeline, then in that event the Licensee shall, as soon as possible and at Licensee's sole expense, restore such property to the same condition as the same were before such property was moved or disturbed, and the Licensee shall indemnify and hold harmless the Licensor, its officers, agents and employees, against and from any and all liability, loss, damages, claims, demands, costs and expenses of whatsoever nature, including court costs and attorneys' fees, which may result from injury to or death of persons whomsoever, or damage to or loss or destruction of property whatsoever, when such injury, death, damage, loss or destruction grows out of or arises from the moving or disturbance of any other property of the Licensor.

Section 10. INDEMNITY.

- A. As used in this Section, "Licensor" includes other railroad companies, and their officers, agents and employees, using the Licensor's property at the location set forth in Exhibit A. "Loss" includes loss, damage, claims, demands, actions, causes of action, penalties, costs, and expenses of whatsoever nature, including court costs and attorneys' fees, which may result from: (a) injury to or death of persons whomsoever (including the Licensor's officers, agents, and employees, the Licensee's officers, agents, and employees, as well as any other person); and/or (b) damage to or loss or destruction of property whatsoever (including Licensee's property, damage to the roadbed, tracks, equipment, or other property of the Licensor, or property in its care or custody).
- B. AS A MAJOR INDUCEMENT AND IN CONSIDERATION OF THE LICENSE AND PERMISSION HEREIN GRANTED, TO THE FULLEST EXTENT PERMITTED BY**

LAW, THE LICENSEE SHALL, AND SHALL CAUSE ITS CONTRACTOR TO, RELEASE, INDEMNIFY, DEFEND AND HOLD HARMLESS THE LICENSOR FROM ANY LOSS OF ANY KIND, NATURE OR DESCRIPTION ARISING OUT OF, RESULTING FROM OR RELATED TO (IN WHOLE OR IN PART):

1. THE PROSECUTION OF ANY WORK CONTEMPLATED BY THIS AGREEMENT INCLUDING THE INSTALLATION, CONSTRUCTION, MAINTENANCE, REPAIR, RENEWAL, MODIFICATION, RECONSTRUCTION, RELOCATION, OR REMOVAL OF THE PIPELINE OR ANY PART THEREOF;

2. ANY RIGHTS OR INTERESTS GRANTED PURSUANT TO THIS LICENSE;

3. THE PRESENCE, OPERATION, OR USE OF THE PIPELINE OR CONTENTS ESCAPING THEREFROM;

4. THE ENVIRONMENTAL STATUS OF THE PROPERTY CAUSED BY OR CONTRIBUTED TO BY LICENSEE;

5. ANY ACT OR OMISSION OF LICENSEE OR LICENSEE'S OFFICERS, AGENTS, INVITEES, EMPLOYEES, OR CONTRACTORS OR ANYONE DIRECTLY OR INDIRECTLY EMPLOYED BY ANY OF THEM, OR ANYONE THEY CONTROL OR EXERCISE CONTROL OVER; OR

6. LICENSEE'S BREACH OF THIS AGREEMENT,

EXCEPT WHERE THE LOSS IS CAUSED BY THE SOLE DIRECT AND ACTIVE NEGLIGENCE OF THE LICENSOR, AS DETERMINED IN A FINAL JUDGMENT BY A COURT OF COMPETENT JURISDICTION, IT BEING THE INTENTION OF THE PARTIES THAT THE ABOVE INDEMNITY WILL OTHERWISE APPLY TO LOSSES CAUSED BY OR ARISING FROM, IN WHOLE OR IN PART, LICENSOR'S NEGLIGENCE.

C. Upon written notice from Licensor, Licensee agrees to assume the defense of any lawsuit or proceeding brought against any indemnitee by any entity, relating to any matter covered by this License for which Licensee has an obligation to assume liability for and/or save and hold harmless any indemnitee. Licensee shall pay all costs incident to such defense, including, but not limited to, reasonable attorney's fees, investigators' fees, litigation and appeal expenses, settlement payments and amounts paid in satisfaction of judgments.

Section 11. REMOVAL OF PIPELINE UPON TERMINATION OF AGREEMENT.

Prior to the termination of this Agreement howsoever, the Licensee shall, at Licensee's sole expense, remove the Pipeline from those portions of the property not occupied by the roadbed and track or tracks of the Licensor and shall restore, to the satisfaction of the Licensor, such portions of such property to as good a condition as they were in at the time of the construction of the Pipeline. If the Licensee fails to do the foregoing, the Licensor may, but is not obligated, to perform such work of removal and restoration at the cost and expense of the Licensee. In the event of the removal by the Licensor of the property of the Licensee and of the restoration of the roadbed and property as herein provided, the Licensor shall in no manner be liable to the Licensee for any damage sustained by the Licensee for or on account thereof, and such removal and restoration shall in no manner prejudice or impair any right of action for damages, or otherwise, that the Licensor may have against the Licensee.

Section 12. WAIVER OF BREACH.

The waiver by the Licensor of the breach of any condition, covenant or agreement herein contained to be kept, observed and performed by the Licensee shall in no way impair the right of the Licensor to avail itself of any remedy for any subsequent breach thereof.

Section 13. TERMINATION.

- A. If the Licensee does not use the right herein granted or the Pipeline for one (1) year, or if the Licensee continues in default in the performance of any covenant or agreement herein contained for a period of thirty (30) days after written notice from the Licensor to the Licensee specifying such default, the Licensor may, at its option, forthwith immediately terminate this Agreement by written notice.
- B. In addition to the provisions of subparagraph (a) above, this Agreement may be terminated by written notice given by either party hereto to the other on any date in such notice stated, not less, however, than thirty (30) days subsequent to the date upon which such notice shall be given.
- C. Notice of default and notice of termination may be served personally upon the Licensee or by mailing to the last known address of the Licensee. Termination of this Agreement for any reason shall not affect any of the rights or obligations of the parties hereto which may have accrued, or liabilities, accrued or otherwise, which may have arisen prior thereto.

Section 14. AGREEMENT NOT TO BE ASSIGNED.

The Licensee shall not assign this Agreement, in whole or in part, or any rights herein granted, without the written consent of the Licensor, and it is agreed that any transfer or assignment or attempted transfer or assignment of this Agreement or any of the rights herein granted, whether voluntary, by operation of law, or otherwise, without such consent in writing, shall be absolutely void and, at the option of the Licensor, shall terminate this Agreement.

Section 15. SUCCESSORS AND ASSIGNS.

Subject to the provisions of Section 14 hereof, this Agreement shall be binding upon and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors and assigns.

Section 16. SEVERABILITY.

Any provision of this Agreement which is determined by a court of competent jurisdiction to be invalid or unenforceable shall be invalid or unenforceable only to the extent of such determination, which shall not invalidate or otherwise render ineffective any other provision of this Agreement.

Approved: Insurance Group
Created: 9/23/05
Last Modified: 03/29/10
Form Approved, AVP-Law

EXHIBIT C
Union Pacific Railroad Company
Contract Insurance Requirements

Licensee shall, at its sole cost and expense, procure and maintain during the life of this Agreement (except as otherwise provided in this Agreement) the following insurance coverage:

A. Commercial General Liability insurance. Commercial general liability (CGL) with a limit of not less than \$2,000,000 each occurrence and an aggregate limit of not less than \$4,000,000. CGL insurance must be written on ISO occurrence form CG 00 01 12 04 (or a substitute form providing equivalent coverage).

The policy must also contain the following endorsement, WHICH MUST BE STATED ON THE CERTIFICATE OF INSURANCE: "Contractual Liability Railroads" ISO form CG 24 17 10 01 (or a substitute form providing equivalent coverage) showing "Union Pacific Railroad Company Property" as the Designated Job Site.

B. Business Automobile Coverage insurance. Business auto coverage written on ISO form CA 00 01 10 01 (or a substitute form providing equivalent liability coverage) with a limit of not less \$2,000,000 for each accident, and coverage must include liability arising out of any auto (including owned, hired, and non-owned autos).

The policy must contain the following endorsements, WHICH MUST BE STATED ON THE CERTIFICATE OF INSURANCE: "Coverage For Certain Operations In Connection With Railroads" ISO form CA 20 70 10 01 (or a substitute form providing equivalent coverage) showing "Union Pacific Property" as the Designated Job Site.

C. Workers Compensation and Employers Liability insurance. Coverage must include but not be limited to:

Licensee's statutory liability under the workers' compensation laws of the state(s) affected by this Agreement.

Employers' Liability (Part B) with limits of at least \$500,000 each accident, \$500,000 disease policy limit \$500,000 each employee.

If Licensee is self-insured, evidence of state approval and excess workers compensation coverage must be provided. Coverage must include liability arising out of the U. S. Longshoremen's and Harbor Workers' Act, the Jones Act, and the Outer Continental Shelf Land Act, if applicable.

D. Railroad Protective Liability insurance. Licensee must maintain "Railroad Protective Liability" insurance written on ISO occurrence form CG 00 35 12 04 (or a substitute form providing equivalent coverage) on behalf of Railroad only as named insured, with a limit of not less than \$2,000,000 per occurrence and an aggregate of \$6,000,000.

The definition of "JOB LOCATION" and "WORK" on the declaration page of the policy shall refer to this Agreement and shall describe all WORK or OPERATIONS performed under this agreement

E. Umbrella or Excess insurance. If Licensee utilizes umbrella or excess policies, and these policies must "follow form" and afford no less coverage than the primary policy.

Other Requirements

F. All policy(ies) required above (except worker's compensation and employers liability) must include Railroad as "Additional Insured" using ISO Additional Insured Endorsements CG 20 26, and CA 20 48 (or substitute forms providing equivalent coverage). The coverage provided to Railroad as additional insured shall, to the extent provided under ISO Additional Insured Endorsement CG 20 26, and CA 20 48 provide coverage for Railroad's negligence whether sole or partial, active or passive, and shall not be limited by Licensee's liability under the indemnity provisions of this Agreement.

G. Punitive damages exclusion, if any, must be deleted (and the deletion indicated on the certificate of insurance), unless (a) insurance coverage may not lawfully be obtained for any punitive damages that may arise under this agreement, or (b) all punitive damages are prohibited by all states in which this agreement will be performed.

H. Licensee waives all rights of recovery, and its insurers also waive all rights of subrogation of damages against Railroad and its agents, officers, directors and employees for damages covered by the workers compensation and employers liability or commercial umbrella or excess liability obtained by Licensee required in this agreement, where permitted by law. This waiver must be stated on the certificate of insurance.

I. All insurance policies must be written by a reputable insurance company acceptable to Railroad or with a current Best's Insurance Guide Rating of A- and Class VII or better, and authorized to do business in the state(s) in which the work is to be performed.

J. The fact that insurance is obtained by Licensee or by Railroad on behalf of Licensee will not be deemed to release or diminish the liability of Licensee, including, without limitation, liability under the indemnity provisions of this Agreement. Damages recoverable by Railroad from Licensee or any third party will not be limited by the amount of the required insurance coverage.

EXHIBIT D
SAFETY STANDARDS

MINIMUM SAFETY REQUIREMENTS

The term "employees" as used herein refer to all employees of Licensee or its contractors, subcontractors, or agents, as well as any subcontractor or agent of any Licensee.

I. Clothing

- A. All employees of Licensee will be suitably dressed to perform their duties safely and in a manner that will not interfere with their vision, hearing, or free use of their hands or feet.

Specifically, Licensee's employees must wear:

- (i) Waist-length shirts with sleeves.
 - (ii) Trousers that cover the entire leg. If flare-legged trousers are worn, the trouser bottoms must be tied to prevent catching.
 - (iii) Footwear that covers their ankles and has a defined heel. Employees working on bridges are required to wear safety-toed footwear that conforms to the American National Standards Institute (ANSI) and FRA footwear requirements.
- B. Employees shall not wear boots (other than work boots), sandals, canvas-type shoes, or other shoes that have thin soles or heels that are higher than normal.
- C. Employees must not wear loose or ragged clothing, neckties, finger rings, or other loose jewelry while operating or working on machinery.

II. Personal Protective Equipment

Licensee shall require its employee to wear personal protective equipment as specified by Railroad rules, regulations, or recommended or requested by the Railroad Representative.

- (i) Hard hat that meets the American National Standard (ANSI) Z89.1 – latest revision. Hard hats should be affixed with Licensee's company logo or name.
- (ii) Eye protection that meets American National Standard (ANSI) for occupational and educational eye and face protection, Z87.1 – latest revision. Additional eye protection must be provided to meet specific job situations such as welding, grinding, etc.
- (iii) Hearing protection, which affords enough attenuation to give protection from noise levels that will be occurring on the job site. Hearing protection, in the form of plugs or muffs, must be worn when employees are within:
 - 100 feet of a locomotive or roadway/work equipment
 - 15 feet of power operated tools
 - 150 feet of jet blowers or pile drivers

- 150 feet of retarders in use (when within 10 feet, employees must wear dual ear protection -- plugs and muffs)
- (iv) Other types of personal protective equipment, such as respirators, fall protection equipment, and face shields, must be worn as recommended or requested by the Railroad Representative.

III. On Track Safety

Licensee and its contractor are responsible for compliance with the Federal Railroad Administration's Roadway Worker Protection regulations -- 49CFR214, Subpart C and Railroad's On-Track Safety rules. Under 49CFR214, Subpart C, railroad contractors are responsible for the training of their employees on such regulations. In addition to the instructions contained in Roadway Worker Protection regulations, all employees must:

- (i) Maintain a minimum distance of at least twenty-five (25) feet to any track unless the Railroad Representative is present to authorize movements.
- (ii) Wear an orange, reflectorized work wear approved by the Railroad Representative.
- (iii) Participate in a job briefing that will specify the type of On-Track Safety for the type of work being performed. Licensee must take special note of limits of track authority, which tracks may or may not be fouled, and clearing the track. Licensee will also receive special instructions relating to the work zone around machines and minimum distances between machines while working or traveling.

IV. Equipment

- A. It is the responsibility of Licensee to ensure that all equipment is in a safe condition to operate. If, in the opinion of the Railroad Representative, any of Licensee's equipment is unsafe for use, Licensee shall remove such equipment from Railroad's property. In addition, Licensee must ensure that the operators of all equipment are properly trained and competent in the safe operation of the equipment. In addition, operators must be:
- Familiar and comply with Railroad's rules on lockout/tagout of equipment.
 - Trained in and comply with the applicable operating rules if operating any hy-rail equipment on-track.
 - Trained in and comply with the applicable air brake rules if operating any equipment that moves rail cars or any other rail bound equipment.
- B. All self-propelled equipment must be equipped with a first-aid kit, fire extinguisher, and audible back-up warning device.
- C. Unless otherwise authorized by the Railroad Representative, all equipment must be parked a minimum of twenty-five (25) feet from any track. Before leaving any equipment unattended, the operator must stop the engine and properly secure the equipment against movement.
- D. Cranes must be equipped with three orange cones that will be used to mark the working area of the crane and the minimum clearances to overhead powerlines.

V. General Safety Requirements

- A. Licensee shall ensure that all waste is properly disposed of in accordance with applicable federal and state regulations.
- B. Licensee shall ensure that all employees participate in and comply with a job briefing conducted by the Railroad Representative, if applicable. During this briefing, the Railroad Representative will specify safe work procedures, (including On-Track Safety) and the potential hazards of the job. If any employee has any questions or concerns about the work, the employee must voice them during the job briefing. Additional job briefings will be conducted during the work as conditions, work procedures, or personnel change.
- C. All track work performed by Licensee meets the minimum safety requirements established by the Federal Railroad Administration's Track Safety Standards 49CFR213.
- D. All employees comply with the following safety procedures when working around any railroad track:
 - (i) Always be on the alert for moving equipment. Employees must always expect movement on any track, at any time, in either direction.
 - (ii) Do not step or walk on the top of the rail, frog, switches, guard rails, or other track components.
 - (iii) In passing around the ends of standing cars, engines, roadway machines or work equipment, leave at least 20 feet between yourself and the end of the equipment. Do not go between pieces of equipment if the opening is less than one car length (50 feet).
 - (iv) Avoid walking or standing on a track unless so authorized by the employee in charge.
 - (v) Before stepping over or crossing tracks, look in both directions first.
 - (vi) Do not sit on, lie under, or cross between cars except as required in the performance of your duties and only when track and equipment have been protected against movement.
- E. All employees must comply with all federal and state regulations concerning workplace safety.

CITY COUNCIL

ITEM NO. 6.5



MEMORANDUM

To: Honorable Mayor Radecki and Members of the City Council

From: Paul J. Philips, City Manager *Paul J. Philips*

Staff: Alex Gonzalez, Director of Development Services and Administration *AG*
William Hayes, Field Operations and Asset Superintendent

Date: March 23, 2017

SUBJECT: Consideration of Change Order No. 1 submitted by All American Contracting Corporation in the amount of \$30,011.00 for Interior Repairs, Mold and Termite Remediation, and Upgrades at 16224 Temple Avenue

On December 8, 2016, the City Council awarded an Agreement for Construction Services for Interior Repairs, Mold and Termite Remediation, and Upgrades at 16224 Temple Avenue to All American Contracting Corporation, in the amount of \$130,971.50.

As noted during the award of contract, it was expected that additional work would be incurred due to unforeseen conditions once demolition occurred and the extent of mold damage, termite damage and code compliance issues were assessed. As of March 14, 2017, staff has reviewed the following change order for completeness and accuracy as to the materials and labor included:

- **Change Order No. 1:** During interior removals of the home, water damage was discovered in the framing of the master bath, hall bath and kitchen. The subfloor required demolition, floating, blocking and leveling due to uneven conditions. The HVAC condenser was relocated and a new garage door was installed. The hall bath required an upgrade from a 1 ½" waste line to a 2" waste line. The Contractor was directed to make the repairs on a time and material basis. The cost to perform this work totals \$30,011.00.

As set forth above, on December 8, 2016, the City Council appropriated \$130,971.50 to Interior Repairs, Mold and Termite Remediation, and Upgrades for the 16224 Temple Avenue project. Change Order No. 1 is for an additional cost of \$30,011.00. The project total with the change order is \$160,982.50.

Table 1 – Summary of Project Costs

Agreement for Construction Services (All American Contracting Corporation)	\$130,971.50
Change Order No. 1 (All American Contracting Corporation)	\$ 30,011.00
Revised Project Cost	\$160,982.50

Fiscal Impact

The project is supported by the \$250M in 2015 Sales Tax Revenue Bond proceeds. Appropriate \$30,011.00 from bond proceeds to 16224 Temple Avenue Construction Costs (account no. 120-716-5205).

Recommendation

- 1.) Approve Change Order No. 1 in the amount of \$30,011.00; and
- 2.) Appropriate \$30,011.00 from 2015 Sales Tax Revenue Bond proceeds to 16224 Temple Avenue Construction Costs (account no. 120-716-5205).

Exhibits

- A. Change Order No. 1 from All American Contracting Corporation
-

PJP/AG/WH:kw

EXHIBIT A

Change Order No. 1 from All American Contracting Corporation

[Attached]

CITY OF INDUSTRY

CHANGE ORDER

15625 E. Stafford St.
 City of Industry, CA 91744
 (626)333-2211

Change Order No. 1

Project Interior Repairs, Mold and Termite Remediation

Contract No. 2016-1006

Date 3/23/2017

Type Project Interior Repairs Contractor All American Contracting Corp.

Location 16224 Temple Avenue, City of Industry

Explanation:

Interior Repairs, Mold and Termite Redemiation

Extra Work by: Contract Items X Negotiated T & M

The contractor is hereby directed to perform all labor and to provide all materials necessary to carry out the work described below:

ITEM NO.	ITEM	QUANTITY	UNIT PRICE	TOTALS (\$)	
				+	-
1	Interior Repairs, Mold and Termite Remediation	1	\$26,845.00	\$26,845.00	
2	Markup and Insurance for Change Order	1	\$3,166.00	\$3,166.00	
TOTAL COST				\$30,011.00	


T & M SUMMARY

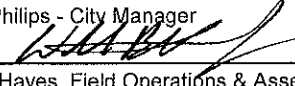
*Labor Cost	+ 20%	Total Labor	
*Equipment Cost	+ 15%	Total Equipment	
*Material Cost	+ 15%	Total Materials	
(*Attach breakdown of labor, equipment and materials)		Sub-Total	
CHANGE ORDER SUMMARY		Other Additive	
Original Contract Amount	\$130,971.50	Total T & M	
Total Previous Change Orders	0.00%		
Total Change Orders	\$ 30,011.00 22.91%	Pay This CHANGE ORDER	\$ 30,011.00 22.91%

Authorized by _____

Additional Working Days _____

I hereby certify that the quantities shown and/or amounts shown for equipment, material and labor costs (if any) are correct to the best of my knowledge and the total cost shown above shall be considered final payment for the work specified by this change order. The total cost includes compensation for any delay in the preparation of this change order and the time to complete the specified work.


 Contractor Representative _____ Date 3/14/17
 Clement N. Calvillo - City Engineer _____ Date

Paul J. Philips - City Manager _____ Date 3/14/17

 William Hayes, Field Operations & Asset Superintendent _____ Date
 C.O. # 1

All American Contracting Corp.
916 E. Whitcomb Ave.
Glendora, CA 91741 US
mcmessang@gmail.com

BILL TO
William Hayes
City of Industry
16525 Stafford St., Ste. 100
City of Industry, CA 91744

INVOICE 16224 - 3

DATE 03/13/2017 TERMS Net 30

DUE DATE 03/24/2017

JOB SITE
16224 Temple Ave.

ACTIVITY	QTY	RATE	AMOUNT
Change Order - General:Change Order Change Order #1, 16224 Temple Ave. (see attached file for Scope of Work)	1	30,011.00	30,011.00

Please see attached file with Scope of Work detail

TOTAL DUE \$30,011.00

Exclusions: Permits and licenses, special inspections, grass repair

16224 Temple Ave. Change Orders

Item / Description	Scope of Work	Unit Cost	Total Cost
Flooring Demolition	Remove three layers of thinset / float materials (16) man-hours @\$105/hr	\$ 3,780	
	additional rental of (2) jackhammers, (1) day	\$ 200	
			\$ 3,980
Water Damage Repairs	Replace exterior wall framing in Master Bath, Hall Bath, and Kitchen		
	Demolition	\$ 315	
	Framing	\$ 815	
	Materials	\$ 125	
			\$ 1,255
Add shower in Master Bathroom and Modify Closet	Build custom 3' x 3' shower and instal separate bath tub (vs. shower/tub combo, per contract)		
	demo bath/closet wall	\$ 225	
	reframe shower wall, dam, and pony wall	\$ 675	
	less: delete tub deck framing	\$ (400)	
	Hot Mop shower pan	\$ 690	
	Relocate water heater vent pipe	\$ 1,090	
	drywall repair in Master Closet	\$ 550	
	Add separate Roman Tub valve (in place of shower/tub combo valve)	\$ 865	
	Add shower drain and vent lines	\$ 625	
	Add shower rough plumbing for valve	\$ 430	
			\$ 4,750
Repair Sub Floor in 2nd Floor Hall	Demo floor, add blocking, and re-sheet	\$ 975	
			\$ 975
Subfloor Leveling	Pour self leveling Ardex material in kitchen, living, and family rooms	\$ 10,100	
			\$ 10,100
Shelving Unit in Master Bath	Add full-height shelving unit (approx. 16" wide) with open shelving	\$ 1,200	
			\$ 1,200
Remove wall niche in Master Bath / Hall Bath	Allows larger vanity in Hall Bath and removes awkward area in Master Bath		
	Demolition	\$ 200	
	Framing Labor & Materials	\$ 400	
	Drywall patch	\$ 450	
			\$ 1,050

Relocate HVAC Condenser	Move condenser unit away from garage man-door, includes re-charge of freon gas	\$ 1,215	\$ 1,215
Replace Garage Man-Door	Replace 3'0 x 6'8 solid core door slab with exterior rated door; new lockset with deadblot; paint door and jamb	\$ 1,075	\$ 1,075
Waste Line Repairs in Hall Bath	Hall Bath tub/shower has 1 1/2" waste line, requires 2" waste line Re-plumb 1 1/2" waste line to a 2" waste line to 2" vertical drop in common wall area of Bed 2	\$ 1,245	\$ 1,245
Sub Total		\$ 26,845	
Markup and Insurance		\$ 3,166	
Total Cost of Changes Listed		\$ 30,011	

CITY COUNCIL

ITEM NO. 6.6



CITY OF INDUSTRY

Incorporated June 18, 1957

MEMORANDUM

To: Honorable Mayor Radecki and Members of the City Council

From: Paul J. Philips, City Manager *Paul J. Philips*

Staff: Alex Gonzalez, Director of Development Services and Administration *CD*
William Hayes, Field Operations and Asset Superintendent

Date: March 23, 2017

SUBJECT: Consideration of Change Order No. 1 submitted by All American Contracting Corporation in the amount of \$76,032.00 for Interior Upgrades and Code Compliance Repairs at 16200-5 Temple Avenue

On December 8, 2016, the City Council awarded an Agreement for Construction Services for Interior Upgrades and Code Compliance Repairs at 16200-5 Temple Avenue to All American Contracting Corporation, in the amount of \$359,106.00.

As noted during the award of contract, it was expected that additional work would be incurred due to unforeseen conditions once demolition occurred and the extent of mold damage, termite damage and code compliance issues were assessed. As of March 14, 2017, staff has reviewed the following change order for completeness and accuracy as to the materials and labor included:

- **Change Order No. 1:** During removals it was discovered that many of the existing items were not to the latest industry standards for plumbing, electrical and telecommunication lines. Items included: subfloor leveling, installation of toilet vent line, rerouting of dryer vent line, installation of exterior electrical outlets, service hose bid at rear of house, replacement of the water main valve, repair and replace rotted siding at exterior door, repair of sewer main line, installation of porch lights, installation of data drops and telephone line, laundry room cabinets, interior wall pinning in kitchen, entry and main hall, demolition of window and door, bath tub and door installation, front door hardware, kitchen island and window installation. The Contractor was directed to complete the repairs on a time and material basis. The cost to perform this work totals \$76,032.00.

As set forth above, on December 8, 2016, the City Council appropriated \$359,106.00 to Interior Upgrades and Code Compliance Repairs for the 16200-5 Temple Avenue project. Change Order No. 1 is for an additional cost of \$76,032.00. The project total with the change order is \$435,138.00. It is expected that project closeout will occur in the next

30 days without additional unforeseen costs.

Table 1 – Summary of Project Costs

Agreement for Construction Services (All American Contracting Corporation)	\$359,106.00
Change Order No. 1 (All American Contracting Corporation)	\$ 76,032.00
Revised Project Cost	\$435,138.00

Fiscal Impact

The project is supported by the \$250M in 2015 Sales Tax Revenue Bond proceeds. Appropriate \$76,032.00 from bond proceeds to 16200-5 Temple Avenue Construction Costs (account no. 120-716-5205).

Recommendation

- 1.) Approve Change Order No. 1 in the amount of \$76,302.00; and
- 2.) Appropriate \$76,032.00 from 2015 Sales Tax Revenue Bond proceeds to 16200-5 Temple Avenue Construction Costs (account no. 120-716-5205).

Exhibits

- A. Change Order No. 1 from All American Contracting Corporation
-

PJP/AG/WH:kw

EXHIBIT A

Change Order No. 1 from All American Contracting Corporation

[Attached]

CITY OF INDUSTRY

CHANGE ORDER

15625 E. Stafford St.
 City of Industry, CA 91744
 (626)333-2211

Change Order No. 1

Project Interior Upgrades and Code Compliance
 Repairs at 16200-5 Temple Avenue

Contract No. 2016-1005

Date 3/23/2017

Type Project Interior Upgrades Contractor All American Contracting Corp.

Location 16200-5 Temple Avenue, City of Industry

Explanation:

Interior Upgrades and Code Compliance Repairs

Extra Work by: Contract Items X Negotiated T & M

The contractor is hereby directed to perform all labor and to provide all materials necessary to carry out the work described below:

ITEM NO.	ITEM	QUANTITY	UNIT PRICE	TOTALS (\$)	
				+	-
1	Construction Upgrades	1	\$67,543.00	\$67,543.00	
2	Markup and Insurance for Change Order	1	\$8,489.00	\$8,489.00	
TOTAL COST				\$76,032.00	

T & M SUMMARY

*Labor Cost	+ 20%	Total Labor	
*Equipment Cost	+ 15%	Total Equipment	
*Material Cost	+ 15%	Total Materials	
(*Attach breakdown of labor, equipment and materials)		Sub-Total	
CHANGE ORDER SUMMARY		Other Additive	
Original Contract Amount	\$359,106.00	Total T & M	
Total Previous Change Orders	0.00%		
Total Change Orders	\$ 76,032.00 21.17%	Pay This CHANGE ORDER	\$ 76,032.00 21.17%

Authorized by _____

Additional Working Days _____

I hereby certify that the quantities shown and/or amounts shown for equipment, material and labor costs (if any) are correct to the best of my knowledge and the total cost shown above shall be considered final payment for the work specified by this change order. The total cost includes compensation for any delay in the preparation of this change order and the time to complete the specified work.

[Signature]
 Contractor Representative Date 3/14/17
 Clement N. Calvillo - City Engineer Date

Paul J. Philips - City Manager Date 3/14/17
[Signature]
 William Hayes, Field Operations & Asset Superintendent Date
 C.O. # 1

All American Contracting Corp.
916 E. Whitcomb Ave.
Glendora, CA 91741 US
mcmessang@gmail.com

BILL TO
William Hayes
City of Industry - C.O. 16200-5
16525 Stafford St., Ste. 100
City of Industry, CA 91744

INVOICE 16200 - CO1

DATE 03/13/2017 TERMS Net 15

DUE DATE 03/24/2017

JOB SITE
16200-5 Temple Ave.

ACTIVITY	QTY	RATE	AMOUNT
Change Order - General:Change Order Change Order #1, 16200-5 Temple Ave., per customer direction	1	76,032. 00	76,032.00

See Attached File with Scope of Work Detail

TOTAL DUE \$76,032.00

Exclusions: Permits and licenses, special inspections, grass repair

16200-5 Temple Ave.
Change Orders

<i>Item / Description</i>	<i>Scope of Work</i>	<i>Unit Cost</i>	<i>Total Cost</i>
Attic Ladder	purchase ladder	\$ 225	
	reframe ceiling and install ladder	\$ 300	
	install casing around ladder box	\$ 150	
			\$ 675
French Door at addition (contracted to install door from Master)	purchase and install door jamb and threshold	\$ 540	
	hang door	\$ 200	
	purchase and install door hardware	\$ 75	
	paint or stain door	\$ 350	
			\$ 1,165
Add bath tub in addition bathroom	demo concrete at bath and new shower	\$ 350	
	reposition drain lines at bath and shower	\$ 275	
	build tub deck	\$ 650	
	patch concrete	\$ 100	
	purchase and install bath tub and bath tub valve	\$ 2,885	
	Install quartz top for drop-in tub with 12" backsplash on three sides Trim face of tub deck with paint grade Poplar sheet and perimeter casing	\$ 2,800 \$ 850	
			\$ 7,910
Gas Line, main	Reconfigure gas line in attic; increase size to accommodate tankless water heater(s)		\$ 880
Subfloor Leveling	Pour self leveling Ardex material in kitchen, dining, living, bathroom 1 & 2, laundry hall, and entry hall rooms		\$ 4,300
Wall Anchoring	Pin interior walls in kitchen, entry hall, main hall, bath 1	\$ 550	
	replace and patch drywall	\$ 275	
			\$ 825
Delete window in addition	Demo window	\$ 100	
	frame wall opening	\$ 175	
	install waterproofing	\$ 125	
	rework exterior siding with new materials	\$ 400	
			\$ 800
Delete Door in Addition	Demo door and jamb material	\$ 125	
	frame wall opening	\$ 175	
	install waterproofing	\$ 125	
	demo concrete landing	\$ 200	
	rework exterior siding with new materials	\$ 475	
			\$ 1,100

Change Bath 3 window to 4'0 x 4'0	Demo existing window	\$	100		
	frame opening for new window	\$	175		
	purchase and install new 4'0 x 4'0 window to match existing style and finish	\$	885		
	waterproof window and wall	\$	125		
	rework exterior siding and casing	\$	150		
				\$	1,435
Double Pocket Door - Family Room	demo existing door and wall at hall	\$	100		
	frame wall for 123" x 83" R.O.	\$	445		
	purchase and install dbl. pocket door frame and track	\$	900		
	purchase and install dbl. (2) pocket door panels and hardware	\$	550		
				\$	1,995
Remove wall in (N) Family Room	demo wall and electrical in wall in bedrooms to create (N) Fam. Rm.	\$	200		
	Add support to ceiling framing where wall was removed	\$	325		
	Patch drywall at new framing	\$	375		
				\$	900
Skim coat Master B.R. walls	For smooth finish vs. heavy texture			\$	1,900
Toilet Vent line in Addition	Demo concrete at toilet underground plumbing	\$	250		
	Reconfigure plumbing to install proper vent line for toilet	\$	475		
	Patch concrete	\$	100		
				\$	825
Reroute Dryer Vent	demo drywall and old dryer vent duct to raise laundry hall ceiling	\$	250		
	replace duct and reroute through top plate to existing roof penetration/flashing	\$	690		
				\$	940
Kitchen Island	Cost and Style TBD - Budget # only (Need size, style, finish, type of top)			\$	2,500
Added 4" LED Can Lights	(54) added can lights in bedrooms, bathrooms, hallways, living areas per	\$	250		
				\$	13,500
Fr. Dr. side lights added at Liv. Rm.	Add (2) 18" sidelights to (N) French door in Liv. Rm. Sidelights to open o	\$	945		
				\$	1,890
Front Door Hardware	Replace lock/latch hardware on front door to match	\$	400		
				\$	400
Exterior Electrical Outlets (Service/Maintenance)	(2) exterior convenience outlets at rear of house - none existing	\$	350		
				\$	700
Hose Bib (Service/Maintenance)	Added (1) service hose bib at rear of house			\$	490
Water Main Valve (Service/Maintenance)	replace water main valve at front of house - existing valve does not shut off completely			\$	275

Bed 3 layout change	Demo framed wall and remove burried bottom plate	\$ 300	
	Reframe ceiling joists to transfer weight	\$ 480	
	Patch floor at old wall bottom plate	\$ 250	
			\$ 1,030
Data/TV/Phone (Service/Maintenance)	(20) data drops with Cat-5/6 cable	\$ 200	
	(6) Coax cable drops		
	(1) telephone line		
	(final punch downs to be made by Others)		\$ 4,000
Raise Ceiling in Master Hall	Demo old ceiling drywall and framing	\$ 100	
	relocate water line in ceiling area	\$ 125	
	relocate HVAC ducts in ceiling area	\$ 150	
	relocate electrical conduit in ceiling area	\$ 225	
	drywall hang, tape	\$ 450	
			\$ 1,050
Repair Rotted Siding at exterior of Kitchen (Service/Maintenance)	Replace bottom siding board at Kitchen drain cleanout		\$ 375
Porch lights at Addition	add (2) porch lights at rear doors of addition		\$ 600
Closet lighting	add (8) LED closet light fixtures; one at each closet and two in Master closet	\$ 350	
			\$ 2,800
Laundry Room Cabinets	add custom upper and lower cabinets, to match kitchen/bath cabinets, at south side of laundry hall; replace upper cabinets at washer/dryer area of laundry hall	\$ 4,600	
	Quartz countertop on lower cabinets, no backsplash	\$ 1,425	
	Finish: paint cabinets per Owner's color choice	\$ 1,068	
			\$ 7,093
Relocate Refer location	Add dedicated 120v / 20-amp circuit	\$ 350	
	relocate water line for ice maker	\$ 390	
			\$ 740
Repair Sewer Main Line	Run sewer camer through main line from house to yard locate line and find problem	\$ 425	
	Run 3" drain cable through main line	\$ 275	
	Add 4" cleanout at North side of house; replace 8' of clay pipe; includes excavation and backfill	\$ 1,450	
	Sewer repair in yard from root damage and reattach to existing 4" clay pipe, 4" wye brach line, and 3" ABS pipe (from addition)	\$ 2,300	
			\$ 4,450
Sub Total			\$ 67,543
Markup and Insurance			\$ 8,489
Total Cost of Changes Listed			\$ 76,032

CITY COUNCIL

ITEM NO. 6.7



CITY OF INDUSTRY

P.O. Box 3366 • 15625 E. Stafford St. • City of Industry, CA 91744-0366 • (626) 333-2211 • FAX (626) 961-6795

MEMORANDUM

TO: Honorable Mayor and Members of the City Council
FROM: Paul J. Philips, City Manager *Paul J. Philips*
STAFF: Alex Gonzalez, Director of Development Services and Administration *AG*
Troy Helling, Senior Planner *TH*
DATE: March 23, 2017
SUBJECT: Fireworks Sales

Background

The City of Industry Municipal Code, Section 15.28 allows up to 20 permits for groups to sell Safe and Sane Fireworks. The Code was revised in 2008 with an increase from 15 stands to 20 stands because of the increased number of groups that wanted to participate in the fireworks sales program. The City commonly receives between 20 and 31 applications per year. When the City receives more than 20 applications, staff does a lottery. Groups that support youth programs of a high school get first priority. At last year's May 26th meeting the Council had concerns that there might be too many groups and that the fireworks stands were in some cases too close to each other. Accordingly staff is bringing this topic back to the City Council for discussion and direction.

Recommendation

Staff recommends that the City Council direct staff to give direction for one of the following options:

- (1) Keep the Code as is and continue to allow 20 fireworks stands.
- (2) Revise the Code that will possibly modify the following:
 - Reduce the number of fireworks stands allowed.
 - Create a distance requirement between fireworks stands.
 - Revise the qualifications requirements for the applicants.

Exhibits

- A. Fireworks Sales Reports (2012 thru 2016)
- B. Industry Municipal Code, Section 15.28

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EXHIBIT A
Fireworks Sales Reports (2009 thru 2016)

[Attached]



CITY OF INDUSTRY

P.O. Box 3366 • 15625 E. Stafford St. • City of Industry, CA 91744-0366 • (626) 333-2211

MEMORANDUM

Date: May 26, 2016
To: Mayor and Members of the City Council
From: Troy Helling, Senior Planner
Subject: Fireworks Sales

The City of Industry Municipal Code, Section 15.28 allows up to 20 permits for groups to sell Safe and Sane Fireworks. The City received a total of 20 applications this year and pursuant to Section 15.28.090 of the City of Industry Municipal Code, the following is a list of the 20 applications of which staff recommends City Council approval.

- 1) Friends of Industry Sheriff's Station
- 2) Workman High School Athletic Boosters
- 3) Wilson High School Athletics Boosters
- 4) Rowland High School Huddle Club
- 5) La Puente High School Athletics
- 6) Nogales High School Regiment Boosters
- 7) Los Altos High School Quarterback Club
- 8) Bishop Amat Memorial High School
- 9) Lyle Olsen Memorial Foundation
- 10) Southland Christian High School
- 11) North View Vikings Baseball
- 12) Shinning Light Ministries
- 13) Cory Lidle Foundation
- 14) Knights of Columbus # 6028
- 15) Charter Oak Chargers Booster Association
- 16) Whittier Host Lions
- 17) ~~Heights Baptist Church~~ **Withdrew application Updated 6-7-16**
- 18) ~~A Place of Hope~~ **Withdrew application Updated 6-7-16**
- 19) Kiwanis Club of Hacienda Heights
- 20) San Gabriel Valley YMCA
- 21) The Jennifer Lenihan Memorial Scholarship Fund
- 22) Strive Athletics



CITY OF INDUSTRY

P.O. Box 3366 • 15625 E. Stafford St. • City of Industry, CA 91744-0366 • (626) 333-2211

MEMORANDUM

Date: May 28, 2015
To: Mayor and Members of the City Council
From: Troy Helling, Senior Planner
Subject: Fireworks Sales

The City of Industry Municipal Code, Section 15.28 allows up to 20 permits for groups to sell Safe and Sane Fireworks. The City received a total of 20 applications this year and pursuant to Section 15.28.090 of the City of Industry Municipal Code, the following is a list of the 20 applications of which staff recommends City Council approval.

- 1) Friends of Industry Sheriff's Station
- 2) Workman High School Athletic Boosters
- 3) Bassett High School Olympian Booster
- 4) Wilson High School Athletics Boosters
- 5) Rowland High School Huddle Club
- 6) La Puente High School Athletics
- 7) Nogales High School Regiment Boosters
- 8) Los Altos High School Quarterback Club
- 9) Bishop Amat Memorial High School
- 10) Lyle Olsen Memorial Foundation
- 11) West Covina Youth Pony Baseball
- 12) Southland Christian High School
- 13) Cory Lidle Foundation
- 14) Knights of Columbus # 6028
- 15) Bassett Education Foundation
- 16) North View Vikings Baseball
- 17) Praise Chapel, La Puente
- 18) A Place of Hope
- 19) Kiwanis Club of Hacienda Heights
- 20) San Gabriel Valley YMCA



CITY OF INDUSTRY

P.O. Box 3366 • 15625 E. Stafford St. • City of Industry, CA 91744-0366 • (626) 333-2211

MEMORANDUM

Date: May 22, 2014
To: Mayor and Members of the City Council
From: Troy Helling, Associate Planner
Subject: Fireworks Sales

The City of Industry Municipal Code, Section 15.28 allows up to 20 permits for groups to sell Safe and Sane Fireworks. The City received a total of 20 applications this year and pursuant to Section 15.28.090 of the City of Industry Municipal Code, the following is a list of the 20 applications of which staff recommends City Council approval.

- 1) Friends of Industry Sheriff's Station
- 2) Workman High School Athletic Boosters
- 3) Bassett High School Olympian Booster
- 4) Wilson High School Athletics Boosters
- 5) Rowland High School Huddle Club
- 6) La Puente High School Athletics
- 7) Nogales High School Regiment Boosters
- 8) Los Altos High School Quarterback Club
- 9) Bishop Amat Memorial High School
- 10) Lyle Olsen Memorial Foundation
- 11) Walnut Valley Junior Cowboys Football
- 12) Southland Christian High School
- 13) VFW Post #1944
- 14) Knights of Columbus # 6028
- 15) Whittier Host Lions
- 16) Centro Esperanza Church
- 17) Praise Chapel, La Puente
- 18) A Place of Hope
- 19) Kiwanis Club of Hacienda Heights
- 20) San Gabriel Valley YMCA



CITY OF INDUSTRY

P.O. Box 3366 • 15625 E. Stafford St. • City of Industry, CA 91744-0366 • (626) 333-2211

MEMORANDUM

Date: May 16, 2013
To: Mayor and Members of the City Council
From: Troy Helling, Associate Planner
Subject: Fireworks Sales

The City of Industry received 23 applications to sell Safe and Sane Fireworks pursuant to Section 15.28.090 of the City of Industry Municipal Code. The following is a list of the 20 applications of which were chosen by lottery that staff recommends approval.

- 1) Friends of Industry Sheriff's Station
- 2) Workman High School Athletic Boosters
- 3) Bassett High School Olympian Booster
- 4) Wilson High School Athletics Boosters
- 5) Rowland High School Huddle Club
- 6) La Puente High School Athletics
- 7) Nogales High School Regiment Boosters
- 8) Los Altos High School Quarterback Club
- 9) Girls Youth Basketball of America
- 10) Lyle Olsen Memorial Foundation
- 11) Walnut Valley Junior All American Football
- 12) Southland Christian High School
- 13) VFW Post #1944
- 14) Knights of Columbus # 6028
- 15) AYSO Region 215, Rowland Heights
- 16) Centro Esperanza Church
- 17) Heart and Soul Community Services
- 18) A Place of Hope
- 19) Kiwanis Club of Hacienda Heights
- 20) San Gabriel Valley YMCA



CITY OF INDUSTRY

P.O. Box 3366 • 15625 E. Stafford St. • City of Industry, CA 91744-0366 • (626) 333-2211

MEMORANDUM

Date: May 24, 2012
To: Mayor and Members of the City Council
From: Troy Helling, Associate Planner
Subject: Fireworks Sales

The City of Industry received 26 applications to sell Safe and Sane Fireworks pursuant to Section 15.28.090 of the City of Industry Municipal Code. The following is a list of the 20 applications of which were chosen by lottery that staff recommends approval.

- 1) Industry Sheriffs Youth Activities League
- 2) Workman High School Athletic Boosters
- 3) Bassett High School Olympian Booster Club
- 4) Wilson High School Athletics
- 5) Rowland High School Quarterback Club
- 6) La Puente High School Athletics Boosters
- 7) Nogales High School Regiment
- 8) Los Altos High School Quarterback Club
- 9) Walnut High School Girls Soccer
- 10) Southland Christian High School
- 11) Kiwanis Club of Hacienda Heights
- 12) Knights of Columbus # 6028
- 13) VFW Post #1944
- 14) Lyle Olsen Memorial Foundation
- 15) Girls Youth Basketball of America
- 16) Whittier Host Lions Club
- 17) Hacienda Heights Jr All American Football Association
- 18) San Gabriel Valley YMCA
- 19) Diamond Bar Walnut Valley Soccer League inc. RC Man United
- 20) A Place of Hope

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EXHIBIT B
Industry Municipal Code, Section 15.28

[Attached]

**City of Industry Municipal Code,
Chapter 15.28 FIRE CODE
15.28.010 Adoption of fire code.**

The Los Angeles County Fire Code, codified as Title 32 of the Los Angeles County Code, as such code may be amended from time to time, except as hereinafter amended by this chapter, is adopted by reference as the fire code of the city. (Ord. 680 § 8, 2002; Ord. 527 § 1, 1986; Ord. 304 § 1, 1969)

15.28.020 Copies.

At least one copy of the fire code of the county of Los Angeles, together with amendments included, herein, has been deposited in the office of the city clerk of the city and shall be at all times maintained by the clerk for use and examination by the public. (Ord. 527 § 2, 1986; Ord. 304 § 1 (part:), 1969)

15.28.030 Short title.

This title shall be known as the “fire code of the city of Industry” and may be cited as such. (Ord. 304 § 1, 1969)

15.28.040 Amendments.

A. Wherever the words “chief” or “chief of the fire department” and “fire department officer,” appear in the fire code they shall be deemed to be the chief of the fire department and the fire department officers of the city.

B. Wherever in the fire code reference is made to the area of Los Angeles County, such area shall be deemed to include in its true geographical location the area of the city.

C. Wherever in the fire code reference is made to the “administrator,” the same is amended to read “city manager.” (Ord. 527 § 3, 1986; Ord. 304 § 2, 1969)

15.28.050 Previous permits.

Any permit heretofore issued by the county or the city pursuant to the fire prevention code of the county or of the city for work within the territorial limits of the city, shall remain in full force and effect according to its terms. (Ord. 304 § 3, 1969)

15.28.060 Fireworks.

Notwithstanding the provisions of Chapter 33 of the fire code of the county of Los Angeles, it is unlawful, except as herein provided in Sections 15.28.070 through 15.28.130, for any person to use, possess, sell or discharge any fireworks (as defined in Chapter 33 of the fire code of Los Angeles County) within the city. (Ord. 765 § 3, 2011; Ord. 527 § 4, 1986; Ord. 319 § 1, 1971; Ord. 304 § 7, 1969)

15.28.061 Fireworks displays.

Notwithstanding any provisions of this chapter to the contrary, the city manager may issue permits to conduct pyrotechnic displays which are conducted under the supervision of a licensed pyrotechnic technician. Any such permits shall only be issued with the written consent of the fire chief of the city and shall be conducted

subject to any conditions imposed by the city manager. The decision to grant or deny any such permit or to impose any condition thereon shall be in the sole discretion of the city manager and shall not be appealable. Granting or denying such permit shall consider, among other things, the suitability of the proposed location, its proximity to industrial, commercial or residential structures, information furnished by the fire chief, traffic and pedestrian accessibility, and other related factors. (Ord. 484U § 1, 1983)

15.28.070 Safe and sane fireworks.

Safe and sane fireworks as defined by Section 12529 of the [Health and Safety Code](#) of the state of California may be sold within the city during the period beginning at twelve noon on the twenty-eighth day of June and ending at twelve noon on the fifth day of July of each year pursuant to the provisions of this chapter and not otherwise. (Ord. 527 § 5, 1986; Ord. 319 § 1, 1971; Ord. 304 57 (A), 1969)

15.28.080 Permit—Required.

No person shall sell fireworks within the city without first having applied for and received a permit therefor in compliance with the terms of this chapter. (Ord. 319 § 1, 1971; Ord. 304 § 7 (B), 1969)

15.28.090 Permit—Issuance.

A. Upon receipt of a written application for a permit pursuant to this chapter the city manager shall cause an investigation to be made and submit to the city council a report of his or her findings and his or her recommendations for or against the issuance of the permit together with his or her reasons therefor. After receipt of such recommendations and report, the city council shall have the power in its discretion to grant or deny the application. Any permit granted by the city council may be subject to such reasonable conditions and restrictions as may be imposed by the city council and such conditions and restrictions shall be complied with by the permittee.

B. No permit shall be issued to any person or organization except a nonprofit corporation as defined by Section 21000 of the California [Corporations Code](#); including any association set forth in Section 21200 of said Code, or a nonprofit corporation formed and conducted in accordance with Part 3 of Division 2 of Title 1 of the [Corporations Code](#); and provided that: (1) such association or corporation has its principal and permanent meeting place situated within the city; (2) has for more than three years continuously prior to the filing of an application for a permit hereunder continuously maintained a local unit, branch, lodge or club with its principal office located within the boundaries of the city and with a bona fide membership of a least twenty adults within the city; or (3) has a bona fide sponsoring membership of at least twenty adults and support youth programs solely for students of any high school district within the boundaries of which any portion of the city is located; (4) has a valid current certificate of tax exemption as provided in Section 214 of the [Revenue and Taxation Code](#); and (5) is subject to charitable exemptions as provided in Article 3 of Chapter 4 of part 9 of Division 2 of the California [Revenue and Taxation Code](#). Organizations qualifying under subsection (B)(1) or (B)(2) of this section and any organization supporting youth programs for students of any high school located within the boundary of the city shall have first priority for permits in the event of a drawing under subsection C hereof.

C. All applications shall be filed with the city manager on or before the first day of May of each year. No organization which is eligible for a permit pursuant to this chapter may file in any one year more than one application for such a permit. The city manager shall complete his or her report and recommendations as to such applications by the eighth day of May each year. If there shall be more than twenty qualified applicants recommended by the city manager for permits, twenty of such applicants shall be chosen by lot at a drawing open to the public in the city council chambers at three p.m. on May 11th, or if May 11th is a Saturday, Sunday or holiday, on the next succeeding business day. The twenty applicants so chosen shall be submitted to the city

council for action pursuant to this section at the next succeeding regular meeting of the city council. (Ord. 744 § 1, 2008; Ord. 642 § 1, 1999; Ord. 596-U § 1, 1993; Ord. 349 § 2, 1974; Ord. 319 §, 1971; Ord. 304 § 7 (C), 1969)

15.28.100 Permit—Fee.

In addition to complying with such conditions and restrictions as may be imposed by the city council in connection with the issuance of any permit, each permittee shall file with the city clerk either a cash bond in the sum of two hundred dollars or a surety bond, in such form as may be approved by the city attorney, in the principal sum of two hundred, dollars, guaranteeing that all fireworks stands used for the sale of said fireworks will be removed and the sales premises cleaned within two weeks after July 5th. Each permittee shall also be required to furnish written evidence to the city clerk that he or she is the lessee, or is otherwise authorized by the owner to maintain a fireworks stand on the property where such stand is to be erected. Each permittee shall also furnish to the city a certificate of insurance naming the city as an additional insured establishing that there is in effect a policy of personal liability and property damage insurance covering the operation of the fireworks stand. The policy limits shall be no less than one hundred thousand dollars-three hundred thousand dollars with reference to personal injury liability and no less than ten thousand dollars for property damage. (Ord. 321 § 1, 1972; Ord. 319 § 1, 1972; Ord. 304 § 7 (D), 1969)

15.28.110 Stand required for sales.

All sales of fireworks shall be permitted only from within a temporary fireworks stand approved by the building department and the fire department of the city. (Ord. 319 § 1, 1972; Ord. 304 § 7, 1969)

15.28.120 Storage of fireworks.

Notwithstanding the provisions of Section 15.28.010, no person may store fireworks as defined in Chapter 33 of the fire code of the county of Los Angeles without first having applied for and received a permit to store fireworks from the fire department. It is unlawful for any person receiving such a permit to store fireworks in violation of any condition of the permit. (Ord. 765 § 4, 2011; Ord. 527 § 6, 1986; Ord. 440 § 1, 1979; Ord. 304 § 4, 1969)

15.28.130 Penalty for violation.

Every person violating any provision of this chapter or of any permit, license or exception granted hereunder is guilty of a misdemeanor. Upon conviction thereof he or she shall be punishable by a fine not to exceed five hundred dollars or by imprisonment in the county jail for not to exceed six months, or by both such fine and imprisonment. Each separate day, or any portion thereof, during which any violation of this chapter occurs or continues, constitutes a separate offense, and upon conviction thereof shall be punishable as provided in this section. (Ord. 440 § 1, 1979)

CITY COUNCIL



ITEM NO. 6.8



CITY OF INDUSTRY

P.O. Box 3366 • 15625 E. Stafford St. • City of Industry, CA 91744-0366 • (626) 333-2211 • FAX (626) 961-6795

MEMORANDUM

To: City Council
From: Paul J. Phillips, City Manager 
Staff: Troy Helling, Senior Planner 
Date: March 23, 2017
Subject: **Minor Lot Line Adjustment 82 – Southeast corner Azusa Avenue and Chestnut Street**

Overview

The City Council approved Development Plan 15-12, to allow CT Realty Investors to develop five new industrial warehouse buildings totaling 614,597 square feet and Tentative Parcel Map 348, to subdivide an existing 28.9 acre parcel into five parcels on November 10, 2016. The applicant is requesting a Minor Lot Line Adjustment approval to shift the property line between Parcel 1 and 2.

Location and Surroundings

As shown on the location map (Exhibit A), the project site is located on the southeast corner of Azusa Avenue and Chestnut Street. The overall site is 28.9 acres, and includes Los Angeles County Tax Assessor Parcel Numbers (APN) 8264-025-022, 023, 024, 025, 026, 027, 028, 032 and 035.

Proposal

Parcel 1

As shown in the site plan (Exhibit B), the proposed building on Parcel 1 will be 154,057 square feet on a 8.037 acre lot (333,495 square feet). Parcel 1 requires 205 parking spaces and 261 spaces. There will be a total of 45,686 square feet of landscaping (13.7 percent).

Parcel 2

As shown in the site plan (Exhibit B), the proposed building on Parcel 2 will be 221,653 square feet on a 10.091 acre lot (439,553 square feet). Parcel 2 requires 273 parking spaces and 247 spaces are provided. There will be a total of 60,931 square feet of landscaping (13.7 percent). for Parcel 2.

Staff Analysis

Minor Lot Line Adjustment Application

City Council approval is required for lot line adjustments. The applicant is proposing Lot Line Adjustment 82 to remove and adjust existing lot lines on two existing parcels, as the subject site is currently configured (Exhibit C). As proposed, the lot line between Parcel 1 and Parcel 2 will

be shifting 35 feet to the south to allow a side yard for the Fire Department approval. There will be an agreement in place that will ensure that the building on parcel 2 will always maintain the usage of the parking lot and parking spaces within side yard of parcel 1 area. (Exhibit D)

The proposed Minor Lot Line Adjustment is consistent with the Zoning ("I" – Industrial) and General Plan (Employment) designations of the site and complies with Title 16, Subdivisions, and the development and design standards in Section 17.36, Design Review, of the Industry Municipal Code. Specifically, the proposal complies with the following sections of the Municipal Code:

- Section 16.10.010 requires a minimum 50 foot street frontage on a dedicated street. The proposed parcels will provide at least 900 feet of frontage on Parcel 1 and at least 600 feet of frontage on Parcel 2.
- Section 16.10.020 requires a minimum lot area of 50,000 square feet (1.15 acres). The proposed parcels will provide 350,086 square feet of lot area (8.037 acres) on Parcel 1 and 439,553 square feet (10.091 acres) on Parcel 2.
- Section 16.10.030 requires that driveway access not be shared with any other parcels in the industrial zone. Both parcels have separate driveways.
- Section 16.10.040 requires that surface drainage be handled on-site and not "sheet flow" on to adjacent parcels. Per the preliminary Low Impact Development (LID) plan, surface drainage will not flow across parcel lines. This will be enforced during grading and low impact development plan approval process per Chapter 13.16 of the Municipal Code.
- Section 16.12.030 requires that a tentative parcel map meet all of the requirements for a tentative map as provided under the Subdivision Map Act. Parcel Map 348 complies with the Sections 66474 and 66473.1 of the Subdivision Map Act as described in the findings addressed below.

Staff recommends approval of Minor Lot Line adjustment 82 based on the following findings:

- The map is consistent with the General Plan and any applicable specific plans. The proposed parcels and lot line adjustment is located in an area designated as Employment in the General Plan, which allows for industrial uses (e.g. manufacturing, distribution, assembly), such as stand-alone Industrial warehouse buildings, when zoned. In this case, the site is zoned Industrial and a stand-alone industrial warehouse building is permitted and conforms to the Employment land use designation. Policy LU1-1 of the General Plan states that the City accommodate business and employment uses as the primary land use. The proposed subdivision would allow five stand-alone industrial warehouse buildings in keeping with surrounding uses and in accordance with the direction of the General Plan. The project site is not located within an adopted specific plan.
- The design or improvement is consistent with the General Plan and any applicable specific plans. The proposed parcels and lot line adjustment complies with the minimum size, frontage, access, and drainage requirements addressed in Section 16.10 of the Municipal Code and the development standards in Section 17.36 of the Municipal Code. The project site is not located within an adopted specific plan.
- The subdivision will not violate the requirements of the Los Angeles Regional Water Quality Control Board because a preliminary Low Impact Development (LID) Plan has been reviewed by the City Engineer and found in compliance with the provisions of Chapter 13.16, Stormwater and Urban Runoff Pollution Control. Prior to issuance of the

grading permit, the final LID must be found to conform to the preliminary LID and approved by the City Engineer. As a condition for issuing a certificate of occupancy or building final, the city, will require facility operators and owners to build all the stormwater pollution control BMPs and structural or treatment BMPs that are shown on the approved project stormwater mitigation plan and to submit a signed certification statement stating that the site and all structural or treatment control BMPs will be maintained in compliance with the municipal NPDES permit and other applicable regulatory requirements.

Environmental Analysis

The project was determined not to have a significant impact on the environment and is categorically exempt from the California Environmental Quality Act ("CEQA"), pursuant to Section 15305 (Class 5 Minor Alterations in Land Use Limitations), because the lot line adjustment is minor in nature, and does not create a new parcel. The lot line adjustment will just be moving one lot line to conform with a fire department side yard requirement.

Fiscal Impact

The Minor Lot Line Application does not have a fiscal impact.

Recommendation

Because the Lot Line application conforms to the City's General Plan, and complies with the development standards of the Municipal Code, , Staff recommends that the City Council:

1) Adopt Resolution No. CC 2017-09 (Exhibit E) approving Lot Line Adjustment 82 with the Standard Requirements and Conditions of Approval contained in the Resolution.

Exhibits

- Exhibit A: Location Map
- Exhibit B: Site Plan
- Exhibit C: Approved Tentative Parcel Map
- Exhibit D: Proposed Minor Lot Line Adjustment
- Exhibit E: Resolution No. CC 2017-09 approving Minor Lot Line Adjustment 82 with the Standard Requirements and Conditions of Approval contained in the Resolution

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EXHIBIT A
Location Map

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Location Map

Lot Line Adjustment 82



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EXHIBIT B
Site Plan

[Attached]

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EXHIBIT C

Approved Tentative Parcel Map

[Attached]

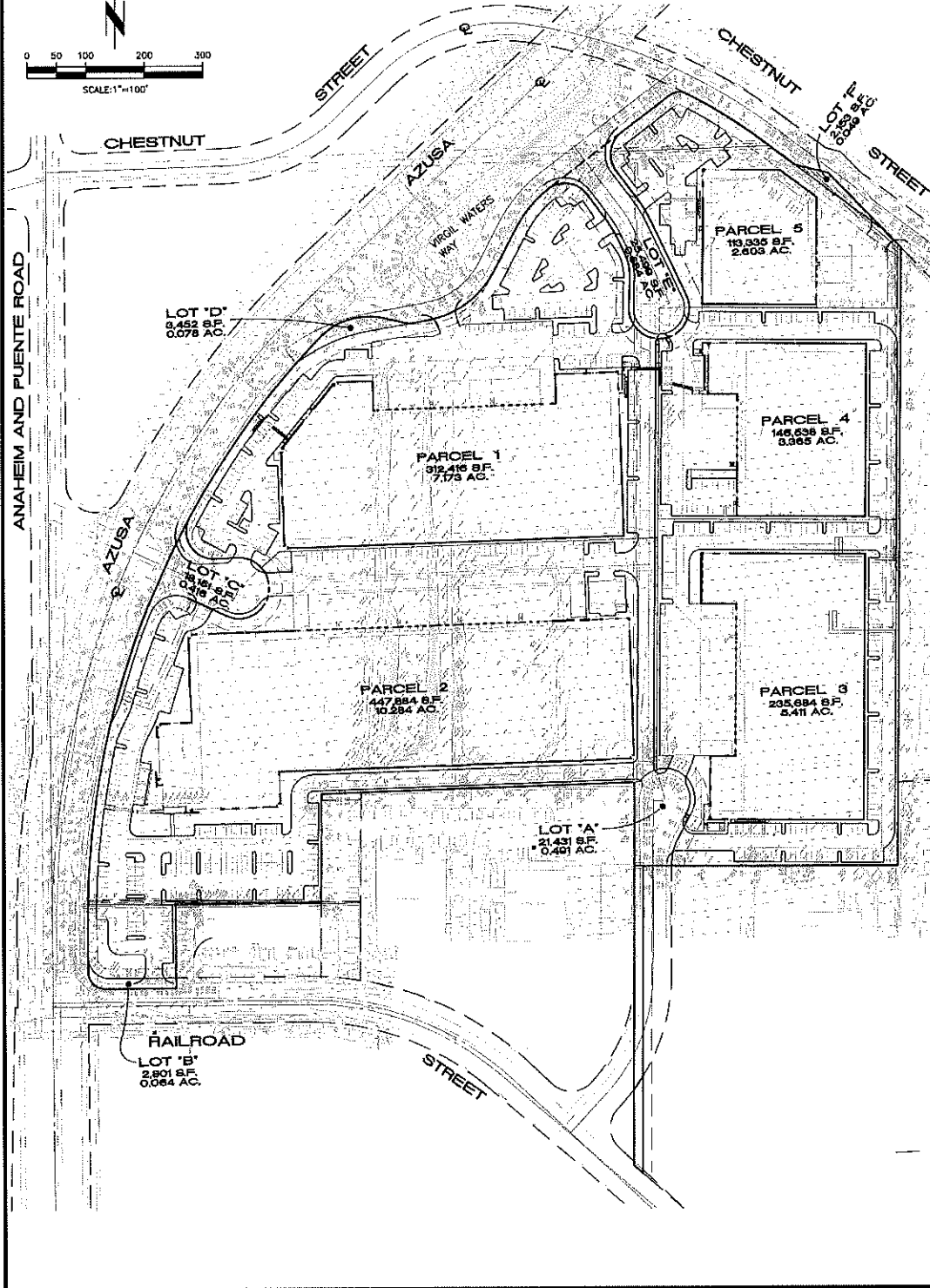
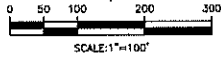
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TENTATIVE PARCEL MAP NO. 348

SHEET 4 OF 5

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

BEING A SUBDIVISION OF PARCELS 1, 2, AND 3 OF PARCEL MAP NO. 113, AS PER MAP FILED IN BOOK 91, PAGE 51 OF PARCEL MAPS, TOGETHER WITH A PORTION OF LOT 7 OF BOWMAN ADDITION NO. 2, AS PER MAP RECORDED IN BOOK 4, PAGE 7 OF MAPS AND A PORTION OF LOT 2 OF BURNETT TRACT, AS PER MAP RECORDED IN BOOK 15, PAGE 79 OF MAPS, AND A PORTION OF LOT "A" OF TRACT NO. 716, AS PER MAP RECORDED IN BOOK 15, PAGE 175 OF MAPS, ALL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.



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EXHIBIT D

Proposed Lot Line Adjustment 82

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LOT LINE ADJUSTMENT NO. 82
IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA.

SURVEYOR'S NOTES:

- 1. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN: INDUSTRY URBAN-DEVELOPMENT, A PUBLIC BODY, CORPORATE AND POLITICAL.
2. PROJECT ADDRESS: 17300 CHESTNUT STREET, 948 SOUTH AZUSA AVENUE, CITY OF INDUSTRY, CALIFORNIA
3. ASSESSOR'S PARCEL NUMBER: B264-025-914, 924, 925, 926, 927, 928, 929, 934 and 935
4. PARCEL AREAS: EXISTING PARCEL 'A' GROSS AREA: 337,739 SQUARE FEET OR 7.753 ACRES MORE OR LESS. EXISTING PARCEL 'B' GROSS AREA: 451,900 SQUARE FEET OR 10.374 ACRES MORE OR LESS. EXISTING TOTAL: 789,639 SQUARE FEET OR 18.128 ACRES MORE OR LESS. PROPOSED PARCEL 1 GROSS AREA: 350,086 SQUARE FEET OR 8.037 ACRES MORE OR LESS. PROPOSED PARCEL 2 GROSS AREA: 436,853 SQUARE FEET OR 10.091 ACRES MORE OR LESS. PROPOSED TOTAL: 786,939 SQUARE FEET OR 18.128 ACRES MORE OR LESS.
5. SUBJECT SITE AS TO TITLE COMMITMENT NO.: NCS-700769-SA1 IS ZONED: 'I' (INDUSTRIAL) - PER CITY OF INDUSTRY ZONING MAP
6. SELECTED ZONING REQUIREMENTS: (THE FOLLOWING REQUIREMENTS ARE PER 'SUMMARY OF DEVELOPMENT STANDARDS' TABLE, 'INDUSTRIAL ZONE', OF THE CITY OF INDUSTRY.)
A. MAXIMUM BUILDING SQUARE FOOTAGE: (INCLUDES THE SQUARE FOOTAGE OF ANY MEZZANINE OR MULTIPLE STORIES OF BUILDING)
1) LOTS LESS THAN 50,000 SQ. FT. = 33% OF LOT AREA
2) LOTS 50,000-99,999 SQ. FT. = 40% OF LOT AREA
3) LOTS GREATER THAN 99,999 SQ. FT. = 50% OF LOT AREA
4) OFFICE AREA CANNOT EXCEED 1/3 OF FLOOR AREA
B. MAXIMUM BUILDING HEIGHT: 150'
C. MINIMUM PARCEL FRONTAGE: 50'
D. MINIMUM PARCEL SIZE: 50,000 SQ. FT.
E. PARKING:
1) 0-25,000 SQ. FT. = 1 SPACE PER 500 SQ. FT. OF FLOOR AREA
2) 25,000-100,000 SQ. FT. = 50 SPACES PLUS 1 SPACE PER 750 SQ. FT. OF FLOOR AREA OVER 25,000 SQ. FT.
3) OVER 100,000 SQ. FT. = 150 SPACES PLUS 1 SPACE PER 1,000 SQ. FT. OF FLOOR AREA OVER 100,000 SQ. FT.
F. BUILDING SETBACKS: 30' FROM THE CURBLINE OF ALL STREETS.
7. THE PROPERTY INDICATED HEREON IS SITUATED WITHIN THE FLOOD INSURANCE RATE MAP (F.I.R.M.) WITH MAP NO. 06037C18956, EFFECTIVE DATE: SEPTEMBER 26, 2008, COMMUNITY NUMBER: 060303 FOR CITY OF INDUSTRY, PARCEL NUMBERS 1626, SURFICIAL ZONE 'X-UNSHADOWED' (AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN).
8. SUBJECT SITE IS CURRENTLY UNDEVELOPED RAW LAND (SOME WITH ASPHALT PAVING) AND CONTAINS ZERO PARKING SPACES.
9. GEOLOGICAL HAZARDS:
A. ALQUIST-PRIOLO SPECIAL STUDIES ZONES: THE STATE OF CALIFORNIA HAS NOT PROVIDED SUFFICIENT INFORMATION TO DETERMINE IF THE SUBJECT PROPERTY IS OUTSIDE OF ANY ALQUIST PRIOLO SPECIAL STUDIES ZONES BECAUSE NO SPECIAL STUDIES ZONES OFFICIAL MAP FOR BALDWIN PARK QUADRANGLE HAS BEEN PUBLISHED AS OF THIS DATE.
B. SEISMIC HAZARD ZONES: SUBJECT PROPERTY IS WITHIN A ZONE REQUIRING INVESTIGATION FOR LIQUEFACTION BUT IS OUTSIDE OF ANY ZONE REQUIRING INVESTIGATION FOR EARTHQUAKE-INDUCED LANDSLIDES AS SHOWN ON SEISMIC HAZARD ZONES OFFICIAL MAP FOR BALDWIN PARK QUADRANGLE RELEASED: MARCH 25, 1999.

EXISTING LEGAL DESCRIPTIONS:

PARCEL 'A':
PARCEL 'A' OF LOT LINE ADJUSTMENT NO. 80, IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER DOCUMENT RECORDED OCTOBER 10, 2015 AS INSTRUMENT NO. 20151221926, OF OFFICIAL RECORDS OF SAID COUNTY.
PARCEL 'A' GROSS AREA: 337,739 SQUARE FEET OR 7.753 ACRES MORE OR LESS.
PARCEL 'B':
PARCEL 'B' OF LOT LINE ADJUSTMENT NO. 80, IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER DOCUMENT RECORDED OCTOBER 10, 2015 AS INSTRUMENT NO. 20151221926, OF OFFICIAL RECORDS OF SAID COUNTY.
PARCEL 'B' GROSS AREA: 451,900 SQUARE FEET OR 10.374 ACRES MORE OR LESS.

PROPOSED LEGAL DESCRIPTIONS:

PARCEL 1:
THOSE PORTIONS OF PARCELS 'A' AND 'B' OF LOT LINE ADJUSTMENT NO. 80, IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER DOCUMENT RECORDED OCTOBER 1, 2015 AS INSTRUMENT NO. 20151221926, OF OFFICIAL RECORDS OF SAID COUNTY, LYING NORTHERLY OF THE FOLLOWING DESCRIBED LINE:
BEGINNING AT THE NORTHEAST CORNER OF SAID PARCEL 'B';
THENCE ALONG THE NORTHERLY LINE OF SAID PARCEL 'B', NORTH 85° 45' 01" WEST, 57.23 FEET;
THENCE AT RIGHT ANGLES TO SAID NORTHERLY LINE, SOUTH 04° 14' 59" WEST, 35.00 FEET;
THENCE PARALLEL WITH SAID NORTHERLY LINE, NORTH 85° 45' 01" WEST, 582.00 FEET;
THENCE AT RIGHT ANGLES TO SAID NORTHERLY LINE, NORTH 04° 14' 59" EAST, 28.89 FEET;
THENCE PARALLEL WITH SAID NORTHERLY LINE, NORTH 85° 45' 01" WEST, 32.40 FEET TO THE INTERSECTION OF A LINE BEARING NORTH 45° 50' 37" EAST DRAWN FROM THE NORTHERLY TERMINUS OF THAT CERTAIN COURSE IN THE SOUTHERLY LINE OF SAID PARCEL 'A' SHOWN AND DESCRIBED AS HAVING A BEARING AND DISTANCE OF 'SOUTH 31° 02' 41" WEST, 20.00 FEET' ON SAID LOT LINE ADJUSTMENT NO. 80;
THENCE SOUTH 45° 50' 37" WEST, 19.17 FEET TO A POINT ON A NON-TANGENT CURVE, CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 52.00 FEET, A RADIAL LINE TO SAID BEGINNING OF NON-TANGENT CURVE BEARS NORTH 45° 50' 37" EAST;
THENCE NORTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 42° 27' 02" AN ARC LENGTH OF 38.53 FEET;
THENCE TANGENT TO SAID CURVE, NORTH 86° 36' 25" WEST, 38.56 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 47.50 FEET;
THENCE WESTERLY, NORTHWESTERLY AND NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 121° 24' 01" AN ARC LENGTH OF 100.62 FEET TO A POINT OF TANGENCY WITH THAT CERTAIN NORTHWESTERLY CURVED LINE OF SAID PARCEL 'A' HAVING A RADIUS OF 1,440.00 AND A LENGTH OF 470.83 FEET, A RADIAL LINE TO SAID NORTHWESTERLY CURVED LINE BEARS NORTH 55° 14' 23" WEST, SAID POINT BEING THE END POINT OF THIS DESCRIPTION.
PARCEL 1 GROSS AREA: 350,086 SQUARE FEET OR 8.037 ACRES MORE OR LESS.
PARCEL 2:
THOSE PORTIONS OF PARCELS 'A' AND 'B' OF LOT LINE ADJUSTMENT NO. 80, IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER DOCUMENT RECORDED OCTOBER 1, 2015 AS INSTRUMENT NO. 20151221926, OF OFFICIAL RECORDS OF SAID COUNTY, LYING SOUTHERLY OF THE FOLLOWING DESCRIBED LINE:
BEGINNING AT THE NORTHEAST CORNER OF SAID PARCEL 'B';
THENCE ALONG THE NORTHERLY LINE OF SAID PARCEL 'B', NORTH 85° 45' 01" WEST, 57.23 FEET;
THENCE AT RIGHT ANGLES TO SAID NORTHERLY LINE, SOUTH 04° 14' 59" WEST, 35.00 FEET;
THENCE PARALLEL WITH SAID NORTHERLY LINE, NORTH 85° 45' 01" WEST, 582.00 FEET;
THENCE AT RIGHT ANGLES TO SAID NORTHERLY LINE, NORTH 04° 14' 59" EAST, 28.89 FEET;
THENCE PARALLEL WITH SAID NORTHERLY LINE, NORTH 85° 45' 01" WEST, 32.40 FEET TO THE INTERSECTION OF A LINE BEARING NORTH 45° 50' 37" EAST DRAWN FROM THE NORTHERLY TERMINUS OF THAT CERTAIN COURSE IN THE SOUTHERLY LINE OF SAID PARCEL 'A' SHOWN AND DESCRIBED AS HAVING A BEARING AND DISTANCE OF 'SOUTH 31° 02' 41" WEST, 20.00 FEET' ON SAID LOT LINE ADJUSTMENT NO. 80;
THENCE SOUTH 45° 50' 37" WEST, 19.17 FEET TO A POINT ON A NON-TANGENT CURVE, CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 52.00 FEET, A RADIAL LINE TO SAID BEGINNING OF NON-TANGENT CURVE BEARS NORTH 45° 50' 37" EAST;
THENCE NORTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 42° 27' 02" AN ARC LENGTH OF 38.53 FEET;
THENCE TANGENT TO SAID CURVE, NORTH 86° 36' 25" WEST, 38.56 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 47.50 FEET;
THENCE WESTERLY, NORTHWESTERLY AND NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 121° 24' 01" AN ARC LENGTH OF 100.62 FEET TO A POINT OF TANGENCY WITH THAT CERTAIN NORTHWESTERLY CURVED LINE OF SAID PARCEL 'A' HAVING A RADIUS OF 1,440.00 AND A LENGTH OF 470.83 FEET, A RADIAL LINE TO SAID NORTHWESTERLY CURVED LINE BEARS NORTH 55° 14' 23" WEST, SAID POINT BEING THE END POINT OF THIS DESCRIPTION.
PARCEL 2 GROSS AREA: 436,853 SQUARE FEET OR 10.091 ACRES MORE OR LESS.

SURVEYOR:
PREPARED UNDER THE DIRECTION OF:

[Signature]
BRIAN L. THIENES
P.L.S. NO. 6750
REG. EXP. 12/31/17
brian@thieneseng.com

08/10/17 DATE

PREPARED BY:

Thienes Engineering, Inc.
CIVIL ENGINEERING • LAND SURVEYING
14349 FIRESTONE BOULEVARD
LA MIRADA, CALIFORNIA 90638
PH: (714) 921-4811 FAX: (714) 921-4173

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LOT LINE ADJUSTMENT NO. 82

IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA.

EXISTING EASEMENTS:

- THE FOLLOWING EASEMENTS, STATEMENTS AND MATTERS AS DISCLOSED IN FIRST AMERICAN TITLE INSURANCE COMPANY FOR TITLE INSURANCE NO. ACS-700789-5A1 DATED DECEMBER 22, 2014, "AMENDED" MAY 05, 2015 (DELETED VACATED PORTION OF STREETS ON PARCELS A AND 47 OF LOCAL DESCRIPTIONS, DELETED EXC. 31 AND 32) .
- (10) INDICATES ITEM NUMBER PER SCHEDULE "B" SECTION 2, EXCEPTIONS TO COVERAGE, OF ABOVE DOCUMENT FOR TITLE INSURANCE.
 - (1-2) TAXES, ASSESSMENTS AND LIEN OF SUPPLEMENTAL OR ESCAPED ASSESSMENTS, IF ANY.
 - (3) WATER RIGHTS, CLAIMS OR TITLE TO WATER, WHETHER OR NOT SHOWN BY THE PUBLIC RECORDS. (NOT PLOTTABLE)
 - (4) THE USE OF AND RIGHT OF WAY OVER AND THROUGH THAT PORTION OF SAID LAND CROSSED BY A DITCH IN USE BY JOHN REED ON 04/11/1871 ALSO KNOWN AS THE REED DITCH, AS GRANTED BY THOMAS ROWLAND TO JOHN REED, BY DEED RECORDED IN BOOK 17, PAGE 483 OF DEEDS, AND AS RESERVED IN DEED FROM WALLACE RANKIN AND WIFE TO ALVIN R. SMITH AND WIFE, DATED NOVEMBER 02, 1920 IN BOOK 7489, PAGE 80 OF DEEDS. THE LOCATION OF SAID DITCH IS NOT DETERMINABLE FROM THE RECORDS. (SAID EASEMENT IS NOT PLOTTABLE FROM RECORD)
 - (5) A RIGHT OF WAY FOR A ROAD OVER A STRIP OF LAND 30 FEET WIDE GRANTED BY THOMAS ROWLAND TO WILLIAM R. ROWLAND BY DEED RECORDED IN BOOK 155, PAGE 544 OF DEEDS, AND AS RESERVED IN DEED FROM WALLACE RANKIN AND WIFE TO ALVIN R. SMITH AND WIFE, DATED NOVEMBER 02, 1920 IN BOOK 7489, PAGE 80 OF DEEDS. (SAID EASEMENT IS NOT PLOTTABLE FROM RECORD)
 - (6) AN EASEMENT AFFECTING LOT 7 OVER SAID LAND, BEING 4 FEET IN WIDTH AS MEASURED ALONG THE EAST AND WEST LINES OF SAID PROPERTY FOR CONSTRUCTION, LAYING AND MAINTAINING AN IRONING PINE LINE, THE SAME NOT EXCEED 20 INCHES IN DIAMETER, AS GRANTED TO JOSEPH PAURE BY DEED RECORDED IN BOOK 3790, PAGE 299 OF OFFICIAL RECORDS, THE SOUTHERLY CURVE OF SAID EASEMENT BEING IN SAID DEED DESCRIBED AS BEING LOCATED ALONG A DIRECT LINE DOWN FROM A POINT ON THE EAST LINE OF SAID PROPERTY LOCATED 1330 FEET SOUTHWESTLY FROM THE NORTHEAST CORNER THEREOF TO A POINT ON THE EAST LINE OF SAID PROPERTY DISTANT 1491 FEET SOUTHERLY FROM THE NORTHWEST CORNER OF SAID PROPERTY. (SAID EASEMENT PLOTTED HEREOF)
 - (7) AN EASEMENT FOR POLE LINES AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED JANUARY 04, 1944 IN BOOK 20273, PAGE 74 OF OFFICIAL RECORDS. GRANTED TO SOUTHERN CALIFORNIA EDISON COMPANY (SAID EASEMENT PLOTTED HEREOF)
 - (8) AN EASEMENT FOR SEWER PURPOSES AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED IN BOOK 43397, PAGE 47 OF OFFICIAL RECORDS. GRANTED TO COUNTY SANITATION DISTRICT NO. 51 OF LOS ANGELES COUNTY (SAID EASEMENT IS OFFSITE AND PLOTTED HEREOF)
 - (9) PROVISIONS OF AN AGREEMENT EXECUTED BY EDITH E. SECOCOME, A MARRIED WOMAN, ET AL., AFFECTING THIS AND OTHER PROPERTY, AS THEREIN DESCRIBED, DATED AUGUST 15, 1953 AND RECORDED JANUARY 05, 1954 AS INSTRUMENT NO. 2029 IN BOOK 4322, PAGE 36, OFFICIAL RECORDS. (THERE ARE NO PLOTTABLE SURVEY ITEMS)
 - (10) AN EASEMENT FOR POLE LINES AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED MARCH 08, 1955 IN BOOK 47156, PAGE 386 OF OFFICIAL RECORDS. GRANTED TO SOUTHERN CALIFORNIA EDISON COMPANY (SAID EASEMENT PLOTTED HEREOF)
 - (11) AN EASEMENT FOR CONSTRUCTION, MAINTENANCE, OPERATION, ALTERATION, REPAIR, REPLACEMENT AND/OR REMOVAL OF COMMUNICATION FACILITIES CONSISTING OF POLES, CABLES, CROSSINGS, WIRES, ANCHORS, GUY BRACES, UNDERGROUND CONDUITS, MANHOLES AND APPURTENANCES FOR THE TRANSMISSION OF ELECTRIC ENERGY FOR COMMUNICATION, OTHER PURPOSES AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED APRIL 15, 1955 IN BOOK 47156, PAGE 387 OF OFFICIAL RECORDS. GRANTED TO SOUTHERN CALIFORNIA EDISON COMPANY (SAID EASEMENT PLOTTED HEREOF)
 - (12) AN EASEMENT FOR POLES, CONDUITS AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED MARCH 15, 1955 IN BOOK 49028, PAGE 340 OF OFFICIAL RECORDS. GRANTED TO GENERAL TELEPHONE COMPANY (SAID EASEMENT PLOTTED HEREOF)
 - (13) AN EASEMENT FOR POLES, TRANSFORMER PAD AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED OCTOBER 11, 1955 IN BOOK 49200, PAGE 234 OF OFFICIAL RECORDS. GRANTED TO SOUTHERN CALIFORNIA EDISON COMPANY (SAID EASEMENT PLOTTED HEREOF)
 - (14) AN EASEMENT FOR PIPELINE PURPOSES AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED MAY 10, 1957 IN BOOK 54462, PAGE 410 OF OFFICIAL RECORDS. GRANTED TO ROWLAND AREA COUNTY WATER DISTRICT (SAID EASEMENT IS OFFSITE AND PLOTTED HEREOF)
 - (15) AN EASEMENT FOR POLES AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED JULY 03, 1957 IN BOOK 54560, PAGE 25 OF OFFICIAL RECORDS. GRANTED TO SOUTHERN CALIFORNIA EDISON COMPANY (SAID EASEMENT IS OFFSITE AND PLOTTED HEREOF)
 - (16) AN EASEMENT FOR WIRES, CONDUITS AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED OCTOBER 11, 1955 IN BOOK 55890, PAGE 294 OF OFFICIAL RECORDS. GRANTED TO GENERAL TELEPHONE COMPANY (SAID EASEMENT PLOTTED HEREOF)
 - (17) THE EFFECT OF A NOTICE OF ACCEPTANCE EXECUTED BY UTILITY TRAILER MANUFACTURING CO., FIRST PARTY, WHEREIN IT IS RECITED THAT FIRST PARTY ACCEPTS GENERAL CONDITIONS BY CITY OF INDUSTRY PLACED UPON THE FIRST PARTY'S REQUEST FOR A PERMIT FOR OPERATION OF A STEEL CASTING PLANT THIS AND OTHER PROPERTY, RECORDED FEBRUARY 10, 1958 IN BOOK 56475, PAGE 244 OF OFFICIAL RECORDS. (THERE ARE NO PLOTTABLE SURVEY ITEMS)
 - (18) AN EASEMENT FOR POLES, CONDUITS AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED MAY 04, 1961 AS INSTRUMENT NO. 3238 IN BOOK D-1210, PAGE 355 OF OFFICIAL RECORDS. GRANTED TO GENERAL TELEPHONE COMPANY (SAID EASEMENT PLOTTED HEREOF)
 - (19) AN EASEMENT FOR PIPE LINE AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED MAY 15, 1961 AS INSTRUMENT NO. 3873 IN BOOK D-1221, PAGE 672 OF OFFICIAL RECORDS. GRANTED TO ROWLAND AREA COUNTY WATER DISTRICT (SAID EASEMENT PLOTTED HEREOF)
 - (20) AN EASEMENT FOR INGRESS AND EGRESS AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED JANUARY 20, 1965 AS INSTRUMENT NO. 1625 OF OFFICIAL RECORDS. GRANTED TO PARADY PROPERTIES, A LIMITED PARTNERSHIP (SAID EASEMENT PLOTTED HEREOF)
 - (21) AN EASEMENT FOR DRAINAGE OF SURFACE WATERS FOR ROAD PURPOSES AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED OCTOBER 26, 1980 AS INSTRUMENT NO. 259 OF OFFICIAL RECORDS. TERMS AND PROVISIONS CONTAINED IN THE ABOVE DOCUMENT. (SAID EASEMENT PLOTTED HEREOF)
 - (22) AN EASEMENT FOR PUBLIC UTILITIES AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED OCTOBER 09, 1987 AS INSTRUMENT NO. 3449 OF OFFICIAL RECORDS. GRANTED TO SOUTHERN CALIFORNIA EDISON COMPANY (SAID EASEMENT PLOTTED HEREOF)
 - (23) AN EASEMENT FOR INSTALL, USE, MAINTAIN, ALTER, ADD TO, REPAIR, REPLACE, INSPECT, REMOVE, ABANDON, ELECTRIC LINES, COMMUNICATION LINES CONSISTING OF OVERHANGING CROSSARMS, WIRES, CABLES, CONDUITS NECESSARY AFFURTENANCES FOR CONVEYING ELECTRIC ENERGY FOR ANY, ALL PURPOSES AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED APRIL 27, 1970 AS INSTRUMENT NO. 2534 OF OFFICIAL RECORDS. GRANTED TO SOUTHERN CALIFORNIA EDISON COMPANY (SAID EASEMENT PLOTTED HEREOF)

EXISTING EASEMENTS:

- (24) THE FACT THAT THE LAND LIES WITHIN THE BOUNDARIES OF THE AN ORDINANCE OF THE CITY OF INDUSTRY APPROVING AND ADOPTING THE REDEVELOPMENT PLAN FOR THE CIVIC-RECREATIONAL INDUSTRIAL REDEVELOPMENT PROJECT NO. 1, AS DISCLOSED BY THE DOCUMENT RECORDED SEPTEMBER 12, 1971 AS INSTRUMENT NO. 3729 OF OFFICIAL RECORDS, AND RECORDED NOVEMBER 16, 1971 AS INSTRUMENT NO. 3571, OFFICIAL RECORDS. (THERE ARE NO PLOTTABLE SURVEY ITEMS)
- (25) AN EASEMENT FOR SANITARY SEWERS, APPURTENANT STRUCTURES AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED FEBRUARY 11, 1972 IN BOOK D-2351, PAGE 111 OF OFFICIAL RECORDS. RESERVED BY CITY OF INDUSTRY AND COUNTY SANITATION DISTRICT NO. 21 OF LOS ANGELES COUNTY (SAID EASEMENT PLOTTED HEREOF)
- (26) AN EASEMENT FOR CONSTRUCT, USE, MAINTAIN, OPERATE, ALTER, ADD TO, REPAIR, REPLACE, REMOVE ITS FACILITIES, CONSISTING OF POLES, CABLES, CROSSARMS, WIRES, ANCHORS, GUY BRACES, UNDERGROUND CONDUITS, MANHOLES, AFFURTENANCES FOR THE TRANSMISSION OF ELECTRIC ENERGY FOR COMMUNICATION OTHER PURPOSES AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED NOVEMBER 14, 1976 AS INSTRUMENT NO. 78-168842 OF OFFICIAL RECORDS. GRANTED TO GENERAL TELEPHONE COMPANY (SAID EASEMENT PLOTTED HEREOF)
- (27) AN EASEMENT FOR STREET, HIGHWAY PURPOSES AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED AUGUST 30, 2004 AS INSTRUMENT NO. 04-233405 OF OFFICIAL RECORDS. GRANTED TO CITY OF INDUSTRY (SAID EASEMENT PLOTTED HEREOF)
- (28) THE TERMS AND PROVISIONS CONTAINED IN THE DOCUMENT ENTITLED "NOTICE OF DIVY OF CONSENT BEARING" RECORDED APRIL 24, 2007 AS INSTRUMENT NO. 2007081747 OF OFFICIAL RECORDS. (THERE ARE NO PLOTTABLE SURVEY ITEMS)
- (29) THE TERMS AND PROVISIONS CONTAINED IN THE DOCUMENT ENTITLED "RESOLUTION NO. PC-789" RECORDED NOVEMBER 14, 2007 AS INSTRUMENT NO. 2007284823 OF OFFICIAL RECORDS. (THERE ARE NO PLOTTABLE SURVEY ITEMS)
- (30) EASEMENTS FOR STREET AND HIGHWAY PURPOSES GRANTED TO THE CITY OF INDUSTRY, RECORDED SEPTEMBER 12, 2015 AS INSTRUMENT NO. 2015115298 OF OFFICIAL RECORDS. (EASEMENTS FOR ALICE AVENUE, CHESTNUT STREET AND CURL COURT PLOTTED HEREOF)

LINE TABLE		
LINE #	LENGTH	BEARING
L1	1440.00'	N 82°22'39" W
L2	120.00'	N 40°13'04" W
L3	31.94'	N 70°45'33" W
L4	130.00'	S 14°30'35" W
L5	31.41'	N 58°01'44" E
L6	23.30'	N 33°14'27" E
L7	76.14'	N 33°14'42" E
L8	72.52'	N 58°51'29" E
L9	92.40'	S 54°17'40" W
L10	20.00'	S 31°02'41" W
L11	130.76'	N 58°57'19" W
L12	19.68'	N 43°14'41" W
L13	184.59'	S 06°35'51" W
L14	249.77'	N 84°14'41" W
L15	6.29'	N 05°45'48" E

LINE TABLE		
LINE #	LENGTH	BEARING
L16	149.25'	N 84°14'41" W
L17	35.00'	S 04°14'59" W
L18	28.89'	N 04°14'59" E
L19	32.40'	N 85°45'01" W
L20	19.17'	S 45°50'37" W
L21	52.00'	N 45°50'37" E
L22	36.56'	N 86°30'28" W
L23	113.94'	N 05°24'42" E
L24	20.00'	S 83°35'18" E
L25	52.00'	N 09°42'14" W
L26	1440.00'	N 55°14'23" W
L27	52.00'	S 08°57'53" W
L28	20.00'	N 70°16'13" E
L29	139.00'	N 18°43'47" W
L30	99.44'	N 31°08'31" W

CURVE TABLE			
#	DELTA	RADIUS	LENGTH
C1	15°01'19"	1440.00'	377.55'
C2	27°08'16"	1440.00'	882.04'
C3	23°26'19"	1440.00'	588.66'
C4	59°27'31"	120.00'	124.53'
C5	4°43'45"	130.00'	10.73'
C6	52°47'16"	160.00'	147.41'
C7	33°15'18"	130.00'	76.46'
C8	38°00'50"	130.00'	86.28'
C9	25°37'02"	220.00'	98.36'
C10	18°44'16"	1440.00'	470.93'
C11	02°17'00"	1440.00'	57.39'
C12	42°27'02"	52.00'	38.53'
C13	12°12'20"	47.50'	100.62'
C14	11°24'44"	232.00'	46.21'

SURVEYOR:

PREPARED UNDER THE DIRECTION OF:


 BRIAN L. THIENES
 P.L.S. No. 6750
 REG. EXP. 12/31/17
 brian@thienessurvey.com

03/10/17
DATE



Lot Update 03/10/17
0:\3084\11\11\3084-11AS-20aPlan-1.dwg

PREPARED BY:

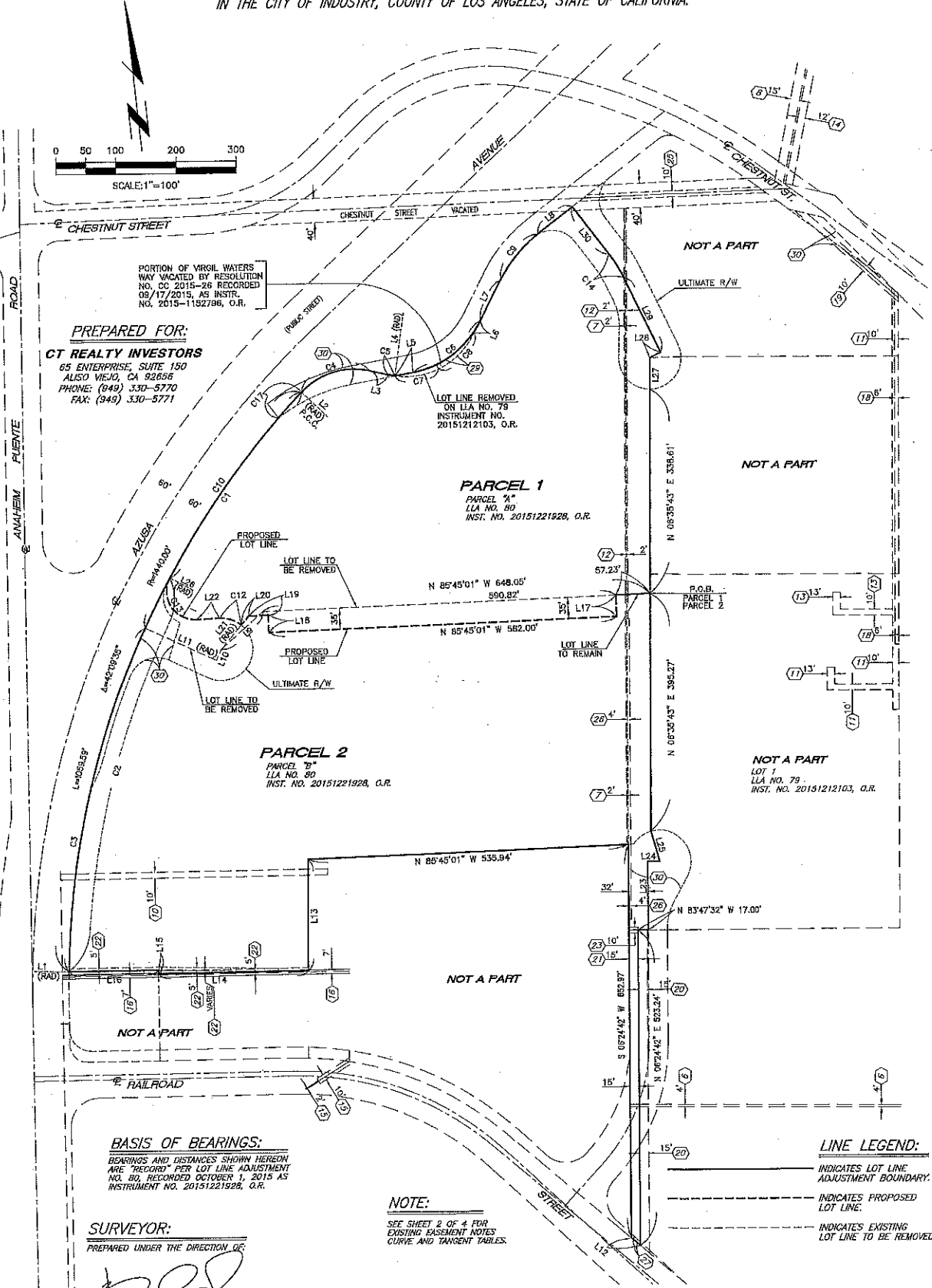
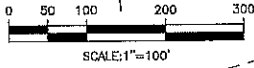
Thienes Engineering, Inc.
 CIVIL ENGINEERING • LAND SURVEYING
 14349 FREESTONE BOULEVARD
 LA MIRADA, CALIFORNIA 90638
 PH: (714) 521-4811 FAX: (714) 521-4173

Lot Update 03/10/17
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LOT LINE ADJUSTMENT NO. 82

IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA.

SHEET 3 OF 4 SHEETS



PORTION OF VIRGIL WATERS WAY VACATED BY RESOLUTION NO. CC 2015-26 RECORDED 09/17/2015, AS INSTR. NO. 2015-1152786, O.R.

PREPARED FOR:
CT REALTY INVESTORS
 65 ENTERPRISE, SUITE 150
 ALSO VIEJA, CA 92696
 PHONE: (949) 330-5770
 FAX: (949) 330-5771

LOT LINE REMOVED ON LLA NO. 79 INSTRUMENT NO. 20151212103, O.R.

PARCEL 1
 PARCEL "A"
 LLA NO. 80
 INST. NO. 20151221928, O.R.

PARCEL 2
 PARCEL "B"
 LLA NO. 80
 INST. NO. 20151221928, O.R.

BASIS OF BEARINGS:
 BEARINGS AND DISTANCES SHOWN HEREON ARE "RECORDED" PER LOT LINE ADJUSTMENT NO. 80, RECORDED OCTOBER 1, 2015 AS INSTRUMENT NO. 20151221928, O.R.

SURVEYOR:
 PREPARED UNDER THE DIRECTION OF

[Signature]
 BRIAN L. THIENES
 P.L.S. NO. 5750
 REG. EXP. 12/31/17
 brian@thieneseng.com

03 / 10 / 17
 DATE



NOTE:
 SEE SHEET 2 OF 4 FOR EXISTING EASEMENT NOTES CURVE AND TANGENT TABLES.

LINE LEGEND:
 ——— INDICATES LOT LINE ADJUSTMENT BOUNDARY.
 - - - - - INDICATES PROPOSED LOT LINE.
 - - - - - INDICATES EXISTING LOT LINE TO BE REMOVED.

PROPOSED GROSS AREAS:
 PROPOSED PARCEL 1 (GROSS AREA): 350,086 S.F./ 8.037 ACRES
 PROPOSED PARCEL 2 (GROSS AREA): 439,853 S.F./ 10.091 ACRES
 (TOTAL GROSS AREA: 789,939 S.F./ 18.128 ACRES)

PREPARED BY:

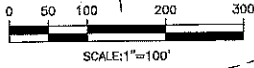
 CIVIL ENGINEERING • LAND SURVEYING
 14349 FIRESTONE BOULEVARD
 LA MIRADA, CALIFORNIA 90638
 PH: (714) 921-4811 FAX: (714) 921-4173

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 CA 3364 UAA/AAJ/AS/ASB-LLAS-SitePlan.dwg

LOT LINE ADJUSTMENT NO. 82

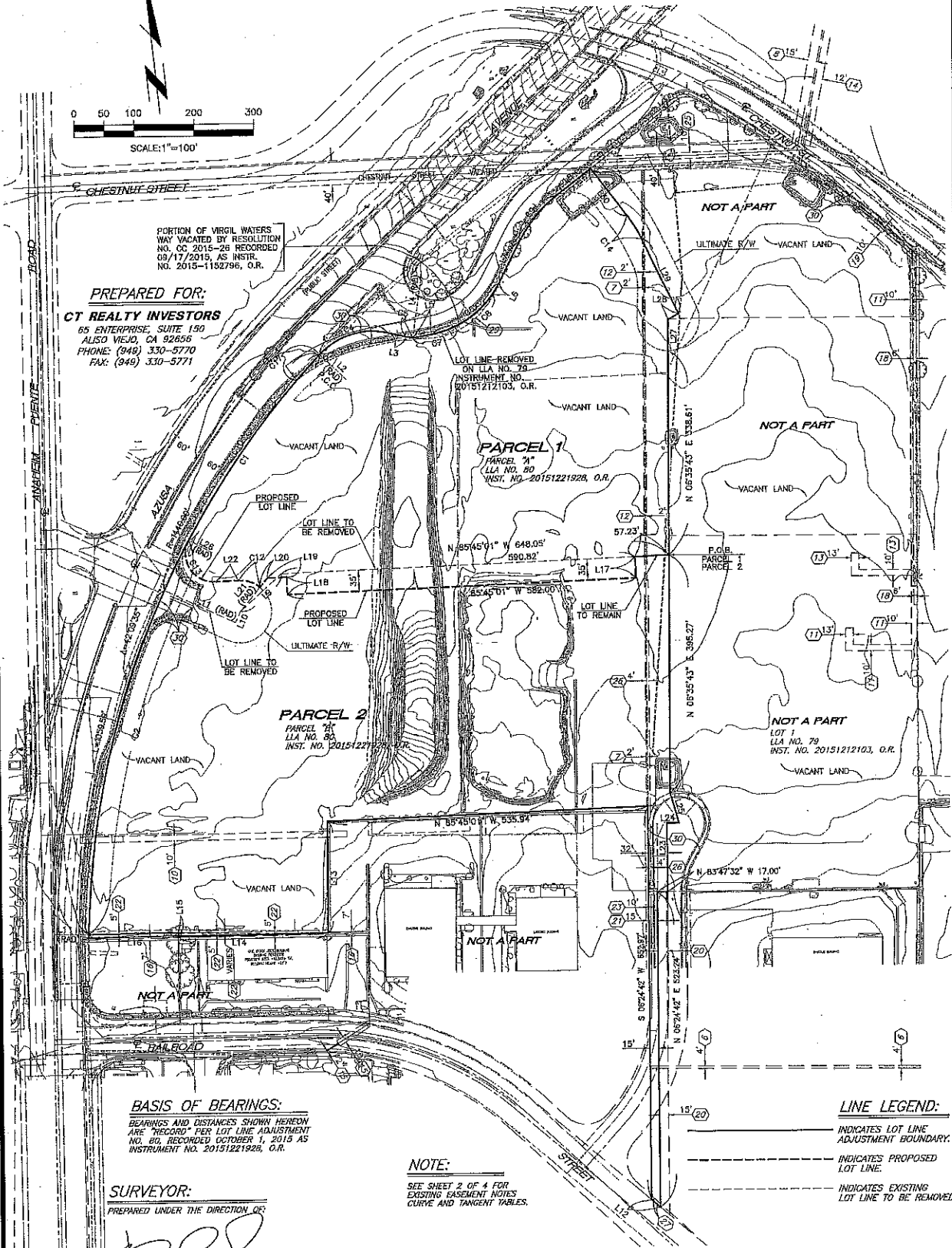
IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA.

SHEET 4 OF 4 SHEETS



PORTION OF VIRGIL WATERS WAY VACATED BY RESOLUTION NO. CC 2015-26 RECORDED 09/17/2015, AS INSTR. NO. 2015-1152796, O.R.

PREPARED FOR:
CT REALTY INVESTORS
 65 ENTERPRISE, SUITE 190
 ALISO VIEJO, CA 92656
 PHONE: (949) 330-5770
 FAX: (949) 330-5771



BASIS OF BEARINGS:
 BEARINGS AND DISTANCES SHOWN HEREON ARE "RECORD" PER LOT LINE ADJUSTMENT NO. 80, RECORDED OCTOBER 1, 2015 AS INSTRUMENT NO. 20151221928, O.R.

SURVEYOR:

PREPARED UNDER THE DIRECTION OF:

Brian L. Thienes
 BRIAN L. THIENES
 P.L.S. NO. 5790
 REG. EXP. 12/31/17
 brian@thieneseng.com

03/10/17
 DATE

NOTE:

SEE SHEET 2 OF 4 FOR EXISTING EASEMENT NOTES CURVE AND TANGENT TABLES.

LINE LEGEND:

- INDICATES LOT LINE ADJUSTMENT BOUNDARY.
- - - INDICATES PROPOSED LOT LINE.
- - - INDICATES EXISTING LOT LINE TO BE REMOVED.

Line Update: 02/10/17
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PROPOSED GROSS AREAS:

PROPOSED PARCEL 1 (GROSS AREA): 390,088 S.F. / 8.937 ACRES
 PROPOSED PARCEL 2 (GROSS AREA): 436,553 S.F. / 10.001 ACRES
 (TOTAL GROSS AREA: 788,639 S.F. / 18.128 ACRES)

PREPARED BY:

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 LA MIRADA, CALIFORNIA 90838
 PH: (714) 321-4811 FAX: (714) 321-4173

EXHIBIT E

Resolution No. 2017-09

[Attached]

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RESOLUTION NO. CC 2017-09

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, APPROVING MINOR LOT LINE ADJUSTMENT 82, LOCATED AT THE SOUTHWEST CORNER OF AZUSA AVENUE AND CHESTNUT STREET IN THE CITY OF INDUSTRY, CALIFORNIA, AND THE NOTICE OF EXEMPTION REGARDING SAME, AND MAKING FINDINGS IN SUPPORT THEREOF

RECITALS

WHEREAS, on March 7, 2017, CT Realty Investors, ("Applicant") filed a complete application requesting the approval of Minor Lot Line Adjustment ("LLA") No. 82 described herein ("Application"); and

WHEREAS, the Application applies to a minor LLA that will shift a lot line between two parcels 35 feet, to create a required side yard setback for an approved building. The overall site is 28.9 acres, and includes Los Angeles County Tax Assessor Parcel Numbers (APN) 8264-025-022, 023, 024, 025, 026, 027, 028, 032 and 035. ("Property"); and

WHEREAS, the Land Use Element of the General Plan designates the Property as Employment. The parcels resulting from the lot line adjustment are consistent with the General Plan as they will facilitate the construction of industrial buildings similar to other industrial and manufacturing buildings in the same land use designation, and do not conflict with the established goals and objectives of the Land Use Element; and

WHEREAS, the zoning map designates the Property as "I" Industrial. The parcels resulting from the minor LLA are consistent with the "I" Industrial zone in that the parcels will be developed as industrial uses and that the parcels will meet minimum development and building code requirements of setbacks, lot sizes, lot coverage, parking, drainage and landscaping; and

WHEREAS, an Environmental Assessment form was submitted by the Applicant pursuant to the City's requirements. Based upon the information received and Staff's review and assessment, the project was determined not to have a significant impact on the environment and is categorically exempt from the California Environmental Quality Act ("CEQA"), pursuant to Section 15305 (Class 5 Minor Alterations in Land Use Limitations), because the lot line adjustment is minor in nature, and does not create a new parcel. The minor lot line adjustment will just be moving one lot line to conform with a fire department side yard requirement; and

WHEREAS, on March 23, 2017, the City Council of the City of Industry conducted a duly noticed public meeting on the Application, and considered all testimony written and oral; and

WHEREAS, all legal prerequisites have occurred prior to the adoption of this Resolution.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF INDUSTRY DOES HEREBY RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:

SECTION 1: The City Council finds that all of the facts set forth in the Recitals are true and correct, and are incorporated herein by reference.

SECTION 2: All necessary public meetings and opportunities for public testimony and comment have been conducted in compliance with State law and the City's Code.

SECTION 3. Upon independent review and consideration of the information contained in the Staff Report and the Notice of Exemption for minor LLA No. 82, the City Council hereby finds and determines that minor LLA No. 82 will not result in or have a significant impact on the environment, because the lot line adjustment is minor in nature, and will not result in any new parcels of land. The minor lot line adjustment will just be moving one lot line to conform with a fire department side yard requirement. Therefore, the proposed project is categorically exempt from the California Environmental Quality Act ("CEQA") (Public Resources Code Section 21000 *et seq.*), pursuant to Section 15305 (Class 5 Minor Alterations in Land Use Limitations), of the CEQA Guidelines (Title 14, Chapter 3 of the California Code of Regulations). Based on these findings, the City Council hereby adopts the Notice of Exemption and directs staff to file same as required by law.

SECTION 3. Based upon substantial evidence presented to the City Council during the March 23, 2017 public meeting, including public testimony and written and oral staff reports, and which includes without limitation, CEQA, the CEQA Guidelines, and the City's Code, the City Council finds as follows:

A. The Land Use Element of the General Plan designates the Property as Employment, and it is zoned Manufacturing. The parcels resulting from the lot line adjustment are consistent with the General Plan as they will facilitate the construction of industrial buildings similar to other industrial and manufacturing buildings in the same land use designation, and do not conflict with the established goals and objectives of the Land Use Element. Further, the minor lot line adjustment will facilitate a development that is consistent with the provisions of the City's General Plan because the Property is designated as Employment, which allows the development of buildings and lots for industrial uses; and

B. The Project's design and improvements for the parcels and minor LLA conform with the "I" Industrial Zoning and development guidelines with minimum size, frontage, access, and drainage requirements addressed in Section 16.10 of the Municipal Code and the development standards in Section 17.36 of the Municipal Code; and

C. Based on the foregoing, the City Council approves minor Lot Line Adjustment No. 82, subject to the Conditions of Approval, attached hereto as Attachment 1, and incorporated herein by reference.

SECTION 4: 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 5: That the City Clerk shall certify to the adoption of this Resolution and that the same shall be in full force and effect.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Industry at a regular meeting held on March 23, 2017 by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSTAIN:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:

Mark D. Radecki, Mayor

ATTEST:

Diane Schlichting, Chief Deputy City Clerk



CITY OF INDUSTRY

P.O. Box 3366 • 15625 E. Stafford St. • City of Industry, CA 91744-0366 • (626) 333-2211 • FAX (626) 961-6795

Attachment 1

Standard Requirements and Conditions of Approval

Application: Minor Lot Line Adjustment 82
Applicant: CT Realty Investors
Location: Southeast corner of Azusa Avenue and Chestnut Street

Code Requirements and Standards

The following is a list of code requirements and standards deemed applicable to the proposed project. The list is intended to assist the Applicant by identifying requirements that must be satisfied during the various stages of project permitting, implementation, and operation. It should be noted that this list is in addition to any "conditions of approval" adopted by the City Council and noted above. Please note that if the design of your project or site conditions change, the list may also change. If you have any questions regarding these requirements, please contact the City of Industry.

1. The owner of the property must comply with the Subdivision Ordinance of the City of Industry.
2. The owner shall dedicate necessary landscape and utility easements along all street frontages as depicted on the approved development plan and tentative parcel map.
3. The owner shall dedicate necessary easements for storm drain, sewer, and street or highways as depicted on the approved development plan, tentative parcel map and lot line adjustment 82.
4. The Applicant shall provide drainage and grading plans to be approved by the City Engineer prior to the issuance of a building permit. Such plans shall be in substantial conformity with the development plans, tentative parcel map and lot line adjustment 82.
5. In conformance with Chapter 13.16 of the Municipal Code and prior to the start of grading and construction, the Applicant will provide a Stormwater Pollution Prevention Plan (SWPPP), developed by a Qualified SWPPP Developer (QSD) and consistent with the current National Pollutant Discharge Elimination System (NPDES) construction general permit, along with proof that a Waste Discharger Identification (WDID) Number has been obtained, to the City Engineer for review and approval.
6. Due to the fact that the application was deemed complete prior to the adoption of the City's LID ordinance, it falls under the prior MS4 permit. In conformance with Chapter 13.16 of the Municipal Code, the Applicant shall provide: 1) a SUSMP standard plan; and 2) an

operations, maintenance, and monitoring plan to the City Engineer for review and approval. Upon approval, the Applicant shall construct storm drains and water quality devices according to the approved plans and the satisfaction of the City Engineer.

7. Approved drainage and landscaping plan will be required for all building sites to the satisfaction of the City Engineer and Planning Department.
8. Approved water, utility and sewer facilities will be required for all building sites to the satisfaction of the City Engineer prior to issuance of a grading permit.
9. Applicant/Property Owner shall construct curb, gutter, pavement paveout, and necessary drainage facilities along all street frontages.
10. All utilities, including electrical and telephone, shall be installed underground and shall be concealed from view.
11. Street lights shall be designed and installed along all public streets shown on Parcel Map in accordance with Los Angeles County Department of Public Works designs standards at sole expense of subdivider. Three (3) years of advance energy fees shall also be paid by subdivider to the local utility and upon request, subdivider shall approve and execute any petition for the street lights to be annexed into a lighting maintenance district.
12. The Parcel 1 Owner will grant and record an Exclusive Land Use Area Easement to Parcel 2 to permanently establish easement rights over the southerly 40' portion of Parcel 1, including but not limited to, access, parking, drive aisles, surface drainage, landscaping, utilities and open space.

Interpretation and Enforcement

1. The Applicant/Property Owner shall comply with all applicable code requirements, conditions of approval, laws, rules, and regulations applicable to the development of the project.
2. The Director of Development Services may interpret the implementation of each condition of approval and, with advanced notice, grant minor amendments to approved plans and/or conditions of approval based on changed circumstances, new information, and/or relevant factors as long as the spirit and intent of the approved condition of approval is satisfied. Permits shall not be issued until the proposed minor amendment has been reviewed and approved for conformance with the intent of the approved condition of approval. If the proposed changes are substantial in nature, an amendment to the original entitlement may be required pursuant to the provisions of Industry Municipal Code.

Indemnification and Hold Harmless Condition

1. The Applicant and each of its heirs, successors and assigns, shall defend, indemnify and hold harmless the City of Industry and its agents, officers, and employees from any claim, action or proceedings, liability cost, including attorney's fees and costs against

the City or its agents, officers or employees, to attack, set aside, void or annul any approval of the City, including but not limited to any approval granted by the City Council and Planning Commission concerning this project. The City shall promptly notify the Applicant of any claim, action or proceeding and should cooperate fully in the defense thereof.

2. The Applicant and Property owner shall file an executed and acknowledged Acceptance of Terms and Conditions of minor Lot Line Adjustment 82 within 10 days after the granting of said entitlements.