



Regular Meeting Agenda

October 17, 2017

Placentia City Council

Placentia City Council as Successor to the Placentia
Redevelopment Agency
Placentia Industrial Commercial
Development Authority

Craig S. Green
Mayor

Chad P. Wanke
Mayor Pro Tem

Rhonda Shader
Councilmember

Ward Smith
Councilmember

Jeremy B. Yamaguchi
Councilmember

Patrick J. Melia
City Clerk

Kevin A. Larson
City Treasurer

Damien R. Arrula
City Administrator

Christian L. Bettenhausen
City Attorney

City of Placentia
401 E. Chapman Avenue
Placentia, CA 92870

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Fax: (714) 961-0283
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administration@placentia.org
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Mission Statement

The City Council is committed to keeping Placentia a pleasant place by providing a safe family atmosphere, superior public services and policies that promote the highest standards of community life.

Vision Statement

The City of Placentia will maintain an open, honest, responsive and innovative government that delivers quality services in a fair and equitable manner while optimizing available resources.

Copies of all agenda materials are available for public review in the Office of the City Clerk, online at www.placentia.org, and at the Placentia Library Reference Desk. Persons who have questions concerning any agenda item may call the City Clerk's Office, (714) 993-8231, to make inquiry concerning the nature of the item described on the agenda.

Procedures for Addressing the Council/Board Members

Any person who wishes to speak regarding an item on the agenda or on a subject within the City's jurisdiction during the "**Oral Communications**" portion of the agenda should fill out a "**Speaker Request Form**" and give it to the City Clerk BEFORE that portion of the agenda is called. Testimony for Public Hearings will only be taken at the time of the hearing. Any person who wishes to speak on a Public Hearing item should fill out a "**Speaker Request Form**" and give it to the City Clerk BEFORE the item is called.

The Council and Board members encourage free expression of all points of view. To allow all persons the opportunity to speak, please keep your remarks brief. If others have already expressed your position, you may simply indicate that you agree with a previous speaker. If appropriate, a spokesperson may present the views of an entire group. To encourage all views, the Council and Board discourage clapping, booing or shouts of approval or disagreement from the audience.

PLEASE SILENCE ALL PAGERS, CELL PHONES, AND OTHER ELECTRONIC EQUIPMENT WHILE COUNCIL AND BOARD MEMBERS ARE IN SESSION.

Special Accommodations

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (714) 993-8231. Notification 48 hours prior to the meeting will generally enable City Staff to make reasonable arrangements to ensure accessibility. (28 CFR 35.102.35.104 ADA Title II)

In compliance with California Government Code § 54957.5, any writings or documents provided to a majority of the City Council regarding any item on this agenda that are not exempt from disclosure under the Public Records Act will be made available for public inspection at the City Clerk's Office at City Hall, 401 East Chapman Avenue, Placentia, during normal business hours.

Study Sessions are open to the public and held in the City Council Chambers or City Hall Community Room. Executive Sessions are held in the Council Caucus Room. While the public may be in attendance during oral announcements preceding Executive Sessions, Executive Sessions are not open to the public.

**PLACENTIA CITY COUNCIL
PLACENTIA CITY COUNCIL AS SUCCESSOR TO THE
PLACENTIA REDEVELOPMENT AGENCY
PLACENTIA INDUSTRIAL COMMERCIAL DEVELOPMENT AUTHORITY
REGULAR MEETING AGENDA- CLOSED SESSION
October 17, 2017
5:00 p.m. – City Council Chambers
401 E. Chapman Avenue, Placentia, CA**

CALL TO ORDER:

ROLL CALL: Councilmember/Board Member Smith
Councilmember/Board Member Shader
Councilmember/Board Member Yamaguchi
Mayor Pro Tem/Board Vice Chair Wanke
Mayor/Board Chair Green

ORAL COMMUNICATIONS:

At this time the public may address the City Council and Boards of Directors concerning any items on the Closed Session Agenda only. There is a five (5) minute time limit for each individual addressing the City Council and Boards of Directors.

The City Council and Boards of Directors will recess to the City Council Caucus Room for the purpose of conducting their Closed Session proceedings.

1. Pursuant to Government Code Section 54956.9(d)(4):
CONFERENCE WITH LEGAL COUNSEL – POTENTIAL INITIATION OF LITIGATION
Significant exposure to litigation: (3 cases)

RECESS: The City Council and Boards of Directors will recess to their 7:00 p.m. Regular Meeting.

**PLACENTIA CITY COUNCIL
PLACENTIA CITY COUNCIL AS SUCCESSOR TO THE
PLACENTIA REDEVELOPMENT AGENCY
PLACENTIA INDUSTRIAL COMMERCIAL DEVELOPMENT AUTHORITY
REGULAR MEETING AGENDA
October 17, 2017
7:00 p.m. – City Council Chambers
401 E. Chapman Avenue, Placentia, CA**

CALL TO ORDER:

ROLL CALL: Councilmember/Board Member Smith
Councilmember/Board Member Shader
Councilmember/Board Member Yamaguchi
Mayor Pro Tem/Board Vice Chair Wanke
Mayor/Board Chair Green

INVOCATION: Chaplain Kenneth Curry

PLEDGE OF ALLEGIANCE: Boy Scout Troop No. 723

PRESENTATIONS:

- a. **Employee of the Quarter – General Employee**
Recipient: Arnie Ruiz, Facilities Maintenance Technician
Presenters: Mayor Green and City Administrator Arrula

- b. **Citrus Pest and Disease Prevention Program**
Presenters: Paul Worlie, Government Relations & Public Affairs Specialist, NST
Jeff Croy, Orange County Agriculture Commissioner

CLOSED SESSION REPORT:

CITY ADMINISTRATOR REPORT:

ORAL COMMUNICATIONS:

At this time the public may address the City Council and Boards of Directors concerning any agenda item, which is not a public hearing item, or on matters within the jurisdiction of the City Council and Boards of Directors. There is a five (5) minute time limit for each individual addressing the City Council and Boards of Directors.

CITY COUNCIL/BOARD MEMBER COMMENTS:

1. CONSENT CALENDAR (Items 1.a. through 1.i.):

All items on the Consent Calendar are considered routine and are enacted by one motion approving the recommended action listed on the Agenda. Any Member of the City Council and Boards of Directors or City Administrator may request an item be removed from the Consent Calendar for discussion. All items removed shall be considered immediately following action on the remaining items.

- 1.a. **Consideration to Waive Reading in Full of all Ordinances and Resolutions**
Fiscal Impact: None
Recommended Action: Approve.
- 1.b. **City Fiscal Year 2017-18 Register for October 17, 2017**
Check Register
Fiscal Impact: \$1,238,832.73
Electronic Disbursement Register
Fiscal Impact: \$755,644.24

Recommended Action: It is recommended that the City Council:
 1) Receive and file
- 1.c. **Second Reading of Ordinance No. O-2017-09 Approving Development Impact Fees for the Transit Oriented Development Packinghouse District**
Fiscal Impact: There is no immediate fiscal impact associated with the recommended actions. The adoption of new development impact fees for the Transit Oriented Development/Packinghouse District will not have an immediate impact on new or expanded revenues to the City until new private development projects receive project entitlements from the City.
Recommended Action: It is recommended that the City Council:
 1) Waive full reading, by title only, and adopt Ordinance No. O-2017-09, an Ordinance of the City Council of the City of Placentia, California, approving a Development Impact Fee Nexus Study Report for the Transit Oriented Development Area, and amending Title 5 (Schedule of Fees) with the addition of Chapter 5.03 "TOD Development Impact Fees" to the Placentia Municipal Code to establish a Development Impact Fee Program and adopting necessary findings for the establishment of Development Impact Fees to financially mitigate impacts to Sewer Facilities, Traffic and Transportation Infrastructure, and Streetscape Infrastructure in the Transit Oriented Development Area.
- 1.d. **Second Reading of Ordinance No. O-2017-10 and Ordinance No. O-2017-11 Approving Citywide Development Impact and Residential Affordable Housing Impact Fees**
Fiscal Impact: There is no immediate fiscal impact associated with the recommended actions. The adoption of new and revised development impact and residential affordable housing impact fees will not have an immediate impact on new or expanded revenues to the City until new private development projects receive project entitlements from the City.
Recommended Action: It is recommended that the City Council:
 1) Waive full reading, by title only, and adopt Ordinance No. O-2017-10, an Ordinance of the City Council of the City of Placentia, California, approving a Development Impact Fee Nexus Study Report, and amending Title 5 (Schedule of Fees) with the addition of Chapter 5.02 "Citywide Development Impact Fees" and "Quimby In-Lieu Fees" to the Placentia Municipal Code to establish a Development Impact Fee Program and adopting necessary findings for the establishment of Development Impact Fees to financially mitigate impacts to Parks and Recreational Facilities, Sewer Facilities, Transportation Infrastructure, Storm Drain Facilities, and Public Safety; and
 2) Waive full reading, by title only, and adopt Ordinance No. O-2017-11, an Ordinance of the City Council of the City of Placentia, California, adding Chapter 5.30 to the Placentia Municipal Code establishing the Residential Affordable Housing Impact Fees and the Housing Impact Fee Fund.
- 1.e. **Agreement for Parking Citation Processing and Collection Services with Turbo Data Systems, Inc.**
Fiscal Impact: Expense: Not to Exceed \$22,000 Per Year
 Budgeted: \$22,000 Fiscal Year 2017-18 Operating Budget
 (General Fund)

Recommended Action: It is recommended that the City Council:

- 1) Approve the Professional Services Agreement with Turbo Data Systems, Inc. for Parking Citation Processing and Collection Services for a five (5) year term ending June 30, 2022 for an amount not-to-exceed \$22,000 per year; and
- 2) Authorize the City Administrator and/or his designee to execute all the necessary documents, in a form approved by the City Attorney.

1.f. **Amendment No. 1 to Professional Services Agreement for Official Tow Services with Anaheim Fullerton Tow**

Fiscal Impact: Expense: None

Budgeted: \$32,500 Annually for Vehicle Towing Administrative Cost Recovery Fee

Recommended Action: It is recommended that the City Council:

- 1) Approve Amendment No. 1 to Professional Services Agreement for provision of Official Tow Services with Anaheim Fullerton Tow Company for a one (1) year term ending October 31, 2018; and
- 2) Authorize the City Administrator to approve an additional one (1) year extension at the end of the first extension with a term ending October 31, 2019; and
- 3) Authorize the City Administrator and/or his designee to execute all the necessary documents, in a form approved by the City Attorney.

1.g. **Amendment No. 1 to Professional Services Agreement for Official Tow Services with Hadley Towing**

Fiscal Impact: Expense: None

Budgeted: \$32,500 Annually for Vehicle Towing Administrative Cost Recovery Fee

Recommended Action: It is recommended that the City Council:

- 1) Approve Amendment No. 1 to Professional Services Agreement for provision of Official Tow Services with Hadley Towing for a one (1) year term ending October 31, 2018; and
- 2) Authorize the City Administrator to approve an additional one (1) year extension at the end of the first extension with a term ending October 31, 2019; and
- 3) Authorize the City Administrator and/or his designee to execute all the necessary documents, in a form approved by the City Attorney.

1.h. **Award of Contract to National Demographics Corporation to Provide District Election Consulting Services**

Fiscal Impact: Expense: Not-to-Exceed \$35,000

Budgeted: \$45,000 Fiscal Year 2017-18 Budget

Recommended Action: It is recommended that the City Council:

- 1) Approve a Professional Services Agreement with National Demographics Corporation to provide district election consulting services for a not-to-exceed amount of \$35,000; and
- 2) Authorize the City Administrator and/or his designee to execute all necessary documents, in a form approved by the City Attorney.

1.i. **Resolution Confirming the Uniform Allowance Reported to CalPERS for all Eligible Employees in the Full-Time Miscellaneous and Safety Categories**

Fiscal Impact: None

Recommended Action: It is recommended that the City Council:

- 1) Adopt Resolution No. R-2017-XX, a Resolution of the City Council of the City of Placentia retroactively approving and affirming the Uniform Language reporting requirements for CalPERS for the City of Placentia and the Placentia Police Officers Association (PPOA), Placentia Police Management Association (PPMA) and Placentia City Employees Association (PCEA).

2. PUBLIC HEARING: None

3. REGULAR AGENDA:

3.a. Professional Services Agreement with OpenGov, Inc. for Budget Builder Software

Fiscal Impact: Three Year Project Total \$127,235
Expenditure: Fiscal Year 2017-2018 \$ 47,545
Budgeted: Fiscal Year 2017-2018 \$ 57,000 (IT Budget)

Recommended Action: It is recommended that the City Council:

- 1) Approve the Professional Services Agreement with OpenGov, Inc. for a three (3) year term ending October 3, 2020 for web-based financial software; and
- 2) Authorize the City Administrator to execute the necessary documents, in a form approved by the City Attorney

3.b. Comprehensive Upgrade to Citywide Accounting System

Fiscal Impact: Two Year Project Total \$292,024.58
Fiscal Year 2017-18 \$200,000.00 (Budgeted General Fund)
Fiscal Year 2018-19 \$ 92,024.58 (To Be Budgeted)

Recommended Action: It is recommended that the City Council:

- 1) Approve an Agreement with Superior, LLC to upgrade the City's accounting software to "ONESolution" for a term of one (1) year with automatic successive one (1) year renewal terms; and
- 2) Authorize the City Administrator to execute the necessary documents, in a form approved by the City Attorney.

CITY COUNCIL/BOARD MEMBERS REQUESTS:

Council/Board Members may make requests or ask questions of Staff. If a Council/Board Member would like to have formal action taken on a requested matter, it will be placed on a future Council or Board Agenda.

In Memory of

George Montoya, Uncle of Placentia Code Enforcement Manager Michael Magdeleno

And

All the Victims of the Las Vegas Tragedy

Teresa 'Nicol' Kimura, Placentia resident

Christiana Duarte, friend of Office Assistant Erica Vega

ADJOURNMENT:

The City Council/Successor Agency/ICDA Agency Board of Directors will adjourn to Tuesday, November 7, 2017 at 5:00 p.m.

TENTATIVE AGENDA FORECAST

The Tentative Agenda Forecast is subject to change up until the posting of the Agenda for the Council Meeting listed below:

- Adopt Cash Basis Fund Records and Transfers Policy
- Golden State Water Company Land Swap Agreement & Grant Deed documents
- Notice of Completion for Placentia Avenue Rehabilitation Project
- Purchase of Office 365 Software

CERTIFICATION OF POSTING

I, Rosanna Ramirez, Chief Deputy City Clerk of the City of Placentia and Assistant Secretary of the Industrial Commercial Development Authority and Successor Agency, hereby certify that the Agenda for the October 17, 2017 meetings of the City Council, Housing Successor Agency, and Industrial Commercial Development Authority was posted on October 12, 2017.

Rosanna Ramirez, Deputy Director of Administrative Services/
Chief Deputy City Clerk

City of Placentia
Check Register
For 10/17/2017

| Type | Vendor Name/ID | Description | Account/Description | Batch ID | Amount | Invoice# | PO # | Check # | Check Date |
|------|----------------|-------------|---------------------|----------|--------|----------|------|---------|------------|
|------|----------------|-------------|---------------------|----------|--------|----------|------|---------|------------|

Grand Total: 1,238,832.73

Check Totals by ID

| | |
|----|--------------|
| AP | 1,238,832.73 |
| EP | 0.00 |
| IP | 0.00 |
| OP | 0.00 |

Fund Name

Check Totals by Fund

| | |
|------------------------------------|------------|
| 101-General Fund (0010) | 412,272.00 |
| 208-Sccssr Agency Ret Oblg (0054) | 757.66 |
| 211-PEG Fund (0058) | 5,622.03 |
| 225-Asset Seizure (0021) | 2,500.40 |
| 260-Street Lighting Distret (0028) | 6,660.01 |
| 265-Landscape Maintenance (0029) | 54,770.69 |
| 275-Sewer Maintenance (0048) | 2,155.08 |
| 401-City Capital Projects (0033) | 112,257.77 |
| 501-Refuse Administration (0037) | 443,257.68 |
| 601-Employee Health & Wlfre (0039) | 174,035.57 |
| 605-Risk Management (0040) | 14,604.46 |
| 701-Special Deposits (0044) | 9,939.38 |

Void Total: 0.00
Check Total: 1,238,832.73

Check Total: 1,238,832.73

1.b.
October 17, 2017

**City of Placentia
Check Register
For 10/12/2017**

| Type | Vendor Name/ID | Description | Account/Description | Batch ID | Amount | Invoice# | PO # | Check # | Check Date |
|-------|--------------------------------|-------------------------------|---|----------|---------------------|-------------------|------|----------|------------|
| MW OH | ABBIT, JEFF V006201 | HERITAGE ENTERTAINMENT | 104076-6099 / 79392-6099 Professional Services | AP092817 | 525.00 | 92117 | | 00095690 | 09/28/2017 |
| | | | | | Check Total: | 525.00 | | | |
| MW OH | ADMINSURE V004980 | AUG WORKERS COMP ADMIN SVS | 404580-5166 Workers' Comp Premiums | AP092817 | 3,632.46 | 10401 | | 00095691 | 09/28/2017 |
| | | | | | Check Total: | 3,632.46 | | | |
| MW OH | ALVAREZ, ED V010583 | HERITAGE CAR SHOW REFUND | 0044-2067 / 79392-2067 Heritage Committee | AP092817 | 30.00 | 91817 | | 00095692 | 09/28/2017 |
| | | | | | Check Total: | 30.00 | | | |
| MW OH | AT & T V008736 | 8/11-9/10 IRRIGATION INTERNET | 296561-6215 Telephone | AP092817 | 145.00 | AUG LMD 17 | | 00095693 | 09/28/2017 |
| | | | | | Check Total: | 145.00 | | | |
| MW OH | AT&T V004144 | AUG-SEPT PHONE CHARGES | 296561-6215 Telephone | AP092817 | 547.29 | 091217 | | 00095694 | 09/28/2017 |
| MW OH | AT&T V004144 | AUG-SEPT PHONE CHARGES | 109595-6215 Telephone | AP092817 | 1,995.92 | 091217 | | 00095694 | 09/28/2017 |
| | | | | | Check Total: | 2,543.21 | | | |
| MW OH | BANK OF AMERICA V008179 | AUG S.A. BANK FEES | 547525-6099 Professional Services | AP092817 | 100.63 | 0012735145 | | 00095695 | 09/28/2017 |
| | | | | | Check Total: | 100.63 | | | |
| MW OH | CAL STATE FULLERTON V010585 | BANNER REFUND | 100000-4399 Other Charges for Service | AP092817 | 19.64 | 08-10-17-BANN | | 00095696 | 09/28/2017 |
| | | | | | Check Total: | 19.64 | | | |
| MW OH | CALIFORNIA PUBLIC V006234 | OCT MEDICAL PREMIUMS | 395000-4715 ISF Health Ins Reimbursement | AP092817 | 140,598.28 | 10000001507037 | | 00095697 | 09/28/2017 |
| MW OH | CALIFORNIA PUBLIC V006234 | OCT MEDICAL PREMIUMS | 395083-5161 Health Insurance Premiums | AP092817 | 12,928.00 | 10000001507037 | | 00095697 | 09/28/2017 |
| | | | | | Check Total: | 153,526.28 | | | |
| MW OH | CALIFORNIA STATE | AUG LIVE SCAN PROCESSING | 101512-6099 | AP092817 | 66.00 | ASR14654 | | 00095698 | 09/28/2017 |

**City of Placentia
Check Register
For 10/12/2017**

| Type | Vendor Name/ID | Description | Account/Description | Batch ID | Amount | Invoice# | PO # | Check # | Check Date |
|-------|-------------------------------------|------------------------------|---|---------------------|------------------|-------------|--------|----------|------------|
| | V010097 | | Professional Services | | | | | | |
| | | | | Check Total: | 66.00 | | | | |
| MW OH | CANON FINANCIAL SERVICES V008867 | NOVEMBER COPIER LEASE PMT | 109595-6175 Office Equipment Rental | AP092817 | 3,865.00 | 17743184 | | 00095699 | 09/28/2017 |
| MW OH | CANON FINANCIAL SERVICES V008867 | NOVEMBER COPIER LEASE PMT | 109595-6175 Office Equipment Rental | AP092817 | 262.62 | 17743185 | | 00095699 | 09/28/2017 |
| | | | | Check Total: | 4,127.62 | | | | |
| MW OH | CENTURY BUSINESS V010180 | 5/26-8/25 COPIER OVERAGES | 109595-6175 Office Equipment Rental | AP092817 | 771.79 | AR53148 | | 00095700 | 09/28/2017 |
| | | | | Check Total: | 771.79 | | | | |
| MW OH | CITY OF ANAHEIM V010186 | 8/15-9/15 ELECTRICAL CHARGES | 109595-6330 Electricity | AP092817 | 62.86 | 091817 | | 00095701 | 09/28/2017 |
| | | | | Check Total: | 62.86 | | | | |
| MW OH | CIVIL SOURCE INC V010462 | JULY CONSTRUCTION MGMT SVS | 333552-6185 / 61033-6185 Construction Services | AP092817 | 29,912.50 | 70535 | P11143 | 00095702 | 09/28/2017 |
| | | | | Check Total: | 29,912.50 | | | | |
| MW OH | CONROY, BRIAN V008501 | PD TRAINING - MEALS | 103041-6250 Staff Training | AP092817 | 80.00 | BC102017 | | 00095703 | 09/28/2017 |
| | | | | Check Total: | 80.00 | | | | |
| MW OH | ENTERPRISE FLEET V003312 | SEPT PD VEHICLE LEASE PMT | 103042-6165 / 50070-6165 Vehicle Rental | AP092817 | 5,582.96 | FBN3309722 | P11095 | 00095704 | 09/28/2017 |
| | | | | Check Total: | 5,582.96 | | | | |
| MW OH | FRANCOIS, JENNIFER V010588 | HERITAGE ELECTRICAL REFUND | 0044-2067 / 79392-2067 Heritage Committee | AP092817 | 40.00 | 91817 | | 00095705 | 09/28/2017 |
| | | | | Check Total: | 40.00 | | | | |
| MW OH | FREEMAN, MARIA V010578 | DEPOSIT REFUND | 100000-4385 Facility Rental | AP092817 | 150.00 | 2001831.002 | | 00095706 | 09/28/2017 |
| | | | | Check Total: | 150.00 | | | | |
| MW OH | FUJITEC AMERICA INC | ELEVATOR REPAIRS | 103654-6290 | AP092817 | 2,555.10 | I100284414 | | 00095707 | 09/28/2017 |

**City of Placentia
Check Register
For 10/12/2017**

| Type | Vendor Name/ID | Description | Account/Description | Batch ID | Amount | Invoice# | PO # | Check # | Check Date |
|-------|-------------------------------------|-------------------------------|---|---------------------|------------------|-------------|--------|----------|------------|
| | V006496 | | Dept. Contract Services | | | | | | |
| | | | | Check Total: | 2,555.10 | | | | |
| MW OH | GASTELUM, ART M V009741 | OCT-DEC 120 S BRADFORD LEASE | 105525-6935 Lease Expenditure | AP092817 | 15,000.00 | 100117 | | 00095708 | 09/28/2017 |
| | | | | Check Total: | 15,000.00 | | | | |
| MW OH | GOLDEN STATE WATER V000928 | JULY-SEPT WATER CHARGES | 109595-6335 Water | AP092817 | 5,987.31 | 092117 | | 00095709 | 09/28/2017 |
| MW OH | GOLDEN STATE WATER V000928 | JULY-SEPT WATER CHARGES | 0010-1224 AR/City of Fullerton | AP092817 | 535.29 | 092117 | | 00095709 | 09/28/2017 |
| MW OH | GOLDEN STATE WATER V000928 | JULY-SEPT WATER CHARGES | 296561-6335 Water | AP092817 | 10,724.82 | 092117 | | 00095709 | 09/28/2017 |
| MW OH | GOLDEN STATE WATER V000928 | JULY-SEPT WATER CHARGES | 109595-6335 / 61138-6335 Water | AP092817 | 535.30 | 092117 | | 00095709 | 09/28/2017 |
| | | | | Check Total: | 17,782.72 | | | | |
| MW OH | IMPERIAL SPRINKLER V006506 | IRRIGATION SUPPLIES | 103655-6130 Repair & Maint/Facilities | AP092817 | 208.14 | 3075978-00 | | 00095710 | 09/28/2017 |
| | | | | Check Total: | 208.14 | | | | |
| MW OH | J H DOUGLAS & ASSOCIATES V007589 | SUNE BILLBOARD CEQA DOCUMENTS | 2531-6099 / 45057-6099 Professional Services | AP092817 | 6,143.12 | JH-06-30-17 | P11162 | 00095711 | 09/28/2017 |
| MW OH | J H DOUGLAS & ASSOCIATES V007589 | SULY BILLBOARD CEQA DOCUMENTS | 2531-6099 / 45057-6099 Professional Services | AP092817 | 2,303.88 | JH-07-13-17 | P11162 | 00095711 | 09/28/2017 |
| | | | | Check Total: | 8,447.00 | | | | |
| MW OH | JONES & MAYER V009822 | JULY LEGAL SERVICE | 101005-6005 / 10044-6005 Legal Services | AP092817 | 1,995.00 | 83493 | | 00095712 | 09/28/2017 |
| MW OH | JONES & MAYER V009822 | JULY LEGAL SERVICES | 101005-6005 Legal Services | AP092817 | 483.00 | 83478 | P11163 | 00095712 | 09/28/2017 |
| MW OH | JONES & MAYER V009822 | JULY LEGAL SERVICES | 101005-6005 Legal Services | AP092817 | 1,197.00 | 83480 | P11163 | 00095712 | 09/28/2017 |
| MW OH | JONES & MAYER | JULY LEGAL SERVICES | 101005-6005 | AP092817 | 357.00 | 83481 | P11163 | 00095712 | 09/28/2017 |

**City of Placentia
Check Register
For 10/12/2017**

| Type | Vendor Name/ID | Description | Account/Description | Batch ID | Amount Invoice# | PO # | Check # | Check Date |
|---------------------|------------------------------|---------------------|--------------------------------------|----------|------------------|--------|----------|------------|
| | V009822 | | Legal Services | | | | | |
| MW OH | JONES & MAYER V009822 | JULY LEGAL SERVICES | 101005-6005 Legal Services | AP092817 | 924.00 83482 | P11163 | 00095712 | 09/28/2017 |
| MW OH | JONES & MAYER V009822 | JULY LEGAL SERVICES | 101005-6005 Legal Services | AP092817 | 1,267.50 83483 | P11163 | 00095712 | 09/28/2017 |
| MW OH | JONES & MAYER V009822 | JULY LEGAL SERVICES | 101005-6005 Legal Services | AP092817 | 1,533.00 83487 | P11163 | 00095712 | 09/28/2017 |
| MW OH | JONES & MAYER V009822 | JULY LEGAL SERVICES | 101005-6005 Legal Services | AP092817 | 231.00 83488 | P11163 | 00095712 | 09/28/2017 |
| MW OH | JONES & MAYER V009822 | JULY LEGAL SERVICES | 101005-6005 Legal Services | AP092817 | 42.00 83492 | P11163 | 00095712 | 09/28/2017 |
| MW OH | JONES & MAYER V009822 | JULY LEGAL SERVICES | 101005-6005 Legal Services | AP092817 | 147.00 83494 | P11163 | 00095712 | 09/28/2017 |
| MW OH | JONES & MAYER V009822 | JULY LEGAL SERVICES | 101005-6005 Legal Services | AP092817 | 5,479.50 83496 | P11163 | 00095712 | 09/28/2017 |
| MW OH | JONES & MAYER V009822 | JULY LEGAL SERVICES | 101005-6005 Legal Services | AP092817 | 2,478.00 83499 | P11163 | 00095712 | 09/28/2017 |
| MW OH | JONES & MAYER V009822 | JULY LEGAL SERVICES | 101005-6005 Legal Services | AP092817 | 2,331.00 83503 | P11163 | 00095712 | 09/28/2017 |
| MW OH | JONES & MAYER V009822 | JULY LEGAL SERVICES | 101005-6005 Legal Services | AP092817 | 1,131.00 83504 | P11163 | 00095712 | 09/28/2017 |
| MW OH | JONES & MAYER V009822 | JULY LEGAL SERVICES | 101005-6005 Legal Services | AP092817 | 987.00 83505 | P11163 | 00095712 | 09/28/2017 |
| MW OH | JONES & MAYER V009822 | JULY LEGAL SERVICES | 101005-6005 Legal Services | AP092817 | 32,527.09 83579 | P11163 | 00095712 | 09/28/2017 |
| Check Total: | | | | | 53,110.09 | | | |
| MW OH | KEYSTONE UNIFORMS V009178 | PD UNIFORMS | 103041-6360 / 50060-6360 Uniforms | AP092817 | 579.61 700003525 | | 00095713 | 09/28/2017 |
| MW OH | KEYSTONE UNIFORMS V009178 | PD UNIFORMS | 103041-6360 / 50040-6360 Uniforms | AP092817 | 179.92 700003581 | | 00095713 | 09/28/2017 |

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| MW OH | KEYSTONE UNIFORMS V009178 | PD UNIFORMS | 103041-6360 / 50060-6360 Uniforms | AP092817 | 20.46 | 700004416 | | 00095713 | 09/28/2017 |
| MW OH | KEYSTONE UNIFORMS V009178 | PD UNIFORMS | 103041-6360 / 50060-6360 Uniforms | AP092817 | 13.46 | 700004417 | | 00095713 | 09/28/2017 |
| MW OH | KEYSTONE UNIFORMS V009178 | PD UNIFORMS | 103041-6360 / 50040-6360 Uniforms | AP092817 | 161.61 | 700004476 | | 00095713 | 09/28/2017 |
| | | | | | Check Total: | 955.06 | | | |
| MW OH | LEGENDS DESIGN STUDIO V010485 | TRI CITY DOG PARK DESIGN | 104071-6299 Other Purchased Services | AP092817 | 968.75 | 2017SEP14 01 | | 00095714 | 09/28/2017 |
| | | | | | Check Total: | 968.75 | | | |
| MW OH | LEMUS, FREDDY V010586 | PD TRAINING - MILEAGE | 103041-6250 Staff Training | AP092817 | 10.81 | FL092517 | | 00095715 | 09/28/2017 |
| | | | | | Check Total: | 10.81 | | | |
| MW OH | MENDIOLA, ANNA V010589 | MEDIAN PLANTING PLAN | 104070-6099 Professional Services | AP092817 | 1,027.26 | 17-09-01.1 | | 00095716 | 09/28/2017 |
| | | | | | Check Total: | 1,027.26 | | | |
| MW OH | MOTO UNITED V009743 | POLICE UNIT TIRE | 103658-6134 Vehicle Repair & Maintenance | AP092817 | 362.92 | 6746 | | 00095717 | 09/28/2017 |
| | | | | | Check Total: | 362.92 | | | |
| MW OH | NELSON CASE CORP V010587 | OCFA PERMIT REFUND | 100000-4160 Building Permits | AP092817 | 458.70 | PC#CR023883 | | 00095718 | 09/28/2017 |
| | | | | | Check Total: | 458.70 | | | |
| MW OH | NELSON/NYGAARD V009556 | 3/27-6/30 CIRCULATOR STUDY | 333531-6017 / 62016-6017 Special Studies | AP092817 | 15,034.59 | 69903 | P11137 | 00095719 | 09/28/2017 |
| | | | | | Check Total: | 15,034.59 | | | |
| MW OH | NGO, TAMMY V010581 | FALL INSTRUCTOR PAYMENT | 104071-6060 Instructional Services | AP092817 | 192.00 | FALL 2017 | | 00095720 | 09/28/2017 |
| | | | | | Check Total: | 192.00 | | | |
| MW OH | OFFICE INDUSTRIES | OFFICE SUPPLIES | 109595-6315 | AP092817 | 224.17 | 60627 | | 00095721 | 09/28/2017 |

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| | V007477 | | Office Supplies | | | | | | |
| | | | | Check Total: | 224.17 | | | | |
| MW OH | ONE STOP PARTS SOURCE V007231 | CREDIT | 103658-6134 Vehicle Repair & Maintenance | AP092817 | -183.18 | 683799 | | 00095722 | 09/28/2017 |
| MW OH | ONE STOP PARTS SOURCE V007231 | CREDIT | 103658-6134 Vehicle Repair & Maintenance | AP092817 | -48.03 | 685450 | | 00095722 | 09/28/2017 |
| MW OH | ONE STOP PARTS SOURCE V007231 | CHEV CAPRICE PARTS | 103658-6134 Vehicle Repair & Maintenance | AP092817 | 45.03 | 686431 | | 00095722 | 09/28/2017 |
| MW OH | ONE STOP PARTS SOURCE V007231 | VEHICLE PARTS | 103658-6134 Vehicle Repair & Maintenance | AP092817 | 19.57 | 686635 | | 00095722 | 09/28/2017 |
| MW OH | ONE STOP PARTS SOURCE V007231 | ALTERNATOR | 103658-6134 Vehicle Repair & Maintenance | AP092817 | 245.23 | 687211 | | 00095722 | 09/28/2017 |
| MW OH | ONE STOP PARTS SOURCE V007231 | VEHICLE PARTS | 103658-6134 Vehicle Repair & Maintenance | AP092817 | 426.88 | 687374 | | 00095722 | 09/28/2017 |
| MW OH | ONE STOP PARTS SOURCE V007231 | CROWN VICTORIA PARTS | 103658-6134 Vehicle Repair & Maintenance | AP092817 | 235.11 | 687477.2 | | 00095722 | 09/28/2017 |
| MW OH | ONE STOP PARTS SOURCE V007231 | VEHICLE PARTS | 103658-6134 Vehicle Repair & Maintenance | AP092817 | 72.60 | 688080 | | 00095722 | 09/28/2017 |
| MW OH | ONE STOP PARTS SOURCE V007231 | CARBUERETOR | 103658-6134 Vehicle Repair & Maintenance | AP092817 | 424.68 | 688636 | | 00095722 | 09/28/2017 |
| MW OH | ONE STOP PARTS SOURCE V007231 | CROWN VICTORIA SVS | 103658-6134 Vehicle Repair & Maintenance | AP092817 | 370.70 | 688675 | | 00095722 | 09/28/2017 |
| MW OH | ONE STOP PARTS SOURCE V007231 | VEHICLE PARTS | 103658-6134 Vehicle Repair & Maintenance | AP092817 | 35.30 | 688715 | | 00095722 | 09/28/2017 |
| MW OH | ONE STOP PARTS SOURCE V007231 | CONTROL ARM | 103658-6134 Vehicle Repair & Maintenance | AP092817 | 57.96 | 688878 | | 00095722 | 09/28/2017 |
| MW OH | ONE STOP PARTS SOURCE V007231 | SHOCK ABSORBER | 103658-6134 Vehicle Repair & Maintenance | AP092817 | 239.66 | 688909 | | 00095722 | 09/28/2017 |
| MW OH | ONE STOP PARTS SOURCE V007231 | CREDIT | 103658-6134 Vehicle Repair & Maintenance | AP092817 | -259.20 | 689148 | | 00095722 | 09/28/2017 |

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| MW OH | ONE STOP PARTS SOURCE V007231 | RADIATOR HOSE | 103658-6134 Vehicle Repair & Maintenance | AP092817 | 40.21 | 689946 | | 00095722 | 09/28/2017 |
| MW OH | ONE STOP PARTS SOURCE V007231 | VEHICLE PARTS | 103658-6134 Vehicle Repair & Maintenance | AP092817 | 50.07 | 690108 | | 00095722 | 09/28/2017 |
| MW OH | ONE STOP PARTS SOURCE V007231 | VEHICLE PARTS | 103658-6134 Vehicle Repair & Maintenance | AP092817 | 165.28 | 690442 | | 00095722 | 09/28/2017 |
| MW OH | ONE STOP PARTS SOURCE V007231 | VEHICLE PARTS | 103658-6134 Vehicle Repair & Maintenance | AP092817 | 17.56 | 690465 | | 00095722 | 09/28/2017 |
| MW OH | ONE STOP PARTS SOURCE V007231 | VEHICLE PARTS | 103658-6134 Vehicle Repair & Maintenance | AP092817 | 116.27 | 691672 | | 00095722 | 09/28/2017 |
| MW OH | ONE STOP PARTS SOURCE V007231 | AIR FILTER | 103658-6134 Vehicle Repair & Maintenance | AP092817 | 15.02 | 691675 | | 00095722 | 09/28/2017 |
| MW OH | ONE STOP PARTS SOURCE V007231 | SEAL | 103658-6134 Vehicle Repair & Maintenance | AP092817 | 99.97 | 691695 | | 00095722 | 09/28/2017 |
| Check Total: | | | | | 2,186.69 | | | | |
| MW OH | ORIGINAL WATERMEN V006320 | AQUATICS STAFF UNIFORMS | 104071-6360 Uniforms | AP092817 | 1,601.49 | 43557 | | 00095723 | 09/28/2017 |
| Check Total: | | | | | 1,601.49 | | | | |
| MW OH | PANTAGES THEATRE V010171 | FEBRUARY EXCURSION TICKETS | 104071-6270 Excursions | AP092817 | 1,638.60 | 307391 | | 00095724 | 09/28/2017 |
| Check Total: | | | | | 1,638.60 | | | | |
| MW OH | PATRICKS' MUSIC SCHOOL V006887 | CLASS INSTRUCTOR PAYMENT | 104071-6060 Instructional Services | AP092817 | 327.60 | FALL 2017 | | 00095725 | 09/28/2017 |
| Check Total: | | | | | 327.60 | | | | |
| MW OH | RUSSO, PAUL V010580 | DEPOSIT REFUND | 100000-4385 Facility Rental | AP092817 | 125.00 | 2001836.002 | | 00095726 | 09/28/2017 |
| Check Total: | | | | | 125.00 | | | | |
| MW OH | SANDOVAL, ROSAURA V010577 | DEPOSIT REFUND | 100000-4385 Facility Rental | AP092817 | 100.00 | 2001833.002 | | 00095727 | 09/28/2017 |

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| | | | | Check Total: | 100.00 | | | | |
| MW OH | SARAVIA, DAYSI V009842 | DEPOSIT REFUND | 100000-4385 Facility Rental | AP092817 | 100.00 | 2001834.002 | | 00095728 | 09/28/2017 |
| | | | | Check Total: | 100.00 | | | | |
| MW OH | SCCA V008598 | SCCA CHAPLAINS MEMBERSHIP | 103040-6255 / 50048-6255 Dues & Memberships | AP092817 | 120.00 | 092017-SCCA | | 00095729 | 09/28/2017 |
| | | | | Check Total: | 120.00 | | | | |
| MW OH | SCI CONSULTING GROUP V009433 | LMD ASSESSMENT SERVICES | 296561-6015 Engineering Services | AP092817 | 6,660.02 | C7216 | P11146 | 00095730 | 09/28/2017 |
| MW OH | SCI CONSULTING GROUP V009433 | SLD ASSESSMENT SERVICES | 286560-6015 Engineering Services | AP092817 | 6,660.01 | C7216 | P11146 | 00095730 | 09/28/2017 |
| | | | | Check Total: | 13,320.03 | | | | |
| MW OH | SHRED-IT USA V000905 | AUGUST DOC SHRED SVS | 374386-6299 Other Purchased Services | AP092817 | 233.58 | 8123106533 | | 00095731 | 09/28/2017 |
| | | | | Check Total: | 233.58 | | | | |
| MW OH | SO CAL GAS V000909 | 8/15-9/14 GAS CHARGES | 109595-6340 Natural Gas | AP092817 | 285.54 | 091817 | | 00095732 | 09/28/2017 |
| | | | | Check Total: | 285.54 | | | | |
| MW OH | SOUTHERN CALIFORNIA V010002 | REPLACE OH FED PNL ON POLE | 333554-6185 / 61019-6185 Construction Services | AP092817 | 2,483.66 | 291173 | | 00095733 | 09/28/2017 |
| | | | | Check Total: | 2,483.66 | | | | |
| MW OH | SUPERION LLC V005987 | OCTOBER OS-ASP SERVICES | 101523-6136 Software Maintenance | AP092817 | 6,533.96 | 144347 | P11082 | 00095734 | 09/28/2017 |
| | | | | Check Total: | 6,533.96 | | | | |
| MW OH | TANK, NIKITA V010582 | CLASS REFUND | 100000-4340 / 79348-4340 Recreation Programs | AP092817 | 45.00 | 2001826.002 | | 00095735 | 09/28/2017 |
| | | | | Check Total: | 45.00 | | | | |
| MW OH | THOMAS, AADIYYAH V010579 | DEPOSIT REFUND | 100000-4385 Facility Rental | AP092817 | 100.00 | 2001835.002 | | 00095736 | 09/28/2017 |

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| | | | | Check Total: | 100.00 | | | | |
| MW OH | TIME WARNER CABLE V004450 | 9/25-10/24 PW YARD 10mb | 109595-6215 Telephone | AP092817 | 1,217.98 | 47700 OCT 17 | | 00095737 | 09/28/2017 |
| | | | | Check Total: | 1,217.98 | | | | |
| MW OH | TOTUM CORP V010229 | AUG CONSTRUCTION ADMIN SVS | 333554-6185 / 61125-6185 Construction Services | AP092817 | 2,285.00 | 204344 | P11150 | 00095738 | 09/28/2017 |
| | | | | Check Total: | 2,285.00 | | | | |
| MW OH | TRINH, JAMIE V010591 | INTERVIEW PANEL SUPPLIES | 101512-6301 Special Department Supplies | AP092817 | 37.71 | 09202017 | | 00095739 | 09/28/2017 |
| | | | | Check Total: | 37.71 | | | | |
| MW OH | YORBA LINDA WATER V001148 | AUG-SEPT WATER CHARGES | 109595-6335 Water | AP092817 | 1,020.95 | 091817 | | 00095740 | 09/28/2017 |
| | | | | Check Total: | 1,020.95 | | | | |
| MW OH | VANTAGEPOINT TRANSFER ICMA LOAN P/E 9/23 PD 9/29 V007191 | | 0054-2170 Deferred Comp Payable - ICMA | ACH100217 | 34.20 | 92917H | | 00095741 | 10/02/2017 |
| MW OH | VANTAGEPOINT TRANSFER ICMA LOAN P/E 9/23 PD 9/29 V007191 | | 0029-2170 Deferred Comp Payable - ICMA | ACH100217 | 35.62 | 92917H | | 00095741 | 10/02/2017 |
| MW OH | VANTAGEPOINT TRANSFER ICMA LOAN P/E 9/23 PD 9/29 V007191 | | 0010-2170 Deferred Comp Payable - ICMA | ACH100217 | 2,667.65 | 92917H | | 00095741 | 10/02/2017 |
| MW OH | VANTAGEPOINT TRANSFER ICMA LOAN P/E 9/23 PD 9/29 V007191 | | 0037-2170 Deferred Comp Payable - ICMA | ACH100217 | 30.21 | 92917H | | 00095741 | 10/02/2017 |
| MW OH | VANTAGEPOINT TRANSFER ICMA LOAN P/E 9/23 PD 9/29 V007191 | | 0048-2170 Deferred Comp Payable - ICMA | ACH100217 | 112.80 | 92917H | | 00095741 | 10/02/2017 |
| | | | | Check Total: | 2,880.48 | | | | |
| MW OH | AGEE, ERIKA V009587 | CLASS REFUND | 100000-4340 Recreation Programs | AP100517 | 65.00 | 2001846.002 | | 00095742 | 10/05/2017 |
| | | | | Check Total: | 65.00 | | | | |
| MW OH | ALBERT GROVER & V007111 | JULY TRAFFIC CONSULTING SVS | 332531-6017 / 61086-6017 Special Studies | AP100517 | 1,000.00 | 17431-IN | | 00095743 | 10/05/2017 |

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| MW OH | ALBERT GROVER & V007111 | JUNE-JULY TRAFFIC ENG SVS | 0044-2048 / 45059-2048 Engineering Plan Check Deposit | AP100517 | 280.00 | 17434-IN | | 00095743 | 10/05/2017 |
| | | | | | Check Total: | 1,280.00 | | | |
| MW OH | ALL CITY MANAGEMENT V000005 | 8/29-9/9 CROSSING GUARD SVS | 103047-6290 Dept. Contract Services | AP100517 | 2,209.90 | 50302 | P11103 | 00095744 | 10/05/2017 |
| | | | | | Check Total: | 2,209.90 | | | |
| MW OH | ANTHEM LIFE INSURANCE V000046 | OCTOBER LIFE INSURANCE | 103040-5110 Life Ins Allocation | AP100517 | 5.00 | 100117 | | 00095745 | 10/05/2017 |
| | | | | | Check Total: | 5.00 | | | |
| MW OH | APEX GOLF CARTS V010597 | HERITAGE GOLF CART RENTALS | 104076-6299 / 79392-6299 Other Purchased Services | AP100517 | 1,152.93 | 2356 | | 00095746 | 10/05/2017 |
| | | | | | Check Total: | 1,152.93 | | | |
| MW OH | AT & T V008736 | 9/27-10/26 POWELL BLDG DSL | 109595-6215 Telephone | AP100517 | 70.00 | OCTOBER 2017 | | 00095747 | 10/05/2017 |
| | | | | | Check Total: | 70.00 | | | |
| MW OH | BEST CONTRACTING V010594 | POWELL BLDG ROOF REPLACEMENT | B33554-6185 Construction Services | AP100517 | 1,187.50 | 2861 | P11176 | 00095748 | 10/05/2017 |
| | | | | | Check Total: | 1,187.50 | | | |
| MW OH | BREA TROPHY AND V004181 | HERITAGE PARADE TROPHIES | 104076-6301 / 79392-6301 Special Department Supplies | AP100517 | 1,612.48 | 5773 | P11175 | 00095749 | 10/05/2017 |
| MW OH | BREA TROPHY AND V004181 | BAND REVIEW TROPHIES | 104076-6301 / 79392-6301 Special Department Supplies | AP100517 | 3,803.09 | 5774 | P11175 | 00095749 | 10/05/2017 |
| | | | | | Check Total: | 5,415.57 | | | |
| MW OH | CALIFORNIA NEWSPAPER V009955 | HERITAGE ADVERTISEMENT | 104076-6230 / 79392-6230 Printing & Binding | AP100517 | 3,600.00 | 091317 | P11167 | 00095750 | 10/05/2017 |
| | | | | | Check Total: | 3,600.00 | | | |
| MW OH | CALIFORNIA PEACE V000208 | LSP 200 ANNUAL RENEWAL | 103040-6255 Dues & Memberships | AP100517 | 200.00 | 79550 | | 00095751 | 10/05/2017 |
| | | | | | Check Total: | 200.00 | | | |

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| MW OH | CITY OF BREA V000125 | PRINTING SVS - BUSINESS CARDS | 104071-6301 Special Department Supplies | AP100517 | 14.51 | ASCS000354 | | 00095752 | 10/05/2017 |
| MW OH | CITY OF BREA V000125 | PRINTING SVS - BUSINESS CARDS | 104071-6301 Special Department Supplies | AP100517 | 52.36 | ASCS000355 | | 00095752 | 10/05/2017 |
| | | | | | Check Total: | 66.87 | | | |
| MW OH | CSULB FOUNDATION V003930 | PD TRAINING REG - DREW | 103041-6250 Staff Training | AP100517 | 146.00 | BD101717 | | 00095753 | 10/05/2017 |
| | | | | | Check Total: | 146.00 | | | |
| MW OH | DENNIS AND DEBORAH V007072 | OCT-DEC LEASE PAYMENT | 103043-6160 Facility Rental | AP100517 | 16,887.00 | OCT-DEC 2017 | P11091 | 00095754 | 10/05/2017 |
| | | | | | Check Total: | 16,887.00 | | | |
| MW OH | DREW, BRIAN V004950 | PD TRAINING MEALS, MILEAGE | 103041-6250 Staff Training | AP100517 | 18.59 | BD101717 | | 00095755 | 10/05/2017 |
| | | | | | Check Total: | 18.59 | | | |
| MW OH | EMERGENCY RESPONSE V003861 | HAZMAT COLLECTION SVS | 103652-6301 Special Department Supplies | AP100517 | 750.00 | T2017-612 | | 00095756 | 10/05/2017 |
| | | | | | Check Total: | 750.00 | | | |
| MW OH | FENSTERMAKER, DANIEL V005067 | SEPT MEDIA PRODUCTION SVS | 581573-6099 Professional Services | AP100517 | 4,929.50 | PLA-17-009 | P11109 | 00095757 | 10/05/2017 |
| | | | | | Check Total: | 4,929.50 | | | |
| MW OH | GOGOVAPPS INC V010559 | GOREQUEST SOFTWARE LICENSE | 101523-6136 Software Maintenance | AP100517 | 10,455.00 | 17-151 | P11155 | 00095758 | 10/05/2017 |
| | | | | | Check Total: | 10,455.00 | | | |
| MW OH | GOLDEN STATE WATER V000928 | JULY-SEPT WATER CHARGES | 296561-6335 Water | AP100517 | 14,903.51 | 092817 | | 00095759 | 10/05/2017 |
| MW OH | GOLDEN STATE WATER V000928 | JULY-SEPT WATER CHARGES | 109595-6335 Water | AP100517 | 29,234.00 | 092817 | | 00095759 | 10/05/2017 |
| | | | | | Check Total: | 44,137.51 | | | |
| MW OH | GOLDSTONE K-9 LLC | K9 TRAINING - MENELY | 213041-6250 | AP100517 | 65.00 | PPD 2017-57 | | 00095760 | 10/05/2017 |

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| | V009944 | | Staff Training | | | | | | |
| | | | | Check Total: | 65.00 | | | | |
| MW OH | HALO CONFIDENTIAL V008544 | AUG MILEAGE REIMBURSEMENT | 103040-6290 Dept. Contract Services | AP100517 | 542.48 | 0089A | P11127 | 00095761 | 10/05/2017 |
| MW OH | HALO CONFIDENTIAL V008544 | SEPT BACKGROUND SCREENINGS | 103040-6290 Dept. Contract Services | AP100517 | 3,936.24 | 0090 | P11127 | 00095761 | 10/05/2017 |
| MW OH | HALO CONFIDENTIAL V008544 | SEPT PD TRAINING MGMT | 103040-6290 Dept. Contract Services | AP100517 | 2,850.00 | 0091 | P11127 | 00095761 | 10/05/2017 |
| | | | | Check Total: | 7,328.72 | | | | |
| MW OH | HAWK ANALYTICS V009767 | CELLHAWK SOFTWARE | 103042-6290 Dept. Contract Services | AP100517 | 2,495.00 | INV22052 | | 00095762 | 10/05/2017 |
| | | | | Check Total: | 2,495.00 | | | | |
| MW OH | HENRY, LUCIA V009972 | SUMMER INSTRUCTOR PAYMENT | 104071-6060 Instructional Services | AP100517 | 696.15 | SUMMER 17 | | 00095763 | 10/05/2017 |
| | | | | Check Total: | 696.15 | | | | |
| MW OH | ICMA RETIREMENT TRUST V010029 | DEFERRED P/E 9/23 PD 9/29 | 0029-2170 Deferred Comp Payable - ICMA | AP100517 | 52.50 | 92917I | | 00095764 | 10/05/2017 |
| MW OH | ICMA RETIREMENT TRUST V010029 | DEFERRED P/E 9/23 PD 9/29 | 0010-2170 Deferred Comp Payable - ICMA | AP100517 | 1,275.64 | 92917I | | 00095764 | 10/05/2017 |
| MW OH | ICMA RETIREMENT TRUST V010029 | DEFERRED P/E 9/23 PD 9/29 | 0054-2170 Deferred Comp Payable - ICMA | AP100517 | 74.40 | 92917I | | 00095764 | 10/05/2017 |
| MW OH | ICMA RETIREMENT TRUST V010029 | DEFERRED P/E 9/23 PD 9/29 | 0037-2170 Deferred Comp Payable - ICMA | AP100517 | 22.50 | 92917I | | 00095764 | 10/05/2017 |
| MW OH | ICMA RETIREMENT TRUST V010029 | DEFERRED P/E 9/23 PD 9/29 | 0048-2170 Deferred Comp Payable - ICMA | AP100517 | 82.50 | 92917I | | 00095764 | 10/05/2017 |
| | | | | Check Total: | 1,507.54 | | | | |
| MW OH | IMPERIAL SPRINKLER V006506 | IRRIGATION SUPPLIES | 296561-6130 Repair & Maint/Facilities | AP100517 | 32.57 | 3074702-00 | | 00095765 | 10/05/2017 |
| MW OH | IMPERIAL SPRINKLER | IRRIGATION SUPPLIES | 296561-6130 | AP100517 | 128.42 | 3091178-00 | | 00095765 | 10/05/2017 |

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| | V006506 | | Repair & Maint/Facilities | | | | | | |
| | | | | Check Total: | 160.99 | | | | |
| MW OH | INTERNAL CONTROL V000504 | SEPT EMPLOYMENT POLYGRAPHS | 103040-6099 Professional Services | AP100517 | 140.00 | 11035 | | 00095766 | 10/05/2017 |
| | | | | Check Total: | 140.00 | | | | |
| MW OH | JONES & MAYER V009822 | AUGUST LEGAL SERVICES | 101005-6005 / 10044-6005 Legal Services | AP100517 | 462.00 | 83882 | | 00095767 | 10/05/2017 |
| MW OH | JONES & MAYER V009822 | AUGUST LEGAL SERVICES | 101005-6005 Legal Services | AP100517 | 39,991.26 | 83865 | P11163 | 00095767 | 10/05/2017 |
| MW OH | JONES & MAYER V009822 | AUGUST LEGAL SERVICES | 101005-6005 Legal Services | AP100517 | 2,898.00 | 83866 | P11163 | 00095767 | 10/05/2017 |
| MW OH | JONES & MAYER V009822 | AUGUST LEGAL SERVICES | 101005-6005 Legal Services | AP100517 | 273.00 | 83868 | P11163 | 00095767 | 10/05/2017 |
| MW OH | JONES & MAYER V009822 | AUGUST LEGAL SERVICES | 101005-6005 Legal Services | AP100517 | 525.00 | 83869 | P11163 | 00095767 | 10/05/2017 |
| MW OH | JONES & MAYER V009822 | AUGUST LEGAL SERVICES | 101005-6005 Legal Services | AP100517 | 147.00 | 83870 | P11163 | 00095767 | 10/05/2017 |
| MW OH | JONES & MAYER V009822 | AUGUST LEGAL SERVICES | 101005-6005 Legal Services | AP100517 | 63.00 | 83875 | P11163 | 00095767 | 10/05/2017 |
| MW OH | JONES & MAYER V009822 | AUGUST LEGAL SERVICES | 101005-6005 Legal Services | AP100517 | 2,226.00 | 83876 | P11163 | 00095767 | 10/05/2017 |
| MW OH | JONES & MAYER V009822 | AUGUST LEGAL SERVICES | 101005-6005 Legal Services | AP100517 | 42.00 | 83881 | P11163 | 00095767 | 10/05/2017 |
| MW OH | JONES & MAYER V009822 | AUGUST LEGAL SERVICES | 101005-6005 Legal Services | AP100517 | 630.00 | 83883 | P11163 | 00095767 | 10/05/2017 |
| MW OH | JONES & MAYER V009822 | AUGUST LEGAL SERVICES | 101005-6005 Legal Services | AP100517 | 2,646.00 | 83885 | P11163 | 00095767 | 10/05/2017 |
| MW OH | JONES & MAYER V009822 | AUGUST LEGAL SERVICES | 101005-6005 Legal Services | AP100517 | 1,281.00 | 83886 | P11163 | 00095767 | 10/05/2017 |
| MW OH | JONES & MAYER | AUGUST LEGAL SERVICES | 101005-6005 | AP100517 | 3,927.00 | 83890 | P11163 | 00095767 | 10/05/2017 |

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| | V009822 | | Legal Services | | | | | |
| MW OH | JONES & MAYER V009822 | AUGUST LEGAL SERVICES | 101005-6005 Legal Services | AP100517 | 624.00 83892 | P11163 | 00095767 | 10/05/2017 |
| MW OH | JONES & MAYER V009822 | AUGUST LEGAL SERVICES | 101005-6005 Legal Services | AP100517 | 378.00 83893 | P11163 | 00095767 | 10/05/2017 |
| | | | | | Check Total: | 56,113.26 | | |
| MW OH | KIDZ LOVE SOCCER V008469 | FALL INSTRUCTOR PAYMENT | 104071-6060 Instructional Services | AP100517 | 1,260.00 FALL 2017 | | 00095768 | 10/05/2017 |
| | | | | | Check Total: | 1,260.00 | | |
| MW OH | MC FADDEN-DALE V000635 | BUTTON NOZZLE | 103652-6301 Special Department Supplies | AP100517 | 16.58 299039/5 | | 00095769 | 10/05/2017 |
| MW OH | MC FADDEN-DALE V000635 | HOOK & LOOP VELCRO WHITE | 103652-6301 Special Department Supplies | AP100517 | 76.00 299497/5 | | 00095769 | 10/05/2017 |
| MW OH | MC FADDEN-DALE V000635 | SPRAY TEXTURE SUPPLIES | 103652-6301 Special Department Supplies | AP100517 | 38.01 299961/5 | | 00095769 | 10/05/2017 |
| MW OH | MC FADDEN-DALE V000635 | O RING | 103652-6301 Special Department Supplies | AP100517 | 34.26 300513/5 | | 00095769 | 10/05/2017 |
| MW OH | MC FADDEN-DALE V000635 | BURIAL WIRE | 103652-6301 Special Department Supplies | AP100517 | 18.64 300579/5 | | 00095769 | 10/05/2017 |
| MW OH | MC FADDEN-DALE V000635 | FOCUS HEAD LIGHT | 103652-6301 Special Department Supplies | AP100517 | 73.32 300715/5 | | 00095769 | 10/05/2017 |
| MW OH | MC FADDEN-DALE V000635 | BURIAL WIRE | 103652-6301 Special Department Supplies | AP100517 | 17.24 300829/5 | | 00095769 | 10/05/2017 |
| | | | | | Check Total: | 274.05 | | |
| MW OH | MEGA SOLAR V010596 | REFUND BLDG PERMIT B17-0987 | 0044-2049 Health & Safety Collection | AP100517 | 5.00 B17-0987 | | 00095770 | 10/05/2017 |
| MW OH | MEGA SOLAR V010596 | REFUND BLDG PERMIT B17-0987 | 100000-4303 Technology Fee | AP100517 | 42.00 B17-0987 | | 00095770 | 10/05/2017 |
| MW OH | MEGA SOLAR | REFUND BLDG PERMIT B17-0987 | 100000-4160 | AP100517 | 269.95 B17-0987 | | 00095770 | 10/05/2017 |

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| | V010596 | | Building Permits | | | | | | |
| MW OH | MEGA SOLAR V010596 | REFUND BLDG PERMIT B17-0987 | 0044-2036 CBSC State Fee | AP100517 | 1.00 | B17-0987 | | 00095770 | 10/05/2017 |
| MW OH | MEGA SOLAR V010596 | REFUND BLDG PERMIT B17-0987 | 100000-4164 Electrical Permits | AP100517 | 59.87 | B17-0987 | | 00095770 | 10/05/2017 |
| MW OH | MEGA SOLAR V010596 | REFUND BLDG PERMIT B17-0987 | 100000-4302 General Plan Update Fee | AP100517 | 54.48 | B17-0987 | | 00095770 | 10/05/2017 |
| MW OH | MEGA SOLAR V010596 | REFUND BLDG PERMIT B17-0987 | 0044-2030 Strong Motion Fees/Res. | AP100517 | 3.12 | B17-0987 | | 00095770 | 10/05/2017 |
| MW OH | MEGA SOLAR V010596 | REFUND BLD PERMIT B-17-0988 | 100000-4303 Technology Fee | AP100517 | 3.50 | B17-0988 | | 00095770 | 10/05/2017 |
| MW OH | MEGA SOLAR V010596 | REFUND BLD PERMIT B-17-0988 | 100000-4164 Electrical Permits | AP100517 | 149.16 | B17-0988 | | 00095770 | 10/05/2017 |
| MW OH | MEGA SOLAR V010596 | REFUND BLD PERMIT B-17-0988 | 100000-4302 General Plan Update Fee | AP100517 | 4.54 | B17-0988 | | 00095770 | 10/05/2017 |
| MW OH | MEGA SOLAR V010596 | REFUND BLD PERMIT B-17-0988 | 0044-2049 Health & Safety Collection | AP100517 | 5.00 | B17-0988 | | 00095770 | 10/05/2017 |
| | | | | Check Total: | 597.62 | | | | |
| MW OH | MOBILE ZOO OF SOUTHERNHERITAGE V010595 | MOBILE ZOO | 104076-6099 / 79392-6099 Professional Services | AP100517 | 1,098.00 | 100317 | | 00095771 | 10/05/2017 |
| | | | | Check Total: | 1,098.00 | | | | |
| MW OH | MTL CONSTRUCTION V010077 | WOOD REFINISHING | 333554-6185 / 61124-6185 Construction Services | AP100517 | 900.00 | 17-COP-02 | P11099 | 00095772 | 10/05/2017 |
| | | | | Check Total: | 900.00 | | | | |
| MW OH | MUNITEMPS V009595 | 7/25-8/2 CODE ENFORCEMENT SVS | 103046-6099 Professional Services | AP100517 | 1,736.00 | 127503 | | 00095773 | 10/05/2017 |
| | | | | Check Total: | 1,736.00 | | | | |
| MW OH | MV CHENG & ASSOCIATES V010389 | SEPT PAYROLL TECHNICIAN SVS | 102020-6099 Professional Services | AP100517 | 6,300.00 | 093017 | | 00095774 | 10/05/2017 |

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| MW OH | MV CHENG & ASSOCIATES V010389 | SEPT SR ACCOUNTANT SVS | 102020-6099 Professional Services | AP100517 | 3,900.00 093017 | | 00095774 | 10/05/2017 |
| MW OH | MV CHENG & ASSOCIATES V010389 | SEPT FINANCE DIRECTOR SVS | 102020-6099 Professional Services | AP100517 | 14,080.00 093017 | P11112 | 00095774 | 10/05/2017 |
| | | | | | Check Total: | 24,280.00 | | |
| MW OH | OCTA - ACCTG DEPT V010593 | C-7-1979 OCTAP CONTRIBUTION | 109595-6999 Other Expenditure | AP100517 | 2,623.44 AR139377 | | 00095775 | 10/05/2017 |
| | | | | | Check Total: | 2,623.44 | | |
| MW OH | OFFICE INDUSTRIES V007477 | OFFICE SUPPLIES | 103040-6315 Office Supplies | AP100517 | 75.95 60647 | | 00095776 | 10/05/2017 |
| MW OH | OFFICE INDUSTRIES V007477 | OFFICE SUPPLIES | 103650-6315 Office Supplies | AP100517 | 159.07 60648 | | 00095776 | 10/05/2017 |
| | | | | | Check Total: | 235.02 | | |
| MW OH | OFFICE SOLUTIONS V008864 | TONER FOR MAYOR'S OFFICE | 109595-6315 Office Supplies | AP100517 | 94.81 I-01239378 | | 00095777 | 10/05/2017 |
| | | | | | Check Total: | 94.81 | | |
| MW OH | ORTEGA, JEANETTE V007724 | TRAVEL REIMBURSEMENT | 102534-6245 Meetings & Conferences | AP100517 | 432.46 100217 | | 00095778 | 10/05/2017 |
| | | | | | Check Total: | 432.46 | | |
| MW OH | PANTAGES THEATRE V010171 | EXCURSION TICKETS | 104071-6270 Excursions | AP100517 | 398.40 307391A | | 00095779 | 10/05/2017 |
| | | | | | Check Total: | 398.40 | | |
| MW OH | PINGO SOLAR INC V010592 | 80% BLDG PERMIT REFUND | 100000-4164 Electrical Permits | AP100517 | 119.32 B17-0973 | | 00095780 | 10/05/2017 |
| MW OH | PINGO SOLAR INC V010592 | 80% BLDG PERMIT REFUND | 100000-4160 Building Permits | AP100517 | 197.47 B17-0973 | | 00095780 | 10/05/2017 |
| | | | | | Check Total: | 316.79 | | |
| MW OH | PRINCIPAL FINANCIAL V000844 | AUG LIFE INSURANCE PREMIUM | 103550-5001 Salaries/Full-Time Regular | AP100517 | 133.41 124128707000-00 | | 00095781 | 10/05/2017 |

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| MW OH | PRINCIPAL FINANCIAL V000844 | AUG LIFE INSURANCE PREMIUM | 104070-5001 Salaries/Full-Time Regular | AP100517 | 111.78 | 124128707000-00 | | 00095781 | 10/05/2017 |
| MW OH | PRINCIPAL FINANCIAL V000844 | AUG LIFE INSURANCE PREMIUM | 101511-5001 Salaries/Full-Time Regular | AP100517 | 69.83 | 124128707000-00 | | 00095781 | 10/05/2017 |
| MW OH | PRINCIPAL FINANCIAL V000844 | AUG LIFE INSURANCE PREMIUM | 395083-5001 Salaries/Full-Time Regular | AP100517 | 402.45 | 124128707000-00 | | 00095781 | 10/05/2017 |
| MW OH | PRINCIPAL FINANCIAL V000844 | AUG LIFE INSURANCE PREMIUM | 101512-5001 Salaries/Full-Time Regular | AP100517 | 126.23 | 124128707000-00 | | 00095781 | 10/05/2017 |
| MW OH | PRINCIPAL FINANCIAL V000844 | AUG LIFE INSURANCE PREMIUM | 102531-5001 Salaries/Full-Time Regular | AP100517 | 124.06 | 124128707000-00 | | 00095781 | 10/05/2017 |
| MW OH | PRINCIPAL FINANCIAL V000844 | AUG LIFE INSURANCE PREMIUM | 103040-5001 Salaries/Full-Time Regular | AP100517 | 96.88 | 124128707000-00 | | 00095781 | 10/05/2017 |
| Check Total: | | | | | 1,064.64 | | | | |
| MW OH | QUALITY AUTO GLASS V002245 | INSTALL WINDSHIELD | 103658-6134 Vehicle Repair & Maintenance | AP100517 | 199.80 | 10415 | | 00095782 | 10/05/2017 |
| MW OH | QUALITY AUTO GLASS V002245 | INSTALL WINDSHIELD | 103658-6134 Vehicle Repair & Maintenance | AP100517 | 221.40 | 10447 | | 00095782 | 10/05/2017 |
| MW OH | QUALITY AUTO GLASS V002245 | INSTALL BACK GLASS | 103658-6134 Vehicle Repair & Maintenance | AP100517 | 297.00 | 10453 | | 00095782 | 10/05/2017 |
| Check Total: | | | | | 718.20 | | | | |
| MW OH | REPUBLIC WASTE SERVICES V007205 | JULY REFUSE COLLECTION SVS | 374386-6101 Disposal | AP100517 | 221,087.99 | 676-003006950 | P11114 | 00095783 | 10/05/2017 |
| MW OH | REPUBLIC WASTE SERVICES V007205 | AUG REFUSE COLLECTION SVS | 374386-6101 Disposal | AP100517 | 221,087.99 | 676-003044678 | P11114 | 00095783 | 10/05/2017 |
| Check Total: | | | | | 442,175.98 | | | | |
| MW OH | RODRIGUEZ, DONNA V005014 | PLAC COMMUNITY CHORUS CD | 0044-2063 Placentia Community Chorus | AP100517 | 47.38 | 10810147 | | 00095784 | 10/05/2017 |
| MW OH | RODRIGUEZ, DONNA V005014 | PLAC CHORUS SHEET MUSIC | 0044-2063 Placentia Community Chorus | AP100517 | 86.20 | 10810619 | | 00095784 | 10/05/2017 |

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| | | | | Check Total: | 133.58 | | | |
| MW OH | SA AQUATICS V002842 | AUG FOUNTAIN MAINT | 0010-1220 Accts Rec/Plac Library Dist | AP100517 | 142.50 204678 | | 00095785 | 10/05/2017 |
| MW OH | SA AQUATICS V002842 | AUG FOUNTAIN MAINT | 103654-6290 Dept. Contract Services | AP100517 | 142.50 204678 | | 00095785 | 10/05/2017 |
| | | | | Check Total: | 285.00 | | | |
| MW OH | SECO ELECTRIC & LIGHTING V010182 | DROP IN FIXTURES | 103654-6130 Repair & Maint/Facilities | AP100517 | 149.23 4160 | | 00095786 | 10/05/2017 |
| MW OH | SECO ELECTRIC & LIGHTING V010182 | LIGHTS FOR DISPATCH CENTER | 103654-6130 Repair & Maint/Facilities | AP100517 | 1,992.64 4174 | | 00095786 | 10/05/2017 |
| | | | | Check Total: | 2,141.87 | | | |
| MW OH | SILVER & WRIGHT LLP V009853 | AUGUST LEGAL SERVICES | 101005-6299 / 45055-6299 Other Purchased Services | AP100517 | 324.80 22669 | | 00095787 | 10/05/2017 |
| | | | | Check Total: | 324.80 | | | |
| MW OH | SIMMONS, PETER V007953 | COMMUNITY CHORUS | 0044-2063 Placentia Community Chorus | AP100517 | 529.20 92817 | | 00095788 | 10/05/2017 |
| | | | | Check Total: | 529.20 | | | |
| MW OH | SO CAL GAS V000909 | 8/22-9/21 GAS CHARGES | 109595-6340 Natural Gas | AP100517 | 34.19 092517 | | 00095789 | 10/05/2017 |
| | | | | Check Total: | 34.19 | | | |
| MW OH | SPARKLETTS V000967 | SR CENTER WATER SERVICE | 104071-6301 Special Department Supplies | AP100517 | 97.11 14974536 095017 | | 00095790 | 10/05/2017 |
| | | | | Check Total: | 97.11 | | | |
| MW OH | SPRINT V006533 | 8/26-9/25 PD RELAY SVS | 109595-6215 Telephone | AP100517 | 37.99 313574471-071 | | 00095791 | 10/05/2017 |
| | | | | Check Total: | 37.99 | | | |
| MW OH | STAPLES ADVANTAGE V007323 | OFFICE SUPPLIES | 104070-6315 Office Supplies | AP100517 | 448.58 8046432701 | | 00095792 | 10/05/2017 |
| | | | | Check Total: | 448.58 | | | |

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| MW OH | THE KARAGINES FAMILY V007073 | OCT-DEC LEASE PAYMENT | 103043-6160 Facility Rental | AP100517 | 16,887.00 | OCT-DEC 2017 | P11090 | 00095793 | 10/05/2017 |
| | | | | | Check Total: | 16,887.00 | | | |
| MW OH | THOMSON REUTERS - WEST AUG WEST INFORMATION CHGS V009649 | | 103042-6290 Dept. Contract Services | AP100517 | 175.96 | 836759816 | | 00095794 | 10/05/2017 |
| | | | | | Check Total: | 175.96 | | | |
| MW OH | THORNBURY, DAVE V006536 | HERITAGE ENTERTAINMENT | 104076-6099 Professional Services | AP100517 | 600.00 | 100317 | | 00095795 | 10/05/2017 |
| | | | | | Check Total: | 600.00 | | | |
| MW OH | TIME WARNER CABLE V004450 | 10/2-11 PD CABLE CHARGES | 109595-6215 Telephone | AP100517 | 133.62 | 31042 OCT 17 | | 00095796 | 10/05/2017 |
| MW OH | TIME WARNER CABLE V004450 | 10/2-11/1 10MB FIBER CHGS | 109595-6215 Telephone | AP100517 | 1,324.50 | 35200 OCT 17 | | 00095796 | 10/05/2017 |
| | | | | | Check Total: | 1,458.12 | | | |
| MW OH | TODD, LARRY V002103 | FALL INSTRUCTOR PAYMENT | 104071-6060 Instructional Services | AP100517 | 966.00 | FALL 2017 | | 00095797 | 10/05/2017 |
| | | | | | Check Total: | 966.00 | | | |
| MW OH | TRAFFIC MANAGEMENT V008463 | PW PAINT SUPPLIES | 103652-6301 Special Department Supplies | AP100517 | 474.80 | 373523 | | 00095798 | 10/05/2017 |
| MW OH | TRAFFIC MANAGEMENT V008463 | PW PAINT SUPPLIES | 103652-6301 Special Department Supplies | AP100517 | 474.80 | 374054 | | 00095798 | 10/05/2017 |
| | | | | | Check Total: | 949.60 | | | |
| MW OH | TRINH, JAMIE V010591 | HEALTH FAIR SUPPLIES | 101512-6250 Staff Training | AP100517 | 65.36 | 10116315 | | 00095799 | 10/05/2017 |
| | | | | | Check Total: | 65.36 | | | |
| MW OH | UNIQUE PRINTING V010259 | HATS FOR PD | 103040-6360 Uniforms | AP100517 | 124.98 | 38194 | | 00095800 | 10/05/2017 |
| MW OH | UNIQUE PRINTING V010259 | HATS FOR PD | 103041-6360 Uniforms | AP100517 | 1,499.80 | 38194 | | 00095800 | 10/05/2017 |

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| MW OH | UNIQUE PRINTING V010259 | HATS FOR PD | 103043-6360 Uniforms | AP100517 | 374.94 38194 | | 00095800 | 10/05/2017 |
| MW OH | UNIQUE PRINTING V010259 | HATS FOR PD | 103042-6360 Uniforms | AP100517 | 249.96 38194 | | 00095800 | 10/05/2017 |
| MW OH | UNIQUE PRINTING V010259 | HATS FOR PD | 103047-6360 Uniforms | AP100517 | 249.96 38194 | | 00095800 | 10/05/2017 |
| Check Total: | | | | | 2,499.64 | | | |
| MW OH | US BANK PARS #6746022400 V008781 | PARS/ARS P/E 9/23 PD 9/29/17 | 0048-2131 Employer PARS/ARS Payable | AP100517 | 137.44 92917J | | 00095801 | 10/05/2017 |
| MW OH | US BANK PARS #6746022400 V008781 | PARS/ARS P/E 9/23 PD 9/29/17 | 0029-2131 Employer PARS/ARS Payable | AP100517 | 50.27 92917J | | 00095801 | 10/05/2017 |
| MW OH | US BANK PARS #6746022400 V008781 | PARS/ARS P/E 9/23 PD 9/29/17 | 0054-2131 Employer PARS/ARS Payable | AP100517 | 80.10 92917J | | 00095801 | 10/05/2017 |
| MW OH | US BANK PARS #6746022400 V008781 | PARS/ARS P/E 9/23 PD 9/29/17 | 0037-2131 Employer PARS/ARS Payable | AP100517 | 92.75 92917J | | 00095801 | 10/05/2017 |
| MW OH | US BANK PARS #6746022400 V008781 | PARS/ARS P/E 9/23 PD 9/29/17 | 0010-2131 Employer PARS/ARS Payable | AP100517 | 2,009.05 92917J | | 00095801 | 10/05/2017 |
| MW OH | US BANK PARS #6746022400 V008781 | PARS/ARS P/E 9/23 PD 9/29/17 | 0010-2126 Employee PARS/ARS W/H | AP100517 | 1,113.62 92917J | | 00095801 | 10/05/2017 |
| Check Total: | | | | | 3,483.23 | | | |
| MW OH | VERIZON WIRELESS V008735 | 8/21-9/20 PD AIRCARDS | 109595-6215 Telephone | AP100517 | 1,437.93 9793094119 | | 00095802 | 10/05/2017 |
| MW OH | VERIZON WIRELESS V008735 | 8/21-9/20 CA IPAD CHARGES | 109595-6215 Telephone | AP100517 | 38.01 9793094120 | | 00095802 | 10/05/2017 |
| MW OH | VERIZON WIRELESS V008735 | 8/21-9/20 COUNCIL IPAD CHARGES | 109595-6215 Telephone | AP100517 | 107.11 9793094121 | | 00095802 | 10/05/2017 |
| MW OH | VERIZON WIRELESS V008735 | 8/21-9/20 PUMP STN INTERNET | 0010-1232 Accts Rec/City of Anaheim | AP100517 | 19.00 9793099334 | | 00095802 | 10/05/2017 |
| MW OH | VERIZON WIRELESS V008735 | 8/21-9/20 PUMP STN INTERNET | 109595-6215 Telephone | AP100517 | 19.01 9793099334 | | 00095802 | 10/05/2017 |

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| MW OH | VERIZON WIRELESS V008735 | 7/21-8/20 PUMP STN INTERNET | 0010-1232 Accts Rec/City of Anaheim | AP100517 | 19.00 | 979346061A | | 00095802 | 10/05/2017 |
| | | | | | Check Total: | 1,640.06 | | | |
| MW OH | WADE, JANNA V010125 | REIMBURSE HISTORICAL BOOKS | 0044-2065 Historical Committee | AP100517 | 199.98 | 90676079 | | 00095803 | 10/05/2017 |
| | | | | | Check Total: | 199.98 | | | |
| MW OH | WM CURBSIDE INC V000230 | JUNE USED OIL PICK UP | 374386-6285 Hazardous Materials Disposal | AP100517 | 100.00 | 13-20712-83003 | | 00095804 | 10/05/2017 |
| | | | | | Check Total: | 100.00 | | | |
| MW OH | YORBA LINDA FEED STORE V003242 | K9 DOG FOOD | 103041-6301 Special Department Supplies | AP100517 | 56.02 | 586088 | | 00095805 | 10/05/2017 |
| MW OH | YORBA LINDA FEED STORE V003242 | K9 DOG FOOD | 103041-6301 Special Department Supplies | AP100517 | 65.89 | 587518 | | 00095805 | 10/05/2017 |
| MW OH | YORBA LINDA FEED STORE V003242 | K9 DOG FOOD | 103041-6301 Special Department Supplies | AP100517 | 56.02 | 588892 | | 00095805 | 10/05/2017 |
| | | | | | Check Total: | 177.93 | | | |
| MW OH | YORBA LINDA WATER V006633 | SEPT SEWER CHARGES | 484356-6297 Billing Services | AP100517 | 347.60 | 205115 | | 00095806 | 10/05/2017 |
| | | | | | Check Total: | 347.60 | | | |
| MW OH | YORBA REGIONAL ANIMAL VET SERVICES - KYRA V008472 | | 103041-6301 Special Department Supplies | AP100517 | 20.00 | 1305328 | | 00095807 | 10/05/2017 |
| | | | | | Check Total: | 20.00 | | | |
| MW OH | CALIFORNIA STATE V004813 | P/E 10/7/17 PD DATE 10/13/17 | 0037-2196 Garnishments W/H | PY17021 | 61.54 | 2700/1701021 | | 00095808 | 10/13/2017 |
| MW OH | CALIFORNIA STATE V004813 | P/E 10/7/17 PD DATE 10/13/17 | 0010-2196 Garnishments W/H | PY17021 | 379.89 | 2700/1701021 | | 00095808 | 10/13/2017 |
| MW OH | CALIFORNIA STATE V004813 | P/E 10/7/17 PD DATE 10/13/17 | 0029-2196 Garnishments W/H | PY17021 | 59.02 | 2700/1701021 | | 00095808 | 10/13/2017 |
| MW OH | CALIFORNIA STATE | P/E 10/7/17 PD DATE 10/13/17 | 0048-2196 | PY17021 | 141.08 | 2700/1701021 | | 00095808 | 10/13/2017 |

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| | V004813 | | Garnishments W/H | | | | | | |
| | | | | Check Total: | 641.53 | | | | |
| MW OH | FRANCHISE TAX BOARD V000404 | P/E 10/7/17 PD DATE 10/13/17 | 0048-2196 Garnishments W/H | PY17021 | 6.00 | 2710/1701021 | | 00095809 | 10/13/2017 |
| MW OH | FRANCHISE TAX BOARD V000404 | P/E 10/7/17 PD DATE 10/13/17 | 0029-2196 Garnishments W/H | PY17021 | 6.00 | 2710/1701021 | | 00095809 | 10/13/2017 |
| MW OH | FRANCHISE TAX BOARD V000404 | P/E 10/7/17 PD DATE 10/13/17 | 0010-2196 Garnishments W/H | PY17021 | 48.00 | 2710/1701021 | | 00095809 | 10/13/2017 |
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| MW OH | MIDAMERICA V008972 | P/E 10/7/17 PD DATE 10/13/17 | 0029-2173 401A Special Pay Program | PY17021 | 211.14 | 2800/1701021 | | 00095810 | 10/13/2017 |
| MW OH | MIDAMERICA V008972 | P/E 10/7/17 PD DATE 10/13/17 | 0010-2173 401A Special Pay Program | PY17021 | 7,979.87 | 2800/1701021 | | 00095810 | 10/13/2017 |
| MW OH | MIDAMERICA V008972 | P/E 10/7/17 PD DATE 10/13/17 | 0054-2173 401A Special Pay Program | PY17021 | 283.43 | 2800/1701021 | | 00095810 | 10/13/2017 |
| MW OH | MIDAMERICA V008972 | P/E 10/7/17 PD DATE 10/13/17 | 0048-2173 401A Special Pay Program | PY17021 | 964.90 | 2800/1701021 | | 00095810 | 10/13/2017 |
| MW OH | MIDAMERICA V008972 | P/E 10/7/17 PD DATE 10/13/17 | 0037-2173 401A Special Pay Program | PY17021 | 396.37 | 2800/1701021 | | 00095810 | 10/13/2017 |
| | | | | Check Total: | 9,835.71 | | | | |
| MW OH | ORANGE COUNTY V000699 | P/E 10/7/17 PD DATE 10/13/17 | 0029-2176 PCEA/OCEA Assoc Dues | PY17021 | 7.68 | 2610/1701021 | | 00095811 | 10/13/2017 |
| MW OH | ORANGE COUNTY V000699 | P/E 10/7/17 PD DATE 10/13/17 | 0010-2176 PCEA/OCEA Assoc Dues | PY17021 | 283.33 | 2610/1701021 | | 00095811 | 10/13/2017 |
| MW OH | ORANGE COUNTY V000699 | P/E 10/7/17 PD DATE 10/13/17 | 0048-2176 PCEA/OCEA Assoc Dues | PY17021 | 24.05 | 2610/1701021 | | 00095811 | 10/13/2017 |
| MW OH | ORANGE COUNTY V000699 | P/E 10/7/17 PD DATE 10/13/17 | 0037-2176 PCEA/OCEA Assoc Dues | PY17021 | 2.40 | 2610/1701021 | | 00095811 | 10/13/2017 |
| | | | | Check Total: | 317.46 | | | | |

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| MW OH | PCEA C/O NORTH ORANGE V000679 | 09E 10/7/17 PD DATE 10/13/17 | 0029-2176 PCEA/OCEA Assoc Dues | PY17021 | 0.80 | 2615/1701021 | | 00095812 | 10/13/2017 |
| MW OH | PCEA C/O NORTH ORANGE V000679 | 09E 10/7/17 PD DATE 10/13/17 | 0048-2176 PCEA/OCEA Assoc Dues | PY17021 | 2.50 | 2615/1701021 | | 00095812 | 10/13/2017 |
| MW OH | PCEA C/O NORTH ORANGE V000679 | 09E 10/7/17 PD DATE 10/13/17 | 0037-2176 PCEA/OCEA Assoc Dues | PY17021 | 0.25 | 2615/1701021 | | 00095812 | 10/13/2017 |
| MW OH | PCEA C/O NORTH ORANGE V000679 | 09E 10/7/17 PD DATE 10/13/17 | 0010-2176 PCEA/OCEA Assoc Dues | PY17021 | 29.45 | 2615/1701021 | | 00095812 | 10/13/2017 |
| Check Total: | | | | | 33.00 | | | | |
| MW OH | PLACENTIA POLICE V000839 | P/E 10/7/17 PD DATE 10/13/17 | 0010-2180 Police Mgmt Assn Dues | PY17021 | 804.14 | 2625/1701021 | | 00095813 | 10/13/2017 |
| Check Total: | | | | | 804.14 | | | | |
| MW OH | PLACENTIA POLICE V003519 | P/E 10/7/17 PD DATE 10/13/17 | 0010-2178 Placentia Police Assoc Dues | PY17021 | 2,576.57 | 2620/1701021 | | 00095814 | 10/13/2017 |
| Check Total: | | | | | 2,576.57 | | | | |
| MW OH | VANTAGEPOINT TRANSFER V007191 | P/E 10/7/17 PD DATE 10/13/17 | 0029-2170 Deferred Comp Payable - ICMA | PY17021 | 37.95 | 2606/1701021 | | 00095815 | 10/13/2017 |
| MW OH | VANTAGEPOINT TRANSFER V007191 | P/E 10/7/17 PD DATE 10/13/17 | 0010-2170 Deferred Comp Payable - ICMA | PY17021 | 2,695.54 | 2606/1701021 | | 00095815 | 10/13/2017 |
| MW OH | VANTAGEPOINT TRANSFER V007191 | P/E 10/7/17 PD DATE 10/13/17 | 0037-2170 Deferred Comp Payable - ICMA | PY17021 | 26.85 | 2606/1701021 | | 00095815 | 10/13/2017 |
| MW OH | VANTAGEPOINT TRANSFER V007191 | P/E 10/7/17 PD DATE 10/13/17 | 0054-2170 Deferred Comp Payable - ICMA | PY17021 | 30.40 | 2606/1701021 | | 00095815 | 10/13/2017 |
| MW OH | VANTAGEPOINT TRANSFER V007191 | P/E 10/7/17 PD DATE 10/13/17 | 0048-2170 Deferred Comp Payable - ICMA | PY17021 | 116.27 | 2606/1701021 | | 00095815 | 10/13/2017 |
| Check Total: | | | | | 2,907.01 | | | | |
| MW OH | ALBERT GROVER & V007111 | JUNE SIGNAL MOD SERVICES | 103550-6015 Engineering Services | AP101217 | 500.00 | 17371-IN | | 00095816 | 10/12/2017 |
| MW OH | ALBERT GROVER & | JULY SIGNAL MOD PLANS | 103550-6015 | AP101217 | 1,895.00 | 17432-IN | | 00095816 | 10/12/2017 |

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| | V007111 | | Engineering Services | | | | | |
| | | | | Check Total: | 2,395.00 | | | |
| MW OH | ALLIANT INSURANCE V007375 | HERITAGE LIABILITY INSURANCE | 404582-6201 Liability Insurance Premiums | AP101217 | 10,972.00 711277 | | 00095817 | 10/12/2017 |
| | | | | Check Total: | 10,972.00 | | | |
| MW OH | ANGLINGDARMA, V010601 | PARKING CITATION REFUND | 100000-4410 City Ord Fines (Parking) | AP101217 | 43.00 18005446 | | 00095818 | 10/12/2017 |
| | | | | Check Total: | 43.00 | | | |
| MW OH | ARAMARK UNIFORM V004232 | PW UNIFORMS | 103650-6360 Uniforms | AP101217 | 468.67 532700485 | | 00095819 | 10/12/2017 |
| MW OH | ARAMARK UNIFORM V004232 | FACILITY MAT CLEANING | 103654-6301 Special Department Supplies | AP101217 | 274.13 532700486 | | 00095819 | 10/12/2017 |
| MW OH | ARAMARK UNIFORM V004232 | PW UNIFORMS | 103650-6360 Uniforms | AP101217 | 341.83 532768451 | | 00095819 | 10/12/2017 |
| MW OH | ARAMARK UNIFORM V004232 | FACILITY MAT CLEANING | 103654-6301 Special Department Supplies | AP101217 | 274.13 532768452 | | 00095819 | 10/12/2017 |
| MW OH | ARAMARK UNIFORM V004232 | PW UNIFORMS | 103650-6360 Uniforms | AP101217 | 310.52 532785557 | | 00095819 | 10/12/2017 |
| MW OH | ARAMARK UNIFORM V004232 | FACILITY MAT CLEANING | 103654-6301 Special Department Supplies | AP101217 | 147.19 532785558 | | 00095819 | 10/12/2017 |
| | | | | Check Total: | 1,816.47 | | | |
| MW OH | AT & T V008736 | SEPT PD YARD INTERNET | 109595-6215 Telephone | AP101217 | 50.86 SEPT PD 17 | | 00095820 | 10/12/2017 |
| | | | | Check Total: | 50.86 | | | |
| MW OH | BEE MAN, THE V000117 | 8/7 BEE REMOVAL SERVICES | 103655-6301 Special Department Supplies | AP101217 | 510.00 95147 | | 00095821 | 10/12/2017 |
| MW OH | BEE MAN, THE V000117 | 8/22 BEE REMOVAL SERVICES | 103655-6301 Special Department Supplies | AP101217 | 195.00 95456 | | 00095821 | 10/12/2017 |
| | | | | Check Total: | 705.00 | | | |

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| MW OH | BIGGS CARDOSA V010461 | AUG ENGINEERING DESIGN SVS | 333552-6185 / 61116-6185 Construction Services | AP101217 | 17,197.42 | 72353 | P11141 | 00095822 | 10/12/2017 |
| | | | | | Check Total: | 17,197.42 | | | |
| MW OH | CITY OF BREA V000125 | PRINTING SVS - BUSINESS CARDS | 103550-6230 Printing & Binding | AP101217 | 77.31 | ASCS000356 | | 00095823 | 10/12/2017 |
| MW OH | CITY OF BREA V000125 | PRINTING SVS - BUSINESS CARDS | 102534-6230 Printing & Binding | AP101217 | 77.31 | ASCS000356 | | 00095823 | 10/12/2017 |
| | | | | | Check Total: | 154.62 | | | |
| MW OH | COUNTY OF ORANGE OCPW V007434 | DEPOSIT-BIKEWAY & TRAILS CO-OP | 109595-6999 Other Expenditure | AP101217 | 5,000.00 | CPP-2017-00669P11164 | | 00095824 | 10/12/2017 |
| | | | | | Check Total: | 5,000.00 | | | |
| MW OH | DELL MARKETING L.P. V000301 | CREATIVE CLOUD SOFTWARE | 101523-6136 Software Maintenance | AP101217 | 692.53 | 10165387260 | | 00095825 | 10/12/2017 |
| MW OH | DELL MARKETING L.P. V000301 | CREATIVE CLOUD SOFTWARE | 102534-6225 Advertising/Promotional | AP101217 | 692.53 | 10165387260 | | 00095825 | 10/12/2017 |
| MW OH | DELL MARKETING L.P. V000301 | CREATIVE CLOUD SOFTWARE | 581573-6136 Software Maintenance | AP101217 | 692.53 | 10165387260 | | 00095825 | 10/12/2017 |
| | | | | | Check Total: | 2,077.59 | | | |
| MW OH | EVERBANK COMMERCIAL V009592 | SEPT PRINTER MANAGEMENT SVS | 109595-6137 Repair Maint/Equipment | AP101217 | 2,214.41 | 4730977 | P11102 | 00095826 | 10/12/2017 |
| | | | | | Check Total: | 2,214.41 | | | |
| MW OH | FUN SERVICES V000412 | HERITAGE GAMES, INFLATIBLES | 104076-6099 / 79392-6099 Professional Services | AP101217 | 2,221.75 | 27916 | | 00095827 | 10/12/2017 |
| | | | | | Check Total: | 2,221.75 | | | |
| MW OH | GABEL, PATRICIA L V010602 | PARKING CITATION REFUND | 100000-4410 City Ord Fines (Parking) | AP101217 | 47.00 | PK463681 | | 00095828 | 10/12/2017 |
| | | | | | Check Total: | 47.00 | | | |
| MW OH | GASTELUM, ART M V009741 | FY 17-18 PROPERTY TAXES | 109595-6410 Property Taxes | AP101217 | 3,241.06 | 00035 | | 00095829 | 10/12/2017 |

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| | | | | | Check Total: | 3,241.06 | | |
| MW OH | GOLDEN STATE WATER V000928 | JULY-SEPT WATER CHARGES | 296561-6335 Water | AP101217 | 21,065.31 092917 | | 00095830 | 10/12/2017 |
| MW OH | GOLDEN STATE WATER V000928 | JULY-SEPT WATER CHARGES | 109595-6335 Water | AP101217 | 79.91 092917 | | 00095830 | 10/12/2017 |
| | | | | | Check Total: | 21,145.22 | | |
| MW OH | GUZMAN, LESLEY V010600 | PARKING CITATION REFUND | 100000-4410 City Ord Fines (Parking) | AP101217 | 43.00 17000964 | | 00095831 | 10/12/2017 |
| | | | | | Check Total: | 43.00 | | |
| MW OH | HF&H CONSULTANTS LLC V010575 | AUG ORGANICS SVS RATES | 103550-6290 Dept. Contract Services | AP101217 | 5,752.50 9714959 | P11172 | 00095832 | 10/12/2017 |
| | | | | | Check Total: | 5,752.50 | | |
| MW OH | HIRSCH PIPE AND SUPPLY V004494 | PLUMBING SUPPLIES | 103654-6130 Repair & Maint/Facilities | AP101217 | 123.04 5553226 | | 00095833 | 10/12/2017 |
| MW OH | HIRSCH PIPE AND SUPPLY V004494 | PLUMBING SUPPLIES | 103654-6130 Repair & Maint/Facilities | AP101217 | 49.99 5560790 | | 00095833 | 10/12/2017 |
| | | | | | Check Total: | 173.03 | | |
| MW OH | HOYT, KIM V008992 | PARKING CITATION REFUND | 100000-4410 City Ord Fines (Parking) | AP101217 | 43.00 19004451 | | 00095834 | 10/12/2017 |
| MW OH | HOYT, KIM V008992 | PARKING CITATION REFUND | 100000-4410 City Ord Fines (Parking) | AP101217 | 47.00 19004452 | | 00095834 | 10/12/2017 |
| | | | | | Check Total: | 90.00 | | |
| MW OH | ICMA RETIREMENT TRUST V010029 | DEDUCTIONS P/E 10/7 PD 10/13 | 0029-2170 Deferred Comp Payable - ICMA | AP101217 | 52.50 1013171 | | 00095835 | 10/12/2017 |
| MW OH | ICMA RETIREMENT TRUST V010029 | DEDUCTIONS P/E 10/7 PD 10/13 | 0010-2170 Deferred Comp Payable - ICMA | AP101217 | 1,275.64 1013171 | | 00095835 | 10/12/2017 |
| MW OH | ICMA RETIREMENT TRUST V010029 | DEDUCTIONS P/E 10/7 PD 10/13 | 0048-2170 Deferred Comp Payable - ICMA | AP101217 | 82.50 1013171 | | 00095835 | 10/12/2017 |
| MW OH | ICMA RETIREMENT TRUST | DEDUCTIONS P/E 10/7 PD 10/13 | 0037-2170 | AP101217 | 22.50 1013171 | | 00095835 | 10/12/2017 |

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| | V010029 | | Deferred Comp Payable - ICMA | | | | | |
| MW OH | ICMA RETIREMENT TRUST V010029 | DEDUCTIONS P/E 10/7 PD 10/13 | 0054-2170 Deferred Comp Payable - ICMA | AP101217 | 74.40 1013171 | | 00095835 | 10/12/2017 |
| | | | | Check Total: | 1,507.54 | | | |
| MW OH | JAIN, SHEETAL S V010605 | PARKING CITATION REFUND | 100000-4410 City Ord Fines (Parking) | AP101217 | 43.00 19004623 | | 00095836 | 10/12/2017 |
| | | | | Check Total: | 43.00 | | | |
| MW OH | JOE BACKFLOW CO. V009867 | BACKFLOW TEST & CERTS | 103655-6290 Dept. Contract Services | AP101217 | 2,400.00 1794 | | 00095837 | 10/12/2017 |
| MW OH | JOE BACKFLOW CO. V009867 | BACKFLOW TEST & CERT | 103655-6290 Dept. Contract Services | AP101217 | 200.00 1795 | | 00095837 | 10/12/2017 |
| | | | | Check Total: | 2,600.00 | | | |
| MW OH | JONES & MAYER V009822 | JUNE LEGAL SERVICES | 101005-6005 / 10044-6005 Legal Services | AP101217 | 58.50 83297 | | 00095838 | 10/12/2017 |
| MW OH | JONES & MAYER V009822 | JUNE LEGAL SERVICES | 101005-6005 / 10044-6005 Legal Services | AP101217 | 4,432.98 83301 | | 00095838 | 10/12/2017 |
| MW OH | JONES & MAYER V009822 | AUGUST LEGAL SERVICES | 101005-6005 / 10044-6005 Legal Services | AP101217 | 4,465.40 83884 | | 00095838 | 10/12/2017 |
| | | | | Check Total: | 8,956.88 | | | |
| MW OH | KEYSTONE UNIFORMS V009178 | RIFLE CASES | 213041-6840 Machinery & Equipment | AP101217 | 872.72 700004449 | | 00095839 | 10/12/2017 |
| | | | | Check Total: | 872.72 | | | |
| MW OH | LAM, KHOI M V010607 | PARKING CITATION REFUND | 100000-4410 City Ord Fines (Parking) | AP101217 | 43.00 18005265 | | 00095840 | 10/12/2017 |
| | | | | Check Total: | 43.00 | | | |
| MW OH | MODUGNO, SARA V010609 | DOG TRAINING CLASS REFUND | 100000-4340 / 79348-4340 Recreation Programs | AP101217 | 92.00 2001854.002 | | 00095841 | 10/12/2017 |
| | | | | Check Total: | 92.00 | | | |
| MW OH | MORALES, MIKE | PARKING CITATION REFUND | 100000-4410 | AP101217 | 43.00 19004544 | | 00095842 | 10/12/2017 |

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| | V010606 | | City Ord Fines (Parking) | | | | | |
| | | | | Check Total: | 43.00 | | | |
| MW OH | MUNITEMPS V009595 | 9/19-28 CODE ENFORCEMENT SVS | 103046-6099 Professional Services | AP101217 | 1,792.00 127669 | | 00095843 | 10/12/2017 |
| | | | | Check Total: | 1,792.00 | | | |
| MW OH | OFFICE INDUSTRIES V007477 | OFFICE SUPPLIES | 102531-6315 Office Supplies | AP101217 | 169.91 60561 | | 00095844 | 10/12/2017 |
| MW OH | OFFICE INDUSTRIES V007477 | RECYCLED PAPER | 109595-6301 Special Department Supplies | AP101217 | 351.59 60562 | | 00095844 | 10/12/2017 |
| MW OH | OFFICE INDUSTRIES V007477 | RECYCLED PAPER | 109595-6301 Special Department Supplies | AP101217 | 211.57 60595 | | 00095844 | 10/12/2017 |
| MW OH | OFFICE INDUSTRIES V007477 | RECYCLED PAPER | 109595-6301 Special Department Supplies | AP101217 | 224.17 60641 | | 00095844 | 10/12/2017 |
| MW OH | OFFICE INDUSTRIES V007477 | OFFICE SUPPLIES | 102531-6315 Office Supplies | AP101217 | 48.53 60651 | | 00095844 | 10/12/2017 |
| MW OH | OFFICE INDUSTRIES V007477 | RECYCLED PAPER | 109595-6301 Special Department Supplies | AP101217 | 224.17 60679 | | 00095844 | 10/12/2017 |
| MW OH | OFFICE INDUSTRIES V007477 | OFFICE SUPPLIES | 103650-6315 Office Supplies | AP101217 | 36.12 B60648-1 | | 00095844 | 10/12/2017 |
| | | | | Check Total: | 1,266.06 | | | |
| MW OH | ORANGE COUNTY V007306 | SEPT PARKING CITATIONS | 0044-2038 Parking Fines | AP101217 | 8,712.50 100917 | | 00095845 | 10/12/2017 |
| | | | | Check Total: | 8,712.50 | | | |
| MW OH | PLACENTIA POLICE V001973 | HERITAGE SUPPLIES | 104076-6301 / 79392-6301 Special Department Supplies | AP101217 | 800.00 101217 | | 00095846 | 10/12/2017 |
| | | | | Check Total: | 800.00 | | | |
| MW OH | PLACENTIA, CITY OF V000778 | SEPT/OCT DENTAL CLAIMS | 395083-6335 Water | AP101217 | 20,106.84 83117-101017 | | 00095847 | 10/12/2017 |
| | | | | Check Total: | 20,106.84 | | | |

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| MW OH | PROCURE AMERICA V009591 | OCT PRINTER SAVING PROGRAM | 109595-6137 Repair Maint/Equipment | AP101217 | 400.42 | 10-1737 | P11085 | 00095848 | 10/12/2017 |
| | | | | | Check Total: | 400.42 | | | |
| MW OH | PSYCHOLOGICAL V009259 | 9/18 PRE EMPLOYMENT EXAM | 101512-6099 Professional Services | AP101217 | 400.00 | 523070 | | 00095849 | 10/12/2017 |
| | | | | | Check Total: | 400.00 | | | |
| MW OH | RADOMSKI, DAVID V002832 | PD TRAINING HOTEL CAD-RMS | 213041-6250 Staff Training | AP101217 | 1,416.68 | 09036301 | | 00095850 | 10/12/2017 |
| MW OH | RADOMSKI, DAVID V002832 | PD TRAINING TRAIN TKT CAD-RMS | 213041-6250 Staff Training | AP101217 | 73.00 | DR091717 | | 00095850 | 10/12/2017 |
| MW OH | RADOMSKI, DAVID V002832 | PD TRAINING TRAIN TKT CAD-RMS | 213041-6250 Staff Training | AP101217 | 73.00 | DR091817 | | 00095850 | 10/12/2017 |
| | | | | | Check Total: | 1,562.68 | | | |
| MW OH | SAGECREST PLANNING AND8/28-927 BLDG OFFICIAL SVS V010576 | | 102532-6290 Dept. Contract Services | AP101217 | 7,886.00 | 1012 | P11173 | 00095851 | 10/12/2017 |
| MW OH | SAGECREST PLANNING AND8/28-9/28 PW INSPECTION SVS V010576 | | 103550-6290 Dept. Contract Services | AP101217 | 4,370.00 | 1012 | P11173 | 00095851 | 10/12/2017 |
| | | | | | Check Total: | 12,256.00 | | | |
| MW OH | SCHWAB, ANNE M V010608 | PARKING CITATION REFUND | 100000-4410 City Ord Fines (Parking) | AP101217 | 43.00 | 19004333 | | 00095852 | 10/12/2017 |
| | | | | | Check Total: | 43.00 | | | |
| MW OH | SMERDEL, MICHELLE V010603 | PARKING CITATION REFUND | 100000-4410 City Ord Fines (Parking) | AP101217 | 43.00 | 19004737 | | 00095853 | 10/12/2017 |
| | | | | | Check Total: | 43.00 | | | |
| MW OH | SPARKLETTS V000967 | SEPT WHITTEN WATER SERVICE | 104071-6301 Special Department Supplies | AP101217 | 115.09 | 15169979 092317 | | 00095854 | 10/12/2017 |
| | | | | | Check Total: | 115.09 | | | |
| MW OH | SPRINT V006126 | OCT PD FRAME RELAY SVS | 109595-6215 Telephone | AP101217 | 624.73 | 32090170000339 | | 00095855 | 10/12/2017 |

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| | | | | Check Total: | 624.73 | | | | |
| MW OH | T-MOBILE V004339 | 9/2-10/1 CELL PHONE CHARGES | 109595-6215 Telephone | AP101217 | 1,172.06 | SEPTEMBER 17 | | 00095856 | 10/12/2017 |
| MW OH | T-MOBILE V004339 | 9/2-10/1 PD CELL PHONE CHARGES | 109595-6215 Telephone | AP101217 | 728.34 | SEPTEMBER PD | | 00095856 | 10/12/2017 |
| | | | | Check Total: | 1,900.40 | | | | |
| MW OH | THE PUBLIC GROUP LLC V009635 | JULY RECORDS MANAGEMENT SVS | 101513-6299 Other Purchased Services | AP101217 | 80.00 | 816559 | | 00095857 | 10/12/2017 |
| MW OH | THE PUBLIC GROUP LLC V009635 | AUG RECORDS MANAGEMENT SVS | 101513-6299 Other Purchased Services | AP101217 | 80.00 | 824292 | | 00095857 | 10/12/2017 |
| MW OH | THE PUBLIC GROUP LLC V009635 | SEPT RECORDS MANAGEMENT SVS | 101513-6299 Other Purchased Services | AP101217 | 80.00 | 832086 | | 00095857 | 10/12/2017 |
| | | | | Check Total: | 240.00 | | | | |
| MW OH | TOTAL SECURITY SOLUTIONS V010590 | BULLET RESISTANT FIBERGLASS | 109595-6999 Other Expenditure | AP101217 | 908.30 | 23888 | P11168 | 00095858 | 10/12/2017 |
| MW OH | TOTAL SECURITY SOLUTIONS V010590 | BULLET RESISTANT FIBERGLASS | 103040-6290 Dept. Contract Services | AP101217 | 3,500.00 | 23888 | P11168 | 00095858 | 10/12/2017 |
| | | | | Check Total: | 4,408.30 | | | | |
| MW OH | TRAFFIC MANAGEMENT V008463 | PAINT | 103652-6301 Special Department Supplies | AP101217 | 379.82 | 368826 | | 00095859 | 10/12/2017 |
| MW OH | TRAFFIC MANAGEMENT V008463 | PAINT | 103652-6301 Special Department Supplies | AP101217 | 474.80 | 371875 | | 00095859 | 10/12/2017 |
| | | | | Check Total: | 854.62 | | | | |
| MW OH | TRILLIUM CNG (1720) V007952 | SEPT CNG FUEL | 103658-6345 Gasoline & Diesel Fuel | AP101217 | 124.86 | 1710032022 | | 00095860 | 10/12/2017 |
| | | | | Check Total: | 124.86 | | | | |
| MW OH | US BANK PARS #6746022400 V008781 | P/E 10/7 PD 10/13 | 0048-2131 Employer PARS/ARS Payable | AP101217 | 137.44 | 101317J | | 00095861 | 10/12/2017 |
| MW OH | US BANK PARS #6746022400 | P/E 10/7 PD 10/13 | 0054-2131 | AP101217 | 80.10 | 101317J | | 00095861 | 10/12/2017 |

**City of Placentia
Check Register
For 10/12/2017**

| Type | Vendor Name/ID | Description | Account/Description | Batch ID | Amount | Invoice# | PO # | Check # | Check Date |
|-------|-------------------------------------|----------------------------|---|---------------------|------------------|----------|--------|----------|------------|
| | V008781 | | Employer PARS/ARS Payable | | | | | | |
| MW OH | US BANK PARS #6746022400 V008781 | P/E 10/7 PD 10/13 | 0037-2131 Employer PARS/ARS Payable | AP101217 | 92.75 | 101317J | | 00095861 | 10/12/2017 |
| MW OH | US BANK PARS #6746022400 V008781 | P/E 10/7 PD 10/13 | 0029-2131 Employer PARS/ARS Payable | AP101217 | 50.27 | 101317J | | 00095861 | 10/12/2017 |
| MW OH | US BANK PARS #6746022400 V008781 | P/E 10/7 PD 10/13 | 0010-2131 Employer PARS/ARS Payable | AP101217 | 2,053.75 | 101317J | | 00095861 | 10/12/2017 |
| MW OH | US BANK PARS #6746022400 V008781 | P/E 10/7 PD 10/13 | 0010-2126 Employee PARS/ARS W/H | AP101217 | 1,141.41 | 101317J | | 00095861 | 10/12/2017 |
| | | | | Check Total: | 3,555.72 | | | | |
| MW OH | VARGAS, OLGA P V010604 | PARKING CITATION REFUND | 100000-4410 City Ord Fines (Parking) | AP101217 | 43.00 | 19004632 | | 00095862 | 10/12/2017 |
| | | | | Check Total: | 43.00 | | | | |
| MW OH | VILLAGE NURSERIES V001098 | TREES FOR BRADFORD AVE | 333552-6115 Landscaping | AP101217 | 1,764.82 | 18207162 | | 00095863 | 10/12/2017 |
| | | | | Check Total: | 1,764.82 | | | | |
| MW OH | WANKE, CHAD P. V007435 | LEAGUE CONF REIMBURSEMENT | 101001-6245 Meetings & Conferences | AP101217 | 1,234.45 | 100517 | | 00095864 | 10/12/2017 |
| | | | | Check Total: | 1,234.45 | | | | |
| MW OH | WESTERN AUDIO VISUAL V010574 | A/V EQUIPMENT FOR EOC | 333554-6185 / 22002-6185 Construction Services | AP101217 | 40,492.28 | 11713 | P11165 | 00095865 | 10/12/2017 |
| | | | | Check Total: | 40,492.28 | | | | |
| MW OH | WEX BANK V007269 | AUG-JULY PD FLEET GASOLINE | 103658-6345 Gasoline & Diesel Fuel | AP101217 | 587.46 | 51374805 | | 00095866 | 10/12/2017 |
| | | | | Check Total: | 587.46 | | | | |
| MW OH | YORBA LINDA WATER V001148 | AUG-SEPT WATER CHARGES | 109595-6335 Water | AP101217 | 1,643.24 | 082517 | | 00095867 | 10/12/2017 |
| | | | | Check Total: | 1,643.24 | | | | |

**City of Placentia
Check Register
For 10/12/2017**

| Type | Vendor Name/ID | Description | Account/Description | Batch ID | Amount | Invoice# | PO # | Check # | Check Date |
|------|----------------|-------------|---------------------|--------------|--------------|----------|------|---------|------------|
| | | | | Type Total: | 1,238,832.73 | | | | |
| | | | | Check Total: | 1,238,832.73 | | | | |

City of Placentia
Electronic Disbursement Register
For 10/17/2017

| Type | Vendor Name/ID | Description | Account/Description | Batch ID | Amount | Invoice# | PO # | Ref # | Ref Date |
|------|----------------|-------------|---------------------|----------|--------|----------|------|-------|----------|
|------|----------------|-------------|---------------------|----------|--------|----------|------|-------|----------|

Grand Total: 471,344.70

EDR Totals by ID

| | |
|----|------------|
| AP | 0.00 |
| EP | 471,344.70 |
| IP | 0.00 |
| OP | 0.00 |

| <u>Fund Name</u> | <u>EDR Totals by Fund</u> |
|------------------------------------|---------------------------|
| 101-General Fund (0010) | 393,069.38 |
| 208-Scssr Agncy Ret Oblg (0054) | 1,344.87 |
| 265-Landscape Maintenance (0029) | 2,532.64 |
| 275-Sewer Maintenance (0048) | 11,157.85 |
| 501-Refuse Administration (0037) | 3,076.72 |
| 601-Employee Health & Wlfre (0039) | 60,163.24 |

Void Total: 0.00
EDR Total: 471,344.70

Electronic Disbursement Sub Totals: 471,344.70

ACH Payroll Direct Deposit for 10/13/17: 284,299.54

Electronic Disbursement Total: 775,644.24

City of Placentia
Electronic Disbursement Register
For 10/12/2017

| Type | Vendor Name/ID | Description | Account/Description | Batch ID | Amount | Invoice# | PO # | Ref # | Ref Date |
|------|------------------------------|-----------------------|--|-----------|------------|----------------|------|----------|------------|
| EP | CALIFORNIA PUBLIC V010053 | SEPTEMBER UAL PAYMENT | 395083-5145 Retirement PERS | ACH100317 | 48,075.03 | 10000001505353 | | 00009846 | 10/03/2017 |
| EP | CALIFORNIA PUBLIC V010053 | SEPTEMBER UAL PAYMENT | 395083-5145 Retirement PERS | ACH100317 | 189,050.08 | 10000001505355 | | 00009846 | 10/03/2017 |
| EP | CALIFORNIA PUBLIC V010053 | PERS P/E 9/23 PD 9/29 | 0010-2165 PERS Employer Payable | ACH100317 | 34.66 | 929170 | | 00009846 | 10/03/2017 |
| EP | CALIFORNIA PUBLIC V010053 | PERS P/E 9/23 PD 9/29 | 0010-2195 PERS Uniform | ACH100317 | 23.38 | 929170 | | 00009846 | 10/03/2017 |
| EP | CALIFORNIA PUBLIC V010053 | PERS P/E 9/23 PD 9/29 | 0029-2140 Employee PERS W/H | ACH100317 | 877.82 | 929170 | | 00009846 | 10/03/2017 |
| EP | CALIFORNIA PUBLIC V010053 | PERS P/E 9/23 PD 9/29 | 0029-2145 Employee PERS Payback W/H | ACH100317 | 6.85 | 929170 | | 00009846 | 10/03/2017 |
| EP | CALIFORNIA PUBLIC V010053 | PERS P/E 9/23 PD 9/29 | 0029-2150 Survivor Benefit Package | ACH100317 | 1.21 | 929170 | | 00009846 | 10/03/2017 |
| EP | CALIFORNIA PUBLIC V010053 | PERS P/E 9/23 PD 9/29 | 0029-2195 PERS Uniform | ACH100317 | 0.36 | 929170 | | 00009846 | 10/03/2017 |
| EP | CALIFORNIA PUBLIC V010053 | PERS P/E 9/23 PD 9/29 | 0037-2140 Employee PERS W/H | ACH100317 | 1,058.40 | 929170 | | 00009846 | 10/03/2017 |
| EP | CALIFORNIA PUBLIC V010053 | PERS P/E 9/23 PD 9/29 | 0037-2145 Employee PERS Payback W/H | ACH100317 | 4.13 | 929170 | | 00009846 | 10/03/2017 |
| EP | CALIFORNIA PUBLIC V010053 | PERS P/E 9/23 PD 9/29 | 0037-2150 Survivor Benefit Package | ACH100317 | 1.10 | 929170 | | 00009846 | 10/03/2017 |
| EP | CALIFORNIA PUBLIC V010053 | PERS P/E 9/23 PD 9/29 | 0048-2140 Employee PERS W/H | ACH100317 | 3,994.15 | 929170 | | 00009846 | 10/03/2017 |
| EP | CALIFORNIA PUBLIC V010053 | PERS P/E 9/23 PD 9/29 | 0010-2140 Employee PERS W/H | ACH100317 | 148,652.02 | 929170 | | 00009846 | 10/03/2017 |
| EP | CALIFORNIA PUBLIC V010053 | PERS P/E 9/23 PD 9/29 | 0048-2145 Employee PERS Payback W/H | ACH100317 | 6.85 | 929170 | | 00009846 | 10/03/2017 |
| EP | CALIFORNIA PUBLIC V010053 | PERS P/E 9/23 PD 9/29 | 0010-2145 Employee PERS Payback W/H | ACH100317 | 228.11 | 929170 | | 00009846 | 10/03/2017 |

City of Placentia
Electronic Disbursement Register
For 10/12/2017

| Type | Vendor Name/ID | Description | Account/Description | Batch ID | Amount Invoice# | PO # | Ref # | Ref Date |
|---------------------|------------------------------|-----------------------------|--|-----------|-------------------|------|----------|------------|
| EP | CALIFORNIA PUBLIC V010053 | PERS P/E 9/23 PD 9/29 | 0048-2150 Survivor Benefit Package | ACH100317 | 4.76 929170 | | 00009846 | 10/03/2017 |
| EP | CALIFORNIA PUBLIC V010053 | PERS P/E 9/23 PD 9/29 | 0048-2165 PERS Employer Payable | ACH100317 | 4.08 929170 | | 00009846 | 10/03/2017 |
| EP | CALIFORNIA PUBLIC V010053 | PERS P/E 9/23 PD 9/29 | 0048-2195 PERS Uniform | ACH100317 | 1.61 929170 | | 00009846 | 10/03/2017 |
| EP | CALIFORNIA PUBLIC V010053 | PERS P/E 9/23 PD 9/29 | 0054-2140 Employee PERS W/H | ACH100317 | 350.04 929170 | | 00009846 | 10/03/2017 |
| EP | CALIFORNIA PUBLIC V010053 | PERS P/E 9/23 PD 9/29 | 0054-2150 Survivor Benefit Package | ACH100317 | 0.42 929170 | | 00009846 | 10/03/2017 |
| EP | CALIFORNIA PUBLIC V010053 | PERS P/E 9/23 PD 9/29 | 395083-5145 Retirement PERS | ACH100317 | -86,373.30 929170 | | 00009846 | 10/03/2017 |
| EP | CALIFORNIA PUBLIC V010053 | PERS P/E 9/23 PD 9/29 | 0010-2150 Survivor Benefit Package | ACH100317 | 104.11 929170 | | 00009846 | 10/03/2017 |
| Check Total: | | | | | 306,105.87 | | | |
| EP | EMPLOYMENT V010052 | STATE TAX P/E 9/23 PD 9/29 | 0029-2135 Calif Income Tax W/H | ACH100317 | 118.19 92917M | | 00009847 | 10/03/2017 |
| EP | EMPLOYMENT V010052 | STATE TAX P/E 9/23 PD 9/29 | 0010-2135 Calif Income Tax W/H | ACH100317 | 15,583.89 92917M | | 00009847 | 10/03/2017 |
| EP | EMPLOYMENT V010052 | STATE TAX P/E 9/23 PD 9/29 | 0037-2135 Calif Income Tax W/H | ACH100317 | 187.87 92917M | | 00009847 | 10/03/2017 |
| EP | EMPLOYMENT V010052 | STATE TAX P/E 9/23 PD 9/29 | 0054-2135 Calif Income Tax W/H | ACH100317 | 148.39 92917M | | 00009847 | 10/03/2017 |
| EP | EMPLOYMENT V010052 | STATE TAX P/E 9/23 PD 9/29 | 0048-2135 Calif Income Tax W/H | ACH100317 | 527.37 92917M | | 00009847 | 10/03/2017 |
| Check Total: | | | | | 16,565.71 | | | |
| EP | INTERNAL REVENUE V010054 | FED/MED/SS P/E 9/23 PD 9/29 | 0010-2115 Employee Medicare W/H | ACH100317 | 5,565.20 92917L | | 00009848 | 10/03/2017 |
| EP | INTERNAL REVENUE V010054 | FED/MED/SS P/E 9/23 PD 9/29 | 0010-2120 Employer Medicare Payable | ACH100317 | 5,565.20 92917L | | 00009848 | 10/03/2017 |

City of Placentia
Electronic Disbursement Register
For 10/12/2017

| Type | Vendor Name/ID | Description | Account/Description | Batch ID | Amount | Invoice# | PO # | Ref # | Ref Date |
|---------------------|------------------------------|-----------------------------|--|-----------|------------------|----------|------|----------|------------|
| EP | INTERNAL REVENUE V010054 | FED/MED/SS P/E 9/23 PD 9/29 | 0029-2110 Federal Income Tax W/H | ACH100317 | 397.73 | 92917L | | 00009848 | 10/03/2017 |
| EP | INTERNAL REVENUE V010054 | FED/MED/SS P/E 9/23 PD 9/29 | 0029-2115 Employee Medicare W/H | ACH100317 | 51.79 | 92917L | | 00009848 | 10/03/2017 |
| EP | INTERNAL REVENUE V010054 | FED/MED/SS P/E 9/23 PD 9/29 | 0029-2120 Employer Medicare Payable | ACH100317 | 51.79 | 92917L | | 00009848 | 10/03/2017 |
| EP | INTERNAL REVENUE V010054 | FED/MED/SS P/E 9/23 PD 9/29 | 0010-2110 Federal Income Tax W/H | ACH100317 | 48,196.35 | 92917L | | 00009848 | 10/03/2017 |
| EP | INTERNAL REVENUE V010054 | FED/MED/SS P/E 9/23 PD 9/29 | 0037-2110 Federal Income Tax W/H | ACH100317 | 574.43 | 92917L | | 00009848 | 10/03/2017 |
| EP | INTERNAL REVENUE V010054 | FED/MED/SS P/E 9/23 PD 9/29 | 0054-2120 Employer Medicare Payable | ACH100317 | 37.06 | 92917L | | 00009848 | 10/03/2017 |
| EP | INTERNAL REVENUE V010054 | FED/MED/SS P/E 9/23 PD 9/29 | 0037-2115 Employee Medicare W/H | ACH100317 | 61.30 | 92917L | | 00009848 | 10/03/2017 |
| EP | INTERNAL REVENUE V010054 | FED/MED/SS P/E 9/23 PD 9/29 | 0037-2120 Employer Medicare Payable | ACH100317 | 61.30 | 92917L | | 00009848 | 10/03/2017 |
| EP | INTERNAL REVENUE V010054 | FED/MED/SS P/E 9/23 PD 9/29 | 0048-2110 Federal Income Tax W/H | ACH100317 | 1,648.51 | 92917L | | 00009848 | 10/03/2017 |
| EP | INTERNAL REVENUE V010054 | FED/MED/SS P/E 9/23 PD 9/29 | 0048-2115 Employee Medicare W/H | ACH100317 | 197.21 | 92917L | | 00009848 | 10/03/2017 |
| EP | INTERNAL REVENUE V010054 | FED/MED/SS P/E 9/23 PD 9/29 | 0048-2120 Employer Medicare Payable | ACH100317 | 197.21 | 92917L | | 00009848 | 10/03/2017 |
| EP | INTERNAL REVENUE V010054 | FED/MED/SS P/E 9/23 PD 9/29 | 0054-2110 Federal Income Tax W/H | ACH100317 | 397.73 | 92917L | | 00009848 | 10/03/2017 |
| EP | INTERNAL REVENUE V010054 | FED/MED/SS P/E 9/23 PD 9/29 | 0054-2115 Employee Medicare W/H | ACH100317 | 37.06 | 92917L | | 00009848 | 10/03/2017 |
| Check Total: | | | | | 63,039.87 | | | | |
| EP | CALIFORNIA PUBLIC V010053 | PERS P/E 8/26 PD 9/1 | 0010-2145 Employee PERS Payback W/H | ACH083117 | 227.93 | 831170 | | 00009849 | 08/31/2017 |
| EP | CALIFORNIA PUBLIC | PERS P/E 8/26 PD 9/1 | 0010-2150 | ACH083117 | 113.00 | 831170 | | 00009849 | 08/31/2017 |

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Electronic Disbursement Register
For 10/12/2017

| Type | Vendor Name/ID | Description | Account/Description | Batch ID | Amount | Invoice# | PO # | Ref # | Ref Date |
|------|------------------------------|----------------------|--|-----------|------------|----------|------|----------|------------|
| | V010053 | | Survivor Benefit Package | | | | | | |
| EP | CALIFORNIA PUBLIC V010053 | PERS P/E 8/26 PD 9/1 | 0010-2165 PERS Employer Payable | ACH083117 | 1,554.22 | 831170 | | 00009849 | 08/31/2017 |
| EP | CALIFORNIA PUBLIC V010053 | PERS P/E 8/26 PD 9/1 | 0010-2195 PERS Uniform | ACH083117 | 23.37 | 831170 | | 00009849 | 08/31/2017 |
| EP | CALIFORNIA PUBLIC V010053 | PERS P/E 8/26 PD 9/1 | 0029-2140 Employee PERS W/H | ACH083117 | 911.77 | 831170 | | 00009849 | 08/31/2017 |
| EP | CALIFORNIA PUBLIC V010053 | PERS P/E 8/26 PD 9/1 | 0029-2145 Employee PERS Payback W/H | ACH083117 | 6.94 | 831170 | | 00009849 | 08/31/2017 |
| EP | CALIFORNIA PUBLIC V010053 | PERS P/E 8/26 PD 9/1 | 0029-2150 Survivor Benefit Package | ACH083117 | 1.30 | 831170 | | 00009849 | 08/31/2017 |
| EP | CALIFORNIA PUBLIC V010053 | PERS P/E 8/26 PD 9/1 | 0029-2195 PERS Uniform | ACH083117 | 0.36 | 831170 | | 00009849 | 08/31/2017 |
| EP | CALIFORNIA PUBLIC V010053 | PERS P/E 8/26 PD 9/1 | 0037-2140 Employee PERS W/H | ACH083117 | 1,062.44 | 831170 | | 00009849 | 08/31/2017 |
| EP | CALIFORNIA PUBLIC V010053 | PERS P/E 8/26 PD 9/1 | 0037-2145 Employee PERS Payback W/H | ACH083117 | 4.13 | 831170 | | 00009849 | 08/31/2017 |
| EP | CALIFORNIA PUBLIC V010053 | PERS P/E 8/26 PD 9/1 | 0037-2150 Survivor Benefit Package | ACH083117 | 1.10 | 831170 | | 00009849 | 08/31/2017 |
| EP | CALIFORNIA PUBLIC V010053 | PERS P/E 8/26 PD 9/1 | 0010-2140 Employee PERS W/H | ACH083117 | 154,158.69 | 831170 | | 00009849 | 08/31/2017 |
| EP | CALIFORNIA PUBLIC V010053 | PERS P/E 8/26 PD 9/1 | 0048-2140 Employee PERS W/H | ACH083117 | 4,073.62 | 831170 | | 00009849 | 08/31/2017 |
| EP | CALIFORNIA PUBLIC V010053 | PERS P/E 8/26 PD 9/1 | 395083-5145 Retirement PERS | ACH083117 | -90,588.57 | 831170 | | 00009849 | 08/31/2017 |
| EP | CALIFORNIA PUBLIC V010053 | PERS P/E 8/26 PD 9/1 | 0048-2145 Employee PERS Payback W/H | ACH083117 | 6.94 | 831170 | | 00009849 | 08/31/2017 |
| EP | CALIFORNIA PUBLIC V010053 | PERS P/E 8/26 PD 9/1 | 0048-2150 Survivor Benefit Package | ACH083117 | 4.93 | 831170 | | 00009849 | 08/31/2017 |
| EP | CALIFORNIA PUBLIC | PERS P/E 8/26 PD 9/1 | 0048-2165 | ACH083117 | 4.08 | 831170 | | 00009849 | 08/31/2017 |

City of Placentia
Electronic Disbursement Register
For 10/12/2017

| Type | Vendor Name/ID | Description | Account/Description | Batch ID | Amount | Invoice# | PO # | Ref # | Ref Date |
|------|----------------------------------|------------------------------|---|---------------------|-------------------|--------------|------|----------|------------|
| | V010053 | | PERS Employer Payable | | | | | | |
| EP | CALIFORNIA PUBLIC V010053 | PERS P/E 8/26 PD 9/1 | 0048-2195 PERS Uniform | ACH083117 | 1.62 | 831170 | | 00009849 | 08/31/2017 |
| EP | CALIFORNIA PUBLIC V010053 | PERS P/E 8/26 PD 9/1 | 0054-2140 Employee PERS W/H | ACH083117 | 307.70 | 831170 | | 00009849 | 08/31/2017 |
| EP | CALIFORNIA PUBLIC V010053 | PERS P/E 8/26 PD 9/1 | 0054-2150 Survivor Benefit Package | ACH083117 | 0.34 | 831170 | | 00009849 | 08/31/2017 |
| | | | | Check Total: | 71,875.91 | | | | |
| EP | ICMA RETIREMENT TRUST V000496 | P/E 10/7/17 PD DATE 10/13/17 | 0029-2170 Deferred Comp Payable - ICMA | PY17021 | 106.53 | 2995/1701021 | | 00009850 | 10/13/2017 |
| EP | ICMA RETIREMENT TRUST V000496 | P/E 10/7/17 PD DATE 10/13/17 | 0010-2170 Deferred Comp Payable - ICMA | PY17021 | 13,039.25 | 2995/1701021 | | 00009850 | 10/13/2017 |
| EP | ICMA RETIREMENT TRUST V000496 | P/E 10/7/17 PD DATE 10/13/17 | 0037-2170 Deferred Comp Payable - ICMA | PY17021 | 60.52 | 2995/1701021 | | 00009850 | 10/13/2017 |
| EP | ICMA RETIREMENT TRUST V000496 | P/E 10/7/17 PD DATE 10/13/17 | 0054-2170 Deferred Comp Payable - ICMA | PY17021 | 66.13 | 2995/1701021 | | 00009850 | 10/13/2017 |
| EP | ICMA RETIREMENT TRUST V000496 | P/E 10/7/17 PD DATE 10/13/17 | 0048-2170 Deferred Comp Payable - ICMA | PY17021 | 484.91 | 2995/1701021 | | 00009850 | 10/13/2017 |
| | | | | Check Total: | 13,757.34 | | | | |
| | | | | Type Total: | 471,344.70 | | | | |
| | | | | Check Total: | 471,344.70 | | | | |



Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: DIRECTOR OF PUBLIC WORKS

DATE: OCTOBER 17, 2017

SUBJECT: **SECOND READING OF ORDINANCE NO. O-2017-09 APPROVING DEVELOPMENT IMPACT FEES FOR THE TRANSIT ORIENTED DEVELOPMENT PACKINGHOUSE DISTRICT**

FISCAL

IMPACT: There is no immediate fiscal impact associated with the recommended actions. The adoption of new development impact fees for the Transit Oriented Development/Packinghouse District will not have an immediate impact on new or expanded revenues to the City until new private development projects receive project entitlements from the City.

SUMMARY:

On October 3, 2017, a public hearing was held to consider approval of development impact fees for the Transit Oriented Development/Packinghouse District. The City Council unanimously approved the Development Impact Fees and adopted Resolution No. R-2017-60 setting the fees. The City Council also conducted the first reading of Ordinance No. O-2017-09 approving the fees. The recommended actions will approve the second reading and adoption of Ordinance No. O-2017-09 which will take effect 30 days after adoption. The new fees will become effective 60 days after adoption.

RECOMMENDATION:

It is recommended that the City Council take the following action:

1. Waive full reading, by title only, and adopt Ordinance No. O-2017-09, an Ordinance of the City Council of the City of Placentia, California, approving a Development Impact Fee Nexus Study Report for the Transit Oriented Development Area, and amending Title 5 (Schedule of Fees) with the addition of Chapter 5.03 "TOD Development Impact Fees" to the Placentia Municipal Code to establish a Development Impact Fee Program and adopting necessary findings for the establishment of Development Impact Fees to financially mitigate impacts to Sewer Facilities, Traffic and Transportation Infrastructure, and Streetscape Infrastructure in the Transit Oriented Development Area.

1.c.

October 17, 2017

DISCUSSION:

Development Impact Fees (DIFs) are a commonly used method of collecting a proportional share of funds from new development for infrastructure improvements and/or other public facilities. With rare exceptions, DIFs are one-time funds restricted to funding capital costs for new facilities or expansion of existing facilities, and are not used for annual operations and/or maintenance. Impact fees may only be imposed on new development, and the fee proceeds must be expended on improvements needed as a result of the new development.

The City prepared a Development Impact Fees Nexus Study Report (Report) for the Transit Oriented Development (TOD) area to establish the legal and policy basis for the collection of new, area-specific DIFs. The impact fee programs established by the Report include the following:

- **TOD Traffic Impact Fee**
A Traffic Impact Analysis Report was prepared as part of the environmental review for the TOD zone change and General Plan Amendment previously approved by the City Council. The report analyzed the projected number of vehicle trips and traffic circulation impacts created by the TOD. The report identified five (5) intersections impacted by TOD development, and identified mitigation measures to be constructed at each intersection. The total cost for the traffic mitigation measures has been distributed across the planned maximum number of residential units to be constructed in the TOD.
- **TOD Sewer Impact Fee**
As part of the City's Sewer Master Plan update, the City's engineering consultant analyzed the changes in the land uses within the TOD project area and determined that the existing sewer line in Crowther Avenue would not be able to support all of the new proposed development within the TOD. As a result, the existing sewer line must be upsized, the cost of which has been distributed across the planned maximum number of residential units in the TOD establishing a per unit/square foot TOD Sewer Impact Fee.
- **TOD Streetscape Infrastructure Impact Fee**
The City Council approved the TOD Streetscape Master Plan as part of its approval of the TOD zone change and General Plan Amendment. As part of that process, an engineer's/architect's cost estimate of the streetscape improvements was prepared. Each TOD developer will be conditioned to build all the streetscape improvements outlined in the Master Plan along their property/project frontage to the centerline of the street. The TOD Streetscape Infrastructure Fee paid by the developers will pay for the construction of the remaining balance of streetscape improvements. The total cost to construct the balance of streetscape improvements has been distributed across the planned maximum number of residential units in the TOD establishing a per unit/square foot TOD Streetscape Infrastructure Impact Fee.

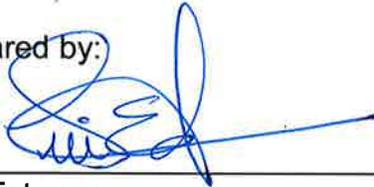
An ordinance establishing the TOD DIF schedule and resolution setting the fees were presented to the City Council for consideration on October 3, 2017. A public hearing was held to receive input from the public on the ordinance establishing the DIFs and the City Council unanimously approved the ordinances and resolutions establishing and setting the new DIFs for the TOD area.

Following this second reading and adoption of the ordinance, the DIFs will take effect 60 days after adoption.

FISCAL IMPACT:

There is no immediate fiscal impact associated with the recommended actions. The adoption of new DIFs for the TOD area will not have an immediate impact on new or expanded revenues to the City until such time new private development projects receive project entitlements from the City.

Prepared by:



Luis Estevez
Director of Public Works

Reviewed and approved:



Shally Lin
Interim Finance Director

Reviewed and approved:



Damien R. Arrula
City Administrator

Attachment:

Ordinance No. O-2017-09, establishing TOD Development Impact Fees

ORDINANCE NO. O-2017-09

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PLACENTIA, CALIFORNIA, APPROVING A DEVELOPMENT IMPACT FEE NEXUS STUDY REPORT FOR THE TRANSIT ORIENTED DEVELOPMENT AREA, AND AMENDING TITLE 5 (SCHEDULE OF FEES) WITH THE ADDITION OF CHAPTER 5.03 "TOD DEVELOPMENT IMPACT FEES" TO THE PLACENTIA MUNICIPAL CODE TO ESTABLISH A DEVELOPMENT IMPACT FEE PROGRAM AND ADOPTING NECESSARY FINDINGS FOR THE ESTABLISHMENT OF DEVELOPMENT IMPACT FEES TO FINANCIALLY MITIGATE IMPACTS TO SEWER FACILITIES, TRAFFIC AND TRANSPORTATION INFRASTRUCTURE, AND STREETScape INFRASTRUCTURE IN THE TRANSIT ORIENTED DEVELOPMENT AREA

City Attorney Summary

This Ordinance would add Chapter 5.03 to the City of Placentia Municipal Code establishing Transit Oriented District development impact fees for new development fees to finance measures that mitigate impacts to parks and recreational facilities, sewer facilities, traffic and transportation infrastructure and streetscape infrastructure in the Transit Oriented Development Area.

A. RECITALS

WHEREAS, pursuant to Government Code Section 66000 et seq., ("Mitigation Fee Act") the City is empowered to impose fees and other exactions to provide necessary public facilities required to mitigate the negative effects of new development in the City;

WHEREAS, public facilities, land, and safety are needed for community services in the Transit Oriented Development Area ("TOD Area");

WHEREAS, it is fair and equitable for new development in the TOD Area to pay its fair share and contribute to the financing, acquisition and establishment of such facilities, and public safety measures to enable the City to provide necessary public services to new residents, businesses and their employees;

WHEREAS, The City of Placentia ("City") desires to redevelop the area south and west of the planned Metrolink Station, commonly referred to as the Packing House area, into a modern walkable, vibrant, and sustainable transit oriented development ("TOD") area. TOD projects will be mixed-use residential and commercial developments designed to maximize access to public transport by incorporating features to encourage transit ridership and reduce dependency on automobile use for mobility.

WHEREAS, to cover the cost of capital facilities and infrastructure required to serve growth in the TOD Area, the City desires to establish development impact fees ("fees") to

be charged on new development. The fees are one-time charges and collected upon the issuance of a building permit or certificate of occupancy.

WHEREAS, the proposed fees are based upon the information contained in a document and addendum prepared by City staff and SCI Consulting Group ("SCI") entitled "Development impact Fees Nexus Study for the Transit Oriented Development Area" dated June 2017 ("the TOD Development Impact Fee Nexus Study Report");

WHEREAS, detailed descriptions of each of the facilities, their approximate location, size, approximate time of availability and their estimated costs are set forth in a document entitled "General Plan;"

WHEREAS, copies of the TOD Development Impact Fee Nexus Study Report and the General Plan are on file in the TOD Area of the City Clerk's office and have been made available for public review in accordance with state law, as more fully described below;

WHEREAS, this levying of development impact fees has been reviewed by staff in accordance with the California Environmental Quality Act ("CEQA") and the CEQA Guidelines and the City of Placentia Local Guidelines for implementing CEQA and it has been determined that the adoption of this Ordinance is exempt from CEQA pursuant to Sections 15378(b)(4), 15061(b)(3), and 15273 of the CEQA Guidelines, Section 21065 of the Public Resources Code and the City of Placentia Local Guidelines for implementing CEQA. The intent of the General Plan, TOD Development Impact Fee Nexus Study Report and proposed fees is to provide a means of mitigating some of the potential environmental impacts which have been identified in planning efforts for anticipated future growth of the City. Specific environmental studies are required to be performed for each project that requires further review under CEQA prior to approval of the specific project;

WHEREAS, the City has: 1) made available to the public, at least ten days prior to its public hearing, data indicating the estimated cost required to provide the facilities and infrastructure for which these development fees are levied and the revenue sources anticipated to provide those facilities and infrastructure; 2) mailed notice at least fourteen days prior to this meeting to all interested parties who have requested notice of new or increased development fees; and 3) held a duly noticed, regularly scheduled public hearing on October 3, 2017 at which time oral and written testimony was received regarding the proposed fees; and

WHEREAS, the City Council has reviewed and considered the staff report, the TOD Development Impact Fee Nexus Study Report, the Appendix, the General Plan and all oral and written testimony.

B. ORDINANCE

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PLACENTIA, CALIFORNIA, DOES ORDAIN AS FOLLOWS:

Section 1. The City Council of the City of Placentia hereby approves the TOD Development Impact Fee Nexus Study Report dated August 2017. This document is attached hereto as Exhibit "A" and is hereby incorporated by this reference.

Section 2. The City Council of the City of Placentia hereby adopts the findings set forth in the recitals to this Ordinance, the findings and facts contained in the TOD Development Impact Nexus Study Report (Exhibit A) and the findings contained in Chapters 5.03 and Placentia Municipal Code, as reflected in the attached Exhibit "B" and the following findings:

a. Consistency with General Plan. The City Council finds that the public facilities equipment and park land acquisition and fee methodology identified in the respective ordinances and TOD Development Impact Nexus Study Report are consistent with the City's General Plan and, in particular, those policies that require new development to mitigate its share of the impacts to City infrastructure and to be fiscally neutral.

b. Differentiation among Public Facilities. The City Council finds that the public facilities identified in the Nexus Report and funded through the collection of development impact fees recommended in the Nexus Report are separate and distinct from those public facilities funded through other fees presently imposed and collected by the City. To the extent that other fees imposed and collected by the City, including Specific Plan fees are used to fund the construction of the same public facilities identified in the respective ordinances and TOD Development Impact Nexus Study Report than such other fees shall be a credit against the applicable development impact fees.

Section 3. Title 5 (Schedule of Fees) is hereby amended with the addition of Chapter 5.03 to the Placentia Municipal Code as shown on Exhibit "B" attached hereto and incorporated herein by this reference.

Section 4. Any provision of the Placentia Municipal Code or appendices thereto inconsistent with the provisions of the Ordinance, to the extent of such inconsistencies and no further, are repealed or modified to that extent necessary to affect the provisions of this Ordinance.

Section 5. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council of the City of Placentia hereby declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase or portion thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions be declared invalid or unconstitutional.

Section 6. The Mayor shall sign and the City Clerk shall attest to the passage of this Ordinance. The City Clerk shall cause the same to be published once in the official

newspaper within 15 days after its adoption. This Ordinance shall become effective 30 days from its adoption.

PASSED, APPROVED AND ADOPTED this 17th day of October, 2017.

CRAIG S. GREEN, MAYOR

ATTEST:

PATRICK J. MELIA, CITY CLERK

I, Patrick J. Melia, City Clerk of the City of Placentia, do hereby certify that the foregoing Ordinance was adopted at a regular meeting of the City Council of the City of Placentia, held on the 17th day of October, 2017 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

PATRICK J. MELIA, CITY CLERK

APPROVED AS TO FORM:

CHRISTIAN L. BETTENHAUSEN, CITY ATTORNEY

EXHIBIT "A"

(TOD Development Impact Nexus Study Report)



CITY OF PLACENTIA

**DEVELOPMENT IMPACT FEES NEXUS STUDY FOR
THE TRANSIT ORIENTED DEVELOPMENT AREA**

JUNE 2017
FINAL REPORT

PREPARED FOR:

**CITY COUNCIL
CITY OF PLACENTIA**

PREPARED BY:

**SCI Consulting Group**

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CITY OF PLACENTIA

CITY COUNCIL

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Chad Wanke, Mayor Pro Tempore
Rhonda Shader, Councilmember
Ward Smith, Councilmember
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Luis Estevez

DIRECTOR OF DEVELOPMENT SERVICES

Joseph Lambert

ECONOMIC DEVELOPMENT MANAGER

Jennette Ortega

ACKNOWLEDGEMENTS

This Development Impact Fees Nexus Study was prepared by SCI Consulting Group ("SCI") under an agreement with the City of Placentia ("City"). The work was accomplished under the general direction of Luis Estevez, Director of Public Works.

We would like to acknowledge special efforts made by the following individuals and organizations for this project:

Damien Arrula, City of Placentia
Joseph Lambert, City of Placentia
Jeannette Ortega, City of Placentia
Ivette Rodriquez, City of Placentia
Albert Grover and Associates
Dudek
Nuvis Landscape Architecture
County of Orange Auditor's Office
County of Orange Assessor's Office

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EXECUTIVE SUMMARY

The City of Placentia ("City") desires to redevelop the area south and west of the planned Metrolink Station, commonly referred to as the Packing House area, into a modern walkable, vibrant, and sustainable transit oriented development ("TOD") area. According to the City, TOD projects will be mixed-use residential and commercial developments designed to maximize access to public transport by incorporating features to encourage transit ridership and reduce dependency on automobile use for mobility.

To cover the cost of capital facilities and infrastructure required to serve growth in the TOD area, the City desires to establish development impact fees ("fees") to be charged on new development. The fees are one-time charges and collected upon the issuance of a building permit or certificate of occupancy.

This Development Impact Fees Nexus Study ("Nexus Study") was prepared pursuant to the Mitigation Fee Act ("Act") as found in Government Code § 66000 et seq. The purpose of this Nexus Study is to establish the legal and policy basis for the collection of development impact fees on new development within the TOD area. Each type of facility addressed in this Nexus Study is analyzed individually. In each case, the relationship between new development and the need for facilities is quantified in a way that allows the impact of development on facility needs to be measured. Impact fees calculated in this Nexus Study are based on the capital cost of facilities needed to mitigate those impacts. The capital facility impact fee categories incorporated in this report include:

- TOD Traffic Impact Fee
- TOD Sewer Impact Fee
- TOD Streetscape Infrastructure Impact Fee

In order to impose such fees, this Nexus Study demonstrates that a reasonable relationship between new development, the amount of the fee, and the capital improvements funded by the fee. More specifically, this Nexus Study will present findings in order to meet the procedural requirements of the Mitigation Fee Act ("Act"), also known as AB 1600, which are as follows:

1. Identify the **purpose** of the fee.
2. Identify the **use** to which the fee is to be put.
3. Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed ("**benefit relationship**").

4. Determine how there is a reasonable relationship between the need for the facilities and the type of development project on which the fee is imposed ("**impact relationship**").
5. Determine how there is a reasonable relationship between the amount of the fee and the cost of the facilities or portion of the facilities attributable to the development on which the fee is imposed ("**proportional relationship**").

Additionally, the Act specifies that the fee shall not include costs attributable to existing deficiencies in public facilities, but may include the costs attributable to the increased demand for public facilities reasonably related to the development project in order to refurbish existing facilities to maintain the existing level of service or achieve an adopted level of service that is consistent with the general plan.

The Nexus Study also outlines the **procedural requirements** for adoption of the Nexus Study and proposed TOD development impact fee programs ("fee programs") by the City Council. Also, the Act contains specific requirements for the **annual administration** of the fee program. These statutory requirements and other essential information regarding the imposition and collection of the fees are provided in the last section of the Nexus Study.

Figure 1 summarizes the maximum development impact fees for the TOD area. City may adopt the fees at or below the levels determined by this Nexus Study.

FIGURE 1 – SUMMARY OF TOD DEVELOPMENT IMPACT FEES

| Land Use Category | Unit ¹ | TOD | | | Total TOD Impact Fees ² |
|--------------------------------|-------------------|---------------------------|-------------------------|---------------------------|---------------------------------------|
| | | TOD Traffic Impact Fee | TOD Sewer Impact Fee | Streetscape Impact Fee | |
| Single Family Detached Housing | DU | \$1,941 | \$5,460 | \$6,419 | \$13,820 |
| Single Family Attached Housing | DU | \$1,941 | \$3,943 | \$5,211 | \$11,095 |
| Multi-Family Housing | DU | \$1,203 | \$3,336 | \$5,910 | \$10,449 |
| Mobile Home | DU | \$1,145 | \$3,336 | \$4,701 | \$9,182 |
| Retail / Commercial | BSF | \$2.02 | \$3.03 | \$5.48 | \$10.53 |
| Office | BSF | \$2.89 | \$4.55 | \$6.55 | \$13.99 |
| Industrial | BSF | \$1.14 | \$1.82 | \$4.30 | \$7.26 |

Notes:

¹ DU = Dwelling unit; BSF = building area square foot.

² A fee credit must be given for demolished existing housing units or nonresidential building square footage as part of a redevelopment project.

TOD TRAFFIC IMPACT FEE

To determine the City's traffic impact fee for the TOD area, a plan-based methodology is utilized. Under this widely-used method, the cost of street improvements and traffic signals attributable to new development is divided by the estimated demand, based on peak-hour trips per unit of development, to determine the cost per unit. Trip generation rates are a typical method of measuring demand for new transportation improvements and allocating costs proportionally between new land uses. Peak-hour trips are used instead of average daily trips because peak traffic determines the amount of system capacity required to maintain a certain level of service. The trip generation factors used in the determination of the fee are from the *Institute of Transportation Engineers Trip Generation Manual, 9th edition*.

From these peak-hour trip rates, an equivalent dwelling unit ("EDU") factor is determined for each land use category. The EDU states the impact of each unit of a given land use in terms of a single-family attached dwelling unit. A pass-by trip factor is applied to the nonresidential land uses to account for trips that are already on the road and do not create additional impact.

These costs are then applied to seven land use categories in proportion to their generated peak-hour trips to establish a cost/fee per unit of development in the TOD area.

It is important to note that this methodology is relatively inflexible in the sense that it is based on the relationship between a specific improvement plan and a specific land use plan. Consequently, if the land use plan changes significantly, the TOD traffic impact fee should be re-determined.

TOD TRANSPORTATION IMPROVEMENTS

The City's transportation engineers, Albert Grover & Associates, developed a list of improvements for the City needed to serve the additional traffic associated with future development in the TOD area. These improvements are listed in figure 2 with probable cost estimates in 2017 dollars and the percentage of each improvement attributable to new development.

The level of service designations used by transportation planners is based on the Highway Capacity Manual published by the Transportation Research Board. Those designations range from LOS "A" (free traffic flow, insignificant delays at intersections) to LOS F (forced flow, stop and go traffic, excessive delays at intersections). The City's General Plan

Circulation Element sets a basic level of service ("LOS") target of D or better throughout the City. LOS D on roadways is characterized by approaching unstable flow with maneuverability severely restricted due to congestion.

According to the City's Traffic Study for the TOD area, under existing conditions, all road segments in the TOD area operate at LOS D or better during the peak-hours. The capacities of these roadways are therefore adequate to meet the traffic demands of the City's existing level of development.

FIGURE 2 – TOD STREET IMPROVEMENTS

| Item | Estimated Improvement Costs (2017\$) | | % | New Dev \$ |
|--|--------------------------------------|--------------------|-------------------------|--------------------|
| | Calc | a | Attributable to New Dev | Share |
| | | | b | c = a * b |
| Placentia Avenue/Crowther Avenue | | \$100,000 | 100% | \$100,000 |
| Orangethorpe Avenue/Placentia Avenue | | \$450,000 | 100% | \$450,000 |
| Orangethorpe Avenue/SR-57 Northbound Ramps | | \$250,000 | 100% | \$250,000 |
| Orangethorpe Avenue/Melrose Street | | \$100,000 | 100% | \$100,000 |
| Kraemer Boulevard/Orangethorpe Avenue | | \$100,000 | 100% | \$100,000 |
| Total Estimated Cost | | \$1,000,000 | 100% | \$1,000,000 |

Source: Draft Traffic Impact Study Report, June 14, 2016 by Albert Grover & Associates; City of Placentia Public Works Department

PEAK-HOUR TRIP EDUS

Figure 3 presents the determination of the peak-hour trip EDU factors and peak-hour trip EDU growth based upon the projected unit growth in the TOD through buildout.

FIGURE 3 – PEAK-HOUR TRIP EDUS

| Land Use Category / ITE Code | Unit | Net Unit Growth ¹ | PM Peak Trip Rate | Pass-by / | | Net Peak Trip EDU Growth |
|--------------------------------------|------|------------------------------|-------------------|----------------------|----------------------|--------------------------|
| | | | | Diverted Trip Factor | Peak Trip EDU Factor | |
| Calc | a | b | c | d = b * c | e = a * d | |
| Single Family Detached Housing (210) | DU | (13) | 1.00 | 1.00 | 1.00 | (13) |
| Single Family Attached Housing (230) | DU | (3) | 1.00 | 1.00 | 1.00 | (3) |
| Multi-Family Housing (220) | DU | 1,000 | 0.62 | 1.00 | 0.62 | 620 |
| Mobile Homes (240) | DU | 0 | 0.59 | 1.00 | 0.59 | 0 |
| Retail / Commercial (820) | KBSF | 36 | 1.49 | 0.70 | 1.04 | 38 |
| Office (750) | KBSF | 15 | 3.73 | 0.40 | 1.49 | 22 |
| Industrial (110) | KBSF | (236) | 0.98 | 0.60 | 0.59 | (139) |
| Total TOD Area | | | | | | 525 |

Source: Institute of Transportation Engineers Trip Generation Manual, 9th Edition; SCI Consulting Group

Notes:

¹ See Appendix B.

In Figure 4 below, the total cost of street improvements and traffic signals attributable to new development is divided by the projected growth in peak-hour trip EDUs that will be generated by the future development to arrive a cost per peak-hour trip EDU. The estimated total peak-hour trip generation associated with new development is 525 EDUs. By dividing the estimated \$1 million in improvements by the total peak-hour trip EDUs arrives at a cost per peak-hour trip EDU of \$1,903.09.

FIGURE 4 – COST PER PEAK-HOUR TRIP EDU

| | |
|--|-------------------|
| TOD Street Improvements and Traffic Signals ¹ | \$1,000,000 |
| TOD Peak-Hour Trip EDU Growth ² | 525 |
| Cost per Peak-Hour Trip EDU | \$1,903.09 |

Notes:

¹ See Figure 2.

² See Figure 3.

TOD TRAFFIC IMPACT FEE

Figure 5 below presents the determination of the maximum allowable TOD traffic impact fee. As shown, the TOD traffic impact fee per unit of development for each land use category is determined by multiplying the cost per peak-hour trip EDU by their respective peak-hour trip EDU factor, plus an additional 2% for administration the fee program. The fee program administrative cost component is designed to offset the cost of collection, documentation, annual reporting requirements, five-year report requirements, periodic Nexus Study updates and other associated costs reasonably related to compliance with the Act.

It is important to note that a fee credit must be given for demolished existing housing units or nonresidential building square footage as part of a redevelopment project.

FIGURE 5 – TOD TRAFFIC IMPACT FEES

| Land Use Category | Unit | Peak-Hour | Cost per | Cost per | Fee | Total |
|--------------------------------|----------|---------------------|-----------------------|------------|--------------|-----------------------|
| | | Trip EDU | Peak-Hour | | Admin. | Cost/Fee |
| | Calc | Factor ¹ | Trip EDU ² | Unit | Cost (2%) | per Unit ³ |
| | | a | b | c = a * b | d = c * 0.02 | e = (c + d) |
| | | | | | | e = (c + d)/1000 |
| Single Family Detached Housing | DU | 1.00 | \$1,903.09 | \$1,903.09 | \$38.06 | \$1,941 |
| Single Family Attached Housing | DU | 1.00 | \$1,903.09 | \$1,903.09 | \$38.06 | \$1,941 |
| Multi-Family Housing | DU | 0.62 | \$1,903.09 | \$1,179.92 | \$23.60 | \$1,203 |
| Mobile Homes | DU | 0.59 | \$1,903.09 | \$1,122.82 | \$22.46 | \$1,145 |
| Retail / Commercial | KBSF/BSF | 1.04 | \$1,903.09 | \$1,984.92 | \$39.70 | \$2.02 |
| Office | KBSF/BSF | 1.49 | \$1,903.09 | \$2,839.41 | \$56.79 | \$2.89 |
| Industrial | KBSF/BSF | 0.59 | \$1,903.09 | \$1,119.02 | \$22.38 | \$1.14 |

Notes:

¹ See Figure 3.

² See Figure 4.

³ Total cost/fee is rounded down to the nearest dollar for residential land use categories and the nearest cent for nonresidential land use categories.

NEXUS FINDINGS

PURPOSE OF FEE

The purpose of the TOD traffic impact fee is to provide revenue that the City can use to help mitigate the impact new development will have on traffic within the TOD area. The fee will ensure that new development will not burden existing development with the cost of street improvements and new traffic signals required to accommodate growth as it occurs.

USE OF FEE REVENUE

Fee revenue will be used as a funding source for TOD street improvements and new traffic signals need to serve new development in the TOD area, such as those identified in figure 2. Additionally, fee revenue will be used to cover fee program administration costs such as collection, documentation, annual reporting requirements, five-year report requirements, periodic Nexus Study updates and other costs reasonably related to compliance with the Act. Fee revenue may not be used to fund operational, maintenance or repair costs.

BENEFIT RELATIONSHIP

The TOD traffic impact fee will be collected as development occurs. New development in will contribute an additional burden to traffic in the TOD area. Fee revenue collected from new development projects will be spent to directly offset this burden by improving the existing streets and traffic signals as well as constructing new streets and traffic signals to accommodate the projected growth. Fee revenue will be deposited into a separate account or fund in a manner to avoid any commingling of the fees with other revenues and funds of the City. The fee revenue will be restricted to the uses described in the "Use of Fee Revenue" finding. These actions ensure that a development project paying the fee will benefit from its use.

IMPACT RELATIONSHIP

New development in the TOD area will increase the amount of peak-hour trips, and thus generate a need for the proposed street improvements and new traffic signals.

PROPORTIONALITY RELATIONSHIP

The cost of street improvements and new traffic signals attributable to new development in the TOD area are applied to seven land use categories in proportion to their peak-hour trip generation. The use of a peak-hour trip EDU to determine the TOD traffic impact fee schedule achieves proportionality across the types of development on which the fee is imposed.

FIGURE 6 – PROJECTED TOD TRAFFIC IMPACT FEE REVENUE

| Land Use Category | Unit | Existing Units ¹ | Builtout Units ¹ | Cost per Unit ² | Projected |
|--------------------------------|------|--------------------------------|--------------------------------|----------------------------|--------------------------|
| | | | | | Fee Revenue ³ |
| Calc | | a | b | c | d = (b*c) - (a*c) |
| Single Family Detached Housing | DU | 13 | 0 | \$1,903.09 | (\$24,740) |
| Single Family Attached Housing | DU | 3 | 0 | \$1,903.09 | (\$5,709) |
| Multi-Family Housing | DU | 0 | 1,000 | \$1,179.92 | \$1,179,916 |
| Mobile Home | DU | 0 | 0 | \$1,122.82 | \$0 |
| Retail / Commercial | KBSF | 24 | 60 | \$1,984.92 | \$72,142 |
| Office | KBSF | 0 | 15 | \$2,839.41 | \$42,591 |
| Industrial | KBSF | 236 | 0 | \$1,119.02 | (\$264,200) |
| Total TOD Area | | 276 | 1,075 | | \$1,000,000 |

Notes:

¹ See Appendix B.² See Figure 5.³ Projected impact fee revenue less fee credit for demolished units.

TOD SEWER IMPACT FEE

The most common way to measure the impact of development on sewer systems is by the volume of sewer flow to the system. The demand variable used in this analysis is average sewer flow in gallons per day (“GPD”). To ensure that new development pays only for capacity enhancement cost required to meet its needs, the sewer impact fee is calculated based on the anticipated volumes of sewer flow by new development.

As shown in Figure 7 below, the City’s environmental engineers, Dudek, estimate that improvements for the TOD area would total \$3.20 million. The results of Dudek’s hydraulic model indicate that the peak dry weather sewer flows upstream of the TOD area experience a minor 8% increase as a result of estimated sewer loading from the proposed Old Town Placentia redevelopment. Therefore, the 92% of the total project costs, or \$2.94 million, is attributable to future development in the TOD area.

FIGURE 7 – TOD SEWER IMPROVEMENTS

| | Probable Construction Cost (2017\$) ¹ | Est. TOD Dev Share % ² | TOD Future Development Share \$ |
|-------------------------------|--|--------------------------------------|---------------------------------------|
| Calc | a | b | |
| TOD/Old Town CIP Project Cost | \$3,200,000 | 92% | \$2,944,000 |

Source: City of Placentia; Dudek; SCI Consulting Group

Notes:

¹ City of Placentia Sewer Master Plan TOD Area Focused Capacity Analysis by Dudek, March 2017.

² Results of the hydraulic model indicate that the peak dry weather wastewater flows (PDWF) upstream of the TOD Zone development experience a minor 8% increase as a result of estimated wastewater loading from the proposed Old Town redevelopment.

AVERAGE DAILY SEWER FLOW (GPD)

As shown in the next two figures, average daily sewer flow is estimated to be 98,989 gallons per day (“gpd”) at buildout of the TOD area. Buildout is used since the TOD is planned to be completely redeveloped. Using the total sewer improvements attributable to the TOD area from the previous table, the cost per GPD is \$29.74.

FIGURE 8 – AVERAGE DAILY SEWER FLOW (GPD) AT BUILDOUT

| Land Use Category | Unit | Ave. Daily Sewer Flow per Unit (GPD) | TOD Landuse Plan at Buildout | Ave. Daily Sewer Flow at Buildout (GPD) |
|--------------------------------|------|--------------------------------------|------------------------------|---|
| | | Calc | a | b |
| Single Family Detached Housing | DU | 180 | (13) | (2,340) |
| Single Family Attached Housing | DU | 130 | (3) | (390) |
| Multi-Family Housing | DU | 110 | 1,000 | 110,000 |
| Mobile Homes | DU | 110 | 0 | 0 |
| Retail / Commercial | KBSF | 100 | 36 | 3,635 |
| Office | KBSF | 150 | 15 | 2,250 |
| Industrial | KBSF | 60 | (236) | (14,166) |
| Total TOD Area | | | 799 | 98,989 |

Sources: City of Placentia Public Works Department; Dudek; SCI Consulting Group

FIGURE 9 – TOD SEWER IMPROVEMENTS PER GPD

| Future Development Share (2017\$) | Added Sewer Flow (GPD) | Cost per GPD |
|-----------------------------------|------------------------|--------------|
| \$2,944,000 | 98,989 | \$29.74 |

Source: City of Placentia; SCI Consulting Group

TOD SEWER IMPACT FEE

Figure 10 below presents the determination of the maximum allowable sewer impact fee for the TOD area. As shown, the sewer impact fee is determined by multiplying the cost per gallons per day for each land use category by their respective average daily sewer flow per unit plus an additional 2% for administration of the fee program. The fee program administrative cost component is designed to offset the cost of City collection, documentation, annual reporting requirements, five-year report requirements, periodic Nexus Study updates and other costs reasonably related to compliance with the Act.

It is important to note that a fee credit must be given for demolished existing housing units or nonresidential building square footage as part of a redevelopment project.

FIGURE 10 – TOD SEWER IMPACT FEE

| Land Use Category | Unit | Ave. Daily Sewer Flow | Cost per | Cost per | Fee | Total |
|--------------------------------|----------|-----------------------------|------------------|------------|------------------|--------------------------------|
| | | per Unit (GPD) ¹ | GPD ² | Unit | Admin. Cost (2%) | Cost/Fee per Unit ³ |
| Calc | | a | b | c | d = c * 0.02 | e = c + d |
| e = (c + d)/1000 | | | | | | |
| Single-Family Detached Housing | DU | 180 | \$29.74 | \$5,353.35 | \$107.07 | \$5,460 |
| Single-Family Attached Housing | DU | 130 | \$29.74 | \$3,866.31 | \$77.33 | \$3,943 |
| Multi-Family Housing | DU | 110 | \$29.74 | \$3,271.49 | \$65.43 | \$3,336 |
| Mobile Homes | DU | 110 | \$29.74 | \$3,271.49 | \$65.43 | \$3,336 |
| Retail / Commercial | KBSF/BSF | 100 | \$29.74 | \$2,974.08 | \$59.48 | \$3.03 |
| Office | KBSF/BSF | 150 | \$29.74 | \$4,461.12 | \$89.22 | \$4.55 |
| Industrial | KBSF/BSF | 60 | \$29.74 | \$1,784.45 | \$35.69 | \$1.82 |

Notes:

¹ See Figure 8.² See Figure 9.³ Total cost/fee is rounded down to the nearest dollar for residential land use categories and the nearest cent for nonresidential land use categories.

FIGURE 11 – PROJECTED TOD SEWER IMPACT FEE REVENUE

| Land Use Category | Unit | Existing | Buildout | Cost per | Projected |
|--------------------------------|------|--------------------|--------------------|-------------------|----------------------|
| | | Units ¹ | Units ¹ | Unit ² | Fee Revenue (2017\$) |
| Calc | | a | b | c | d = (b*c) - (a*c) |
| Single Family Detached Housing | DU | 13 | 0 | \$5,353.35 | (\$69,594) |
| Single-Family Attached Housing | DU | 3 | 0 | \$3,866.31 | (\$11,599) |
| Multi-Family Housing | DU | 0 | 1,000 | \$3,271.49 | \$3,271,491 |
| Mobile Homes | DU | 0 | 0 | \$3,271.49 | \$0 |
| Retail / Commercial | KBSF | 24 | 60 | \$2,974.08 | \$108,093 |
| Office | KBSF | 0 | 15 | \$4,461.12 | \$66,917 |
| Industrial | KBSF | 236 | 0 | \$1,784.45 | (\$421,309) |
| Total TOD Area | | 276 | 1,075 | | \$2,944,000 |

Notes:

¹ See Appendix B.² See Figure 10.

NEXUS FINDINGS

PURPOSE OF FEE

Redevelopment of the TOD area of the City will create demand for additional sewer capacity. The purpose of this fee is to provide revenue that the City can use to help mitigate the impact new development will have on the City's sewer system.

USE OF FEE REVENUE

Fee revenue will be used as a funding source for sewer capacity improvements in the TOD area, such as those identified figure 7, to accommodate the projected net increase in sewer flow. Additionally, fee revenue will be used to cover fee program administration costs such as collection, documentation, annual reporting requirements, five-year report requirements, periodic Nexus Study updates and other costs reasonably related to compliance with the Act. Fee revenue may not be used to fund operational, maintenance or repair costs.

BENEFIT RELATIONSHIP

The TOD sewer impact fee will be collected as development occurs. Fee revenue will be used to expand the City's sewer infrastructure in the TOD area to meet the additional demand generated by new development. New development in the TOD area will contribute an additional burden to the City's sewer system. Fee revenue will be deposited into a separate account or fund in a manner to avoid any commingling of the fees with other revenues and funds of the City. The fee revenue will be restricted to the uses described in the "Use of Fee Revenue" finding. These actions ensure that a development project paying the fee will benefit from its use.

IMPACT RELATIONSHIP

According to the City's Sewer Capacity Study for the TOD area, redevelopment in the TOD area create the need for additional sewer capacity.

PROPORTIONALITY RELATIONSHIP

The TOD sewer impact fee that is charged to new development in the TOD area is based on the cost of identified sewer capacity improvements that will need to be made to satisfy the projected increased sewer flow. The sewer capacity improvement costs are applied to seven land use categories in proportion to their average daily sewer flow per unit.

TOD STREETSCAPE INFRASTRUCTURE IMPACT FEE

Streetscape infrastructure encompasses a wide range of right-of-way facilities that play an important role in the City's creation of public realm and non-motorized transportation for the TOD area. Constructing sidewalks with street trees, street lighting, benches, and street furniture, impacts safety, sidewalk space as social space, pedestrian aesthetic, and active transportation. The costs for these projects will be shared across the buildout service population within the TOD area since both residents and employees use sidewalk facilities to walk, commute and travel. The TOD streetscape infrastructure impact fee would be charged within the TOD area only, as all streetscape infrastructure in the TOD area is a local amenity that serves development in the TOD area.

SERVICE POPULATION

The determination of the TOD area's existing and future service population area is shown in Figure 12 below. Residential unit density is based on census data from the 2010 U.S. Census. The nonresidential density figures are from the 2001 SCAG "Employment Density Study" prepared by The Natelson Company, Inc. for the expressed in terms of the number of employees per 1,000 square feet of building area.

FIGURE 12 – TOD SERVICE POPULATION

| Land Use Category | Unit | Existing | Buildout | Unit | Existing | Buildout | Service |
|--------------------------------|------|--------------------|--------------------|----------------------|--------------|--------------|--------------|
| | | Units ¹ | Units ¹ | Density ² | Service Pop. | Service Pop. | Pop. Growth |
| | Calc | a | b | c | d = a * c | e = b * d | f = e - d |
| Single Family Detached Housing | DU | 13 | 0 | 3.40 | 44 | 0 | (44) |
| Single Family Attached Housing | DU | 3 | 0 | 2.76 | 8 | 0 | (8) |
| Multi-Family Housing | DU | 0 | 1,000 | 3.13 | 0 | 3,130 | 3,130 |
| Mobile Homes | DU | 0 | 0 | 2.49 | 0 | 0 | 0 |
| Retail / Commercial | KBSF | 24 | 60 | 2.91 | 69 | 174 | 105 |
| Office | KBSF | 0 | 15 | 3.47 | 0 | 52 | 52 |
| Industrial | KBSF | 236 | 0 | 2.28 | 538 | 0 | (538) |
| Total TOD Area | | 276 | 1,075 | | 659 | 3,356 | 2,697 |

Sources: Orange County Assessor's Office; City of Placentia; SCI Consulting Group

Notes:

¹ See Figure 3.

² Dwelling unit occupancy is based on census data from the 2010 U.S. Census. Nonresidential density is from the 2001 SCAG "Employment Density Study" prepared by The Natelson Company, Inc.

TOD STREETSCAPE INFRASTRUCTURE COST PER SERVICE POPULATION

The City's landscape architects have estimated that cost of streetscape improvement for the TOD area will be near \$5.0 million. According to the City, since the TOD area will be completely redeveloped, 100% of the costs are attributable to new development. The cost per service population is calculated by dividing the estimated costs attributable to new development by the projected service population growth.

FIGURE 13 – TOD STREETSCAPE IMPROVEMENT COST PER SERVICE POPULATION

| | calc | |
|---|-------------|-------------|
| Estimated Cost of Streetscape Improvements | a | \$4,993,485 |
| % Attributable to New Development | b | 100% |
| Estimated Cost of Streetscape Improvements Attributable to New Development | $c = a * b$ | \$4,993,485 |
| Service Population Growth | d | 2,697 |
| Cost per Service Population | $e = c / d$ | \$1,851.17 |

Sources: City of Placentia Public Works Department; Nuvis Landscape Architecture; SCI Consulting Group

TOD STREETSCAPE INFRASTRUCTURE IMPACT FEE

Figure 14 on the following page presents the calculation of the maximum allowable TOD streetscape infrastructure impact fee. As shown, the TOD streetscape infrastructure impact fee is determined by multiplying the cost per service population for each land use category by their respective unit density plus an additional 2% for administration of the fee program. The fee program administrative cost component is designed to offset the cost of City collection, documentation, annual reporting requirements, five-year report requirements, periodic Nexus Study updates and other costs reasonably related to compliance with the Act.

FIGURE 14 – TOD STREETScape INFRASTRUCTURE FEE

| Land Use Category | Unit | Unit Density | Cost per Service Pop. ² | Cost per Unit | Fee Admin. Cost (2%) | Total Cost/Fee per Unit ³ |
|--------------------------------|----------|--------------|------------------------------------|---------------|----------------------|--------------------------------------|
| | Calc | a | b | c | d = c * 0.02 | e = c + d |
| | | | | | | e = (c + d)/1000 |
| Single Family Detached Housing | DU | 3.40 | \$1,851.17 | \$6,293.99 | \$125.88 | \$6,419 |
| Single Family Attached Housing | DU | 2.76 | \$1,851.17 | \$5,109.24 | \$102.18 | \$5,211 |
| Multi-Family Housing | DU | 3.13 | \$1,851.17 | \$5,794.18 | \$115.88 | \$5,910 |
| Mobile Homes | DU | 2.49 | \$1,851.17 | \$4,609.42 | \$92.19 | \$4,701 |
| Retail / Commercial | KBSF/BSF | 2.91 | \$1,851.17 | \$5,381.32 | \$107.63 | \$5.48 |
| Office | KBSF/BSF | 3.47 | \$1,851.17 | \$6,423.58 | \$128.47 | \$6.55 |
| Industrial | KBSF/BSF | 2.28 | \$1,851.17 | \$4,220.68 | \$84.41 | \$4.30 |

Notes:

unit density figures are from the 2001 "Employment Density Study" prepared by The Natelson Company, Inc. for the Southern California Association of Governments.

² See Figure 13.

³ Total cost/fee is rounded down to the nearest dollar for residential land use categories and the nearest cent for nonresidential land use categories.

It is important to note that a fee credit must be given for demolished existing housing units or nonresidential building square footage as part of a redevelopment project.

FIGURE 15 – PROJECTED TOD STREETScape INFRASTRUCTURE IMPACT FEE REVENUE

| Land Use Category | Unit | Existing | Buildout | Cost per | Projected Fee |
|--------------------------------|------|--------------------|--------------------|-------------------|----------------------|
| | | Units ¹ | Units ¹ | Unit ² | Revenue ³ |
| | Calc | a | b | c | d = (b*c) - (a*c) |
| Single Family Detached Housing | DU | 13 | 0 | \$6,294 | (\$81,822) |
| Single Family Attached Housing | DU | 3 | 0 | \$5,109 | (\$15,328) |
| Multi-Family Housing | DU | 0 | 1000 | \$5,794 | \$5,794,176 |
| Mobile Homes | DU | 0 | 0 | \$4,609 | \$0 |
| Retail / Commercial | KBSF | 24 | 60 | \$5,381 | \$195,584 |
| Office | KBSF | 0 | 15 | \$6,424 | \$96,354 |
| Industrial | KBSF | 236 | 0 | \$4,221 | (\$996,502) |
| Total TOD Area | | 276 | 1,075 | | \$4,992,462 |

Notes:

¹ See Figure 3.² See Figure 17.³ Includes fee credit for demolished development.

NEXUS FINDINGS

PURPOSE OF FEE

The purpose of the TOD streetscape infrastructure impact fee is to fund the cost of new or expanded streetscape infrastructure attributable to new development in the TOD area.

USE OF FEE REVENUE

Fee revenue will be used to fund the cost of new streetscape infrastructure to serve new development in the TOD area. Additionally, fee revenue will be used to cover fee program administration costs such as collection, documentation, annual reporting requirements, five-year report requirements, periodic Nexus Study updates and other costs reasonably related to compliance with the Act. Fee revenue may not be used to fund operational, maintenance or repair costs.

BENEFIT RELATIONSHIP

The TOD streetscape infrastructure impact fee will be collected as development occurs. Fee revenue will be deposited into a separate TOD streetscape infrastructure impact fee account or fund in a manner to avoid any commingling of the fees with other revenues and funds of the City. The fee revenue will be restricted to the uses described in the "Use of Fee Revenue" finding. These actions ensure that a development project paying the fee will benefit from its use.

IMPACT RELATIONSHIP

Redevelopment of the TOD area will create the need for new streetscape infrastructure to serve new development in the TOD area.

PROPORTIONALITY

The cost of new streetscape infrastructure to serve redevelopment in the TOD area is based upon the growth in the service population. These costs are applied to seven land use categories in proportion to the need they create for new streetscape infrastructure to serve new development in the TOD area. The use of service population to determine the TOD streetscape infrastructure fee schedule achieves proportionality across the types of development on which the fee is imposed.

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IMPLEMENTATION AND ADMINISTRATION

This section summarizes the general requirements for adoption of the Nexus Study and proposed TOD development impact fee programs and the requirements for their annual administration. The specific statutory requirements may be found in the Mitigation Fee Act (California Govt. Code § 66000 et seq.).

ADOPTION REQUIREMENTS

The City Council shall conduct at least “one open and public meeting” as part of a regularly scheduled meeting on the requested fee program. At least 14 days before the meeting, the City shall mail out a notice of the meeting to any interested party who filed a written request for notice of the adoption of new or increased fees. At least ten days before the meeting, the City shall make available to the public the Nexus Study for review.

At least ten days before the public hearing, a notice of the time and place of the meeting shall be published twice in a newspaper of general circulation with at least five days intervening between the dates of first and last publication not counting such publication dates. After the public hearing, the City Council shall adopt an ordinance establishing the proposed fee program. The fee program shall become effective 60 days after adoption of the ordinance or longer as specified by the ordinance.

ACCOUNTING REQUIREMENTS

Proceeds from each development impact fee should be deposited into a separate fund or account so that there will be no commingling of fees with other revenue. The fees should be expended solely for the purpose for which they were collected. Any interest earned by such account should be deposited in that account and expended solely for the purpose for which originally collected.

REPORTING REQUIREMENTS

The following information, entitled “*Annual Report*,” must be made available to the public within 180 days after the last day of each fiscal year:

- a brief description of the type of fee in the account;
- the amount of the fee;
- the beginning and ending balance of the account;
- the fees collected that year and the interest earned;
- an identification of each public improvement for which the fees were expended and the amount of the expenditures for each improvement;

- an identification of an approximate date by which development of the improvement will commence if the local agency determines that sufficient funds have been collected to complete financing of an incomplete public improvement;
- a description of each inter-fund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, the date on which any loan will be repaid, and the rate of interest to be returned to the account; and
- the amount of money refunded under section Govt. Code § 66001.

The City shall review the information made available to the public pursuant to paragraph (1) at the next regularly scheduled public meeting, not less than 15 days after this information is made available to the public, as required by this subdivision. Notice of the time and place of the meeting, including the address where this information may be reviewed, shall be mailed, at least 15 days prior to the meeting, to any interested party who files a written request with the City for mailed notice of the meeting. Any written request for mailed notices shall be valid for one year from the date on which it is filed unless a renewal request is filed. Renewal requests for mailed notices shall be filed on or before April 1 of each year. The City Council may establish a reasonable annual charge for sending notices based on the estimated cost of providing the service.

For the fifth fiscal year following the first receipt of any development impact fee proceeds, and every five years thereafter, the City must comply with Government Code Section 66001(d)(1) by affirmatively demonstrating that the City still needs unexpended development impact fees to achieve the purpose for which it was originally imposed and that the City has a plan on how to use the unexpended balance to achieve that purpose. Specifically, the City shall make all of the following findings, entitled "*Five-Year Findings Report*," with respect to that portion of the account or fund remaining unexpended, whether committed or uncommitted:

- Identify the purpose to which the fee is to be put;
- Demonstrate a reasonable relationship between the fee and the purpose for which it is charged; and
- Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements; and
- Designate the approximate dates on which the funding is expected to be deposited into the appropriate account or fund.

If the findings show no need for the unexpended funds, or if the conditions discussed above are not met, and the administrative costs of the refund do not exceed the refund itself, the local agency that has collected the funds must refund them (Govt. Code §66001(e)(f)). Alternatively, Govt. Code §66001(f) provides that if the administrative costs of refunding unexpended revenues exceed the amount to be refunded, the City may, after a noticed published hearing, allocate the revenues be allocated for some other purpose for which fees may be collected and which serves the project on which the fee was originally imposed.

ANNUAL INFLATIONARY ADJUSTMENT

The cost estimates in this Nexus Study are in 2017 dollars. The fees will need to be automatically adjusted annually commensurate with changes in construction costs. Therefore, the fees should be adjusted by an amount equal to the percentage change in the Construction Cost Index for Los Angeles as published by the Engineering News-Record ("ENR CCI LA"), or its successor publication for the preceding twelve months.

FEE PROGRAM ADMINISTRATION COSTS

As with most development impact fee programs, there is a cost to administer, oversee and update the program. While an administrative fee is not a development impact fee, it is standard practice to charge new development to recover the costs related to implementing, collecting, reporting and updating the fee program. An estimated administrative cost of 2% has been added to each development impact fee.

FEE CREDITS

In order to comply with the Act and recent court cases, a fee credit must be given for demolished existing housing units or nonresidential building square footage as part of a redevelopment project. Additionally, subject to some limitations, if a developer dedicates land, constructs facilities or improvements for the City in the TOD area, the fee imposed on that development project may be adjusted to reflect a credit for the cost of the dedicated land, facilities constructed or improvements provided.

FEE EXEMPTIONS

The City must provide an exemption to the fee for 1) any development entitled by State or Federal statute to an exemption from development impact fees, and 2) any modernization or rehabilitation projects where no additional net square foot is being added to the existing structure.

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APPENDICES

Appendix A – TOD Area Map

Appendix B – TOD Land Use Plan

APPENDIX A – TOD AREA MAP

FIGURE 16 – TOD AREA MAP



APPENDIX B – TOD LAND USE PLAN

FIGURE 17 – TOD LAND USE SUMMARY

| Land Use Category | Unit | Existing | Buildout | Net Unit |
|--------------------------------|------|------------|--------------|------------|
| | | Units | Units | Growth |
| | Calc | a | b | c = a * b |
| Single Family Detached Housing | DU | 13 | 0 | (13) |
| Single Family Attached Housing | DU | 3 | 0 | (3) |
| Multi-Family Housing | DU | 0 | 1,000 | 1,000 |
| Mobile Housing | DU | 0 | 0 | 0 |
| Retail / Commercial | KBSF | 24 | 60 | 36 |
| Office | KBSF | 0 | 15 | 15 |
| Industrial | KBSF | 236 | 0 | (236) |
| Total TOD Area | | 276 | 1,075 | 799 |

Sources: Orange County Assessor's Office; City of Placentia; SCI Consulting Group

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EXHIBIT B

A. Chapter 5.03 TRANSIT ORIENTED DEVELOPMENT (TOD) DEVELOPMENT IMPACT FEES

Sections:

- 5.03.010 Findings.**
- 5.03.020 Description of fees.**
- 5.03.030 Limited use of fees.**
- 5.03.040 Imposition of fees.**
- 5.03.060 TOD Streetscape Infrastructure Impact**
- 5.03.080 TOD Sewer impact fees.**
- 5.03.100 TOD Traffic mitigation impact fees.**
- 5.03.110 Developer construction of facilities.**
- 5.03.120 TOD Fee adjustment.**
- 5.03.130 Definitions.**
- 5.03.140 Development agreements.**
- 5.03.160 Annual Inflationary Adjustment**
- 5.03.170 Annual Inflationary Adjustment**
- 5.03.180 Schedule of TOD Area Development Impact Fees**

5.03.010 Findings.

In order to implement the goals and objectives of the General Plan of the City of Placentia and to mitigate the impacts caused by new development within the Transit Oriented Development Area ("TOD Area"), certain public improvement projects must be or had to be constructed. The City Council determines that development impact fees are needed to finance these public improvements and to pay for development's fair share of the construction costs of these improvements. In establishing the fees described in the following sections, the City Council finds the fees adopted to be consistent with state law (California Government Code Section 66000 et seq.) and with the City's General Plan and, pursuant to Government Code Section 65913.2, has considered the effects of the fees and determines that the fees are not material with respect to the City's housing needs as established in the Housing Element of the Placentia General Plan.

5.03.020 Description of fees.

A. Development impact fees are hereby established on new development or conversions within the TOD Area of the City of Placentia to pay for public improvements related to civic improvement projects, public safety, sewer projects, traffic mitigation, and parks. In the following sections, the City Council sets forth the specific amount of the development fee for each type of public improvement project.

B. At least every five years, the City Council shall review these fees to determine whether the fee amounts are reasonably related to the impacts of development and whether the public improvement projects described in the City's capital improvement projects list are still needed. Failure to undertake this review shall not invalidate the imposition of the fees.

5.03.030 Limited use of fees.

The revenues raised by payment of these development impact fees shall each be placed in separate and special impact fund accounts, and such revenues, along with any interest earnings on each separate account, shall be used solely to:

A. Pay for the City's future construction of those public improvement projects at least partially allocable to new development or conversions as described in the City's capital improvement projects list and General Plan for the TOD Area; or

B. Reimburse the City for those described or listed projects constructed by the City with funds advanced by the City from other sources; or

C. Reimburse developers who have been required or permitted by Section 5.03.110 to install such listed facilities which are oversized with supplemental size, length or capacity.

5.03.040 Imposition of fees.

A. Development impact fees shall be imposed on:

1. New development; and
2. Conversions, as provided in this chapter.

B. Development impact fees shall be paid by the owner of the property on which new development or conversion is to occur. The fees shall be collected by the City prior to the issuance of the building or development permit(s) for such development or conversion, whichever occurs later, unless payment at a later time is mandated by Government Code Section 66007.

C. Except as otherwise provided herein, square footage of residential and nonresidential buildings shall be measured by exterior dimensions. Unfinished attics, crawlspaces, and basements shall not be assessed until converted and finished as usable floor space.

D. A building or structure consisting of non-usable floor space, e.g., a garage, carport or storage shed, shall not be deemed to be part of the residential building for the purpose of determining the square footage of the residential building. Such ancillary structures shall require the payment of storm drainage and public safety impact fees; additional impact fees shall not be required until converted to usable floor space.

E. Each single-family residential unit within a multifamily residential building or development project shall be deemed to be a separate building for which a fee is imposed and shall be paid.

F. Additions to an existing building shall be deemed to occur whenever the amount of usable floor space is increased, or whenever new building space is constructed where no structures existed as part of the existing building, whether or not the total building floor area is increased by the new construction.

G. The first seventy (70) square feet of additions or conversions to an existing building in a two-year period shall be exempt from all fees except public safety impact fees and storm drainage impact fees.

H. No development impact fee shall be imposed more than once for the same floor space.

5.03.060 TOD Streetscape Infrastructure Impact Fees.

A. Findings. The City Council finds:

1. Streetscape infrastructure encompasses a wide range of right-of-way facilities that play an important role in the City's creation of public realm and non-motorized transportation for the TOD Area. Constructing sidewalks with street trees, street lighting, benches, and street furniture, impacts safety, sidewalk space as social space, pedestrian aesthetic, and active transportation.

2. The costs for these streetscape infrastructure projects should be shared across the buildout service population within the TOD Area since both residents and employees use sidewalk facilities to walk, commute and travel. The TOD streetscape infrastructure impact fee shall be charged within the TOD area only, as all streetscape infrastructure in the TOD Area is a local amenity that serves development in the TOD area.

3. The facts and evidence presented in the City's impact fee study establish that there exists a reasonable relationship between the need for streetscape infrastructure and the impacts of the types of new development or conversions for which a corresponding fee is charged. A reasonable relationship or nexus also exists between the fee's use and the type of new development or conversions for which the fee is charged.

B. Schedule of TOD Streetscape Infrastructure Impact Fees. A streetscape infrastructure impact fee shall be imposed on all new development or conversions in the TOD Area and shall apply to all residential construction within the TOD Area of the City of Placentia. See Section 5.03.180 "Schedule of TOD Area Development Impact Fees."

C. There is hereby established and created a fund of the City entitled "TOD streetscape infrastructure impact fund" and all revenues derived from and monies collected under this section, including accrued interest thereon, shall be deposited in such fund. The TOD

streetscape infrastructure impact fund is established for the sole purpose of providing monies for the acquisition, construction, and reconstruction of sidewalks with street trees, street lighting, benches, and street furniture, impacts safety, sidewalk space as social space, pedestrian aesthetic, means of active non-motorized transportation and other capital purposes needed for providing streetscape infrastructure and services.

5.03.080 Sewer impact fees.

A. Findings. The City Council finds:

1. Placentia has a sewer system that consists of a collection system including public sewers and interceptors leading to the disposal system.
2. New development or conversions in the TOD Area of the City of Placentia have a significant impact on the sewer system.
3. The City must continue to fund capital improvements to its sewer system. These capital improvements include updating or replacing sewer lines. These additional capital expenditures are necessary to maintain an acceptable level of sewer service within the next fifteen (15) years.
4. New development or conversions within the TOD Area of the City result in increased usage of residential, commercial, industrial, and other affected properties, which thereby increases the service requirements and the capital equipment requirements for the city's sewage treatment and disposal system. Such increased usage does not ordinarily result from mere subdivision or parcel map divisions of existing properties in the absence of new development or conversions.
5. In the absence of the imposition of a sewer impact fee upon new development or conversions, the additional capital expenses necessary to maintain an acceptable level of sewer service for the entire city would be unfairly imposed upon the owners and residents of the existing buildings and improvements within the TOD Area of the City of Placentia.
6. New development or conversions without the payment of fees imposed by this section would not be fair to the owners and occupants of existing buildings within the TOD Area of the City of Placentia.

7. Part of the costs associated with the capital improvements to the sewer system are apportioned to new development and conversions to accommodate increased usage of the sewer system by new residents and businesses.

8. The facts and evidence presented in the City's impact fee study establish that there exists a reasonable relationship between the need for the sewer system improvements and the impacts of the types of new development or conversions for which a corresponding fee is charged. A reasonable relationship or nexus also exists between the fee's use and the type of new development or conversions for which the fee is charged.

B. Schedule of Sewer Impact Fees.

1. Every person connecting to the City's sewer system or converting unusable to usable floor space in or adding to existing buildings which are already connected to the City's sewer system shall pay to the city a sewer impact fee. See Section 5.03.180 "Schedule of TOD Area Development Impact Fees."

2. Every person converting an existing use from one use category (residential, commercial, industrial or office) to another use category shall pay a sewer impact fee equal to the difference, if any, between the fees calculated for the existing and new uses as set forth in Section 5.03.180 "Schedule of TOD Area Development Impact Fees."

3. No sewer impact fee shall be assessed on conversions to another use within the same use category. No person shall be entitled to a refund on conversions from a higher rate use category to a lower rate use category.

C. In addition to the above charges, all expenses and costs of making a sewer connection shall be borne by the person making the connection. No connection shall be made to a public sewer except by the City or by written permission from the City.

D. There is hereby established and created a fund of the City entitled "TOD sewer impact fund" and all revenues derived from and monies collected under this section, including accrued interest thereon, shall be deposited in such fund. The TOD sewer impact fund is established for the sole purpose of providing monies for the acquisition, construction, and reconstruction of sanitation and sewage facilities, to repay principal and interest on bonds issued for the construction or reconstruction of such sanitary or sewage facilities, and to

repay federal and state loans or advances made to the City for the construction or reconstruction of sanitary or sewage facilities and infrastructure.

5.03.100 Traffic mitigation impact fees.

A. Findings. The City Council finds:

1. New development or conversions within the TOD Area of the City of Placentia result in increased usage of residential, commercial, industrial, and other affected properties, which thereby generates additional traffic within the TOD Area of the City and will contribute to the usage and degradation of the existing street infrastructure in the TOD Area of the City of Placentia.
2. The purpose of this fee is to finance circulation improvements to reduce the impacts of traffic generated by new development within the City.
3. The City must continue to fund capital improvements to its traffic circulation system. These additional capital expenditures are necessary to maintain an acceptable level of traffic circulation and the city's roadway system within the next fifteen (15) years.
4. In the absence of the imposition of a traffic mitigation impact fee upon new development or conversions, the additional capital expenses necessary to maintain acceptable traffic circulation for the entire city would be unfairly imposed upon the owners and residents of the existing buildings and improvements within the TOD Area of the City of Placentia.
5. The construction of new development or conversions without the payment of fees imposed by this section would not be fair to the owners and occupants of existing buildings within the TOD Area of the City of Placentia.
6. The facts and evidence presented in the City's impact fee study establish that there exists a reasonable relationship between the need for the traffic improvements and the impacts of the types of new development or conversions for which a corresponding fee is charged. A reasonable relationship or nexus also exists between the fee's use and the type of new development or conversions for which the fee is charged.

B. Schedule of Traffic Mitigation Impact Fees.

1. A traffic mitigation impact fee shall be imposed on new development or conversions within the TOD Area of the City of Placentia. See Section 5.03.180 "Schedule of TOD Area Development Impact Fees."

2. Every person converting an existing use from one use category (residential, commercial, industrial or office) to another use category shall pay a traffic mitigation impact fee equal to the difference, if any, between the fees calculated for the existing and new uses as set forth Section 5.03.180 "Schedule of TOD Area Development Impact Fees."

3. No traffic mitigation impact fee shall be assessed on conversions to another use within the same use category. No person shall be entitled to a refund on conversions from a higher rate use category to a lower rate use category.

C. There is hereby established and created a fund of the City entitled "TOD traffic mitigation impact fund" and all revenues derived from and monies collected under this section, including accrued interest thereon, shall be deposited in such fund. The traffic mitigation impact fund is established for the sole purpose of providing monies for the construction and reconstruction of facilities and equipment and other capital purposes needed for traffic circulation improvements in and around the City of Placentia.

5.03.110 Developer construction of facilities.

A. Whenever a developer is required, as a condition of approval of a subdivision, development permit or building permit, to construct a public facility described in the capital improvement projects list, which facility is determined by the City to have supplemental size, length or capacity over that needed to address the impacts of that development, and when construction is necessary to ensure efficient and timely construction of the facilities network, a reimbursement agreement with the developer and a credit against the applicable impact fee, which would otherwise be charged pursuant to this chapter on the development project, shall be offered. The reimbursement amount shall not include the portion of the improvement needed to provide services or mitigate the need for the facility or the burdens created by the development.

B. A developer who installs an off-site improvement as a special mitigation measure for a project which is identified on the capital improvement projects list to be funded at least partially by impact fees may claim credit on such a fee not to exceed the impact fee

payable for the development project. The City's Public Works Director is authorized to allow such credit.

C. If a developer is dissatisfied with the decision of the City's Public Works Director regarding a reimbursement agreement or a credit of development impact fees, the developer shall appeal for relief to the City Council by filing a written appeal with the City Clerk within fifteen (15) days after the disputed decision. The appeal shall state in sufficient detail the basis for the claimed credit. The decision of the City Council shall be final.

5.03.120 Fee adjustment.

A. A developer of any project, including any new building or addition to or conversion of any existing building, subject to the fees described in Sections 5.03.050 through 5.03.100 may apply to the City Council for a reduction or adjustment of the fee(s), or a waiver of the fee(s), based upon the absence of any reasonable relationship between the nature of the impact of the development and either the amount of the fee charged or the type of facilities to be financed.

B. The application for a fee reduction, adjustment, or waiver shall be made in writing and filed with the City Clerk not later than twenty (20) days after the filing of the application for a building permit.

C. The application shall state in detail the factual basis for the claim of waiver, reduction, or adjustment. The City Council shall consider the application at a hearing held within thirty (30) days after the filing of the fee adjustment application. The decision of the City Council shall be final.

D. If a reduction, adjustment, or waiver is granted, any change in use within the project shall invalidate the waiver, adjustment or reduction of the fee.

5.03.130 Definitions.

A. "Building permit" shall mean the permit required or issued by the City of Placentia for the construction, improvement or remodeling of any structure pursuant to the City of Placentia's building codes.

B. "City" shall mean the governmental body managing the administrative operations of the City of Placentia.

C. "City of Placentia" shall mean all property located within the geographical area within the TOD Area of the City of Placentia's City limit line.

D. "City of Placentia TOD Area impact fee study" shall mean "TOD Development Impact Fee Nexus Study Report" which is the study, including any amendments or revisions thereto, for the financing of facilities and services designated under the capital improvement projects list for the City of Placentia. This study includes, but is not limited to, a designation of those facilities to be constructed with the impact fees collected under this chapter, the estimated costs of constructing those facilities or providing the services designated therein, and the total use factors or other criteria utilized to arrive at an allocation of the cost of the facilities to the different types of land uses and to new development. Specifically, it means the document and addendum prepared by City staff and SCI Consulting Group ("SCI") entitled "Development impact Fees Nexus Study for the Transit Oriented Development Area" dated June 2017.

E. "Conversion" shall mean converting from unusable to usable floor space, or converting the existing use to another use.

F. "Developer" shall mean any person who is the owner or authorized agent of an owner of any new development within the TOD Area of the City of Placentia.

G. "Dwelling unit" shall mean a residential dwelling within the TOD Area of the City of Placentia. Each single-family residential unit within a multifamily residential building or development project shall be deemed to be a separate dwelling unit.

H. "New development" shall mean the original construction of residential, commercial, industrial or other nonresidential buildings, or the addition of usable floor space within existing residential or nonresidential buildings, or the construction of new accessory buildings.

I. "Owner" shall mean the legal owner(s) or the authorized agent(s) for any owner of property being developed.

J. "Usable floor space" shall mean any interior space constructed or converted to be used for human occupancy in accordance with the Uniform Building Code

K. "TOD Area" shall mean the Transit Oriented Development Area of the City of Placentia.

5.03.140 Development agreements.

The terms of any development approvals or building permit(s) may be negotiated as part of a development agreement which may require a developer to provide or finance any public projects deemed agreeable to both the developer and the city council. Development constructed under the terms of an approved development agreement may be exempted from the payment of any of the impact fees required under Chapter 5.03.

5.03.160 Annual Inflationary Adjustment

The fees established in Chapter 5.03 shall be automatically adjusted annually commensurate with changes in construction costs. Therefore, the fees shall be adjusted by an amount equal to the percentage change in the Construction Cost Index for Los Angeles as published by the Engineering News-Record, or its successor publication for the preceding twelve months.

5.03.170 Annual Inflationary Adjustment

The fees established in Chapter 5.03 shall be automatically adjusted annually commensurate with changes in construction costs. Therefore, the fees shall be adjusted by an amount equal to the percentage change in the Construction Cost Index for Los Angeles as published by the Engineering News-Record, or its successor publication for the preceding twelve months.

5.03.180 Schedule of TOD Area Development Impact Fees

FIGURE 1 – SUMMARY OF TOD DEVELOPMENT IMPACT FEES

| Land Use Category | Unit ¹ | TOD Traffic Impact Fee | TOD Sewer Impact Fee | TOD Streetscape Impact Fee | Total TOD Impact Fees ² |
|--------------------------------|--------------------------|-------------------------------|-----------------------------|-----------------------------------|---|
| Single Family Detached Housing | DU | \$1,941 | \$5,460 | \$6,419 | \$13,820 |
| Single Family Attached Housing | DU | \$1,941 | \$3,943 | \$5,211 | \$11,095 |
| Multi-Family Housing | DU | \$1,203 | \$3,336 | \$5,910 | \$10,449 |
| Mobile Home | DU | \$1,145 | \$3,336 | \$4,701 | \$9,182 |
| Retail / Commercial | BSF | \$2.02 | \$3.03 | \$5.48 | \$10.53 |
| Office | BSF | \$2.89 | \$4.55 | \$6.55 | \$13.99 |
| Industrial | BSF | \$1.14 | \$1.82 | \$4.30 | \$7.26 |

Notes:

¹ DU = Dwelling unit, BSF = building area square foot.

² A fee credit must be given for demolished existing housing units or nonresidential building square footage as part of a redevelopment project.



Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: DIRECTOR OF PUBLIC WORKS

DATE: OCTOBER 17, 2017

SUBJECT: **SECOND READING OF ORDINANCE NO. O-2017-10 AND ORDINANCE NO. O-2017-11 APPROVING CITYWIDE DEVELOPMENT IMPACT AND RESIDENTIAL AFFORDABLE HOUSING IMPACT FEES**

FISCAL

IMPACT: There is no immediate fiscal impact associated with the recommended actions. The adoption of new and revised development impact and residential affordable housing impact fees will not have an immediate impact on new or expanded revenues to the City until new private development projects receive project entitlements from the City.

SUMMARY:

On October 3, 2017, a public hearing was held to consider approval of Citywide Development Residential Affordable Housing Impact Fees. The City Council unanimously approved the Development Impact Fees and adopted Resolution No. R-2017-61 and Resolution No. R-2017-62 setting the fees. The City Council also conducted the first reading of Ordinance No. O-2017-10 and Ordinance No. O-2017-11 approving the fees. The recommended actions will approve the second readings and adoptions of Ordinance No. O-2017-10 and Ordinance No. O-2017-11 which will take effect 30 days after adoption. The new fees will become effective 60 days after adoption.

RECOMMENDATION:

It is recommended that the City Council take the following actions:

1. Waive full reading, by title only, and adopt Ordinance No. O-2017-10, an Ordinance of the City Council of the City of Placentia, California, approving a Development Impact Fee Nexus Study Report, and amending Title 5 (Schedule of Fees) with the addition of Chapter 5.02 "Citywide Development Impact Fees" and "Quimby In-Lieu Fees" to the Placentia Municipal Code to establish a Development Impact Fee Program and adopting necessary findings for the establishment of Development Impact Fees to financially mitigate impacts to Parks and Recreational Facilities, Sewer Facilities, Transportation Infrastructure, Storm Drain Facilities, and Public Safety; and
2. Waive full reading, by title only, and adopt Ordinance No. O-2017-11, an Ordinance of the City Council of the City of Placentia, California, adding Chapter 5.30 to the Placentia Municipal Code establishing the Residential Affordable Housing Impact Fees and the Housing Impact Fee Fund.

1.d.

October 17, 2017

DISCUSSION:

The City's existing Development Impact Fees (DIFs) were first established in the early 1970's when much of the City was undeveloped. The City's costs for infrastructure have significantly increased over that period of time; however the City's DIFs haven't been updated to adequately cover said infrastructure costs, thus requiring the General Fund to subsidize infrastructure improvements or in some cases, the improvements are not conducted. Furthermore, the City has adopted a required Housing Element, which outlines goals, one of which is to provide more affordable housing opportunities to its residents.

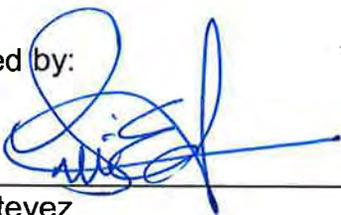
In order to address the aforementioned lack of infrastructure funding, the City has prepared development impact fee nexus studies (Studies) for the purpose of updating its existing City Development Impact Fees as well as creating new development and housing impact fees (collectively, "DIFs"). The studies analyze the impacts created by new development on City operations and infrastructure needs and calculates the cost and method of apportionment of those fees and impacts across needed mitigation measures. Those fees are then utilized to construct improvements throughout the City to mitigate development impacts on the community.

A new affordable housing fee is also proposed for the purpose of collecting new developer-paid housing impact fees to be used to provide additional affordable housing opportunities in the community. Ordinances establishing the development impact and residential affordable housing impact fee schedules and resolutions setting the fees were presented to the City Council for consideration on October 3, 2017. A public hearing was held to receive input from the public on the ordinance establishing the DIFs and the City Council unanimously approved the ordinances and resolutions establishing and setting the new development and affordable housing impact fees. Following this second reading and adoption of the ordinance, the DIFs will take effect 60 days after adoption.

FISCAL IMPACT:

There is no immediate fiscal impact associated with the recommended actions. The adoption of new and revised DIFs will not have an immediate impact on new or expanded revenues to the City until such time new private development projects receive project entitlements from the City.

Prepared by:



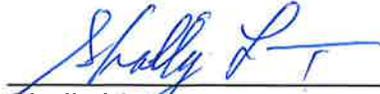
Luis Estevez
Director of Public Works

Prepared by:



Jeannette Ortega
Assistant to the City Administrator/Economic
Development Manager

Reviewed and approved:



Shally Lin
Interim Finance Director

Reviewed and approved:



Damien R. Arrula
City Administrator

Attachments:

1. Ordinance No. O-2017-10, establishing Citywide Development Impact Fees
2. Ordinance No. O-2017-11, establishing Residential Affordable Housing Impact Fees

ORDINANCE NO. O-2017-10

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PLACENTIA, CALIFORNIA, APPROVING A DEVELOPMENT IMPACT FEE NEXUS STUDY REPORT, AND AMENDING TITLE 5 (SCHEDULE OF FEES) WITH THE ADDITION OF CHAPTER 5.02 "CITYWIDE DEVELOPMENT IMPACT FEES" AND "QUIMBY IN-LIEU FEES" TO THE PLACENTIA MUNICIPAL CODE TO ESTABLISH A DEVELOPMENT IMPACT FEE PROGRAM AND ADOPTING NECESSARY FINDINGS FOR THE ESTABLISHMENT OF DEVELOPMENT IMPACT FEES TO FINANCIALLY MITIGATE IMPACTS TO PARKS AND RECREATIONAL FACILITIES, SEWER FACILITIES, TRANSPORTATION INFRASTRUCTURE, STORM DRAIN FACILITIES, AND PUBLIC SAFETY

City Attorney Summary

This Ordinance would add Chapter 5.02 to the City of Placentia Municipal Code establishing Citywide development impact fees for new development fees to finance measures that mitigate impacts to parks and recreational facilities, sewer facilities, transportation infrastructure and traffic, storm drain facilities, and public safety. This Ordinance will also amend Section 22.54.085 by specifying that developments shall be eligible to receive a 25% credit on the value of against the amount of land required to be dedicated, or the amount of the fee imposed.

A. RECITALS

WHEREAS, the continuing growth of the City of Placentia ("City), combined with the expectation of high quality services by persons who live and work in the City, and reductions by the State of California in property tax allocations to local governments have been catalysts for the review of the City's existing and future public facilities and services made necessary by new development;

WHEREAS, pursuant to Government Code Section 66000 et seq., ("Mitigation Fee Act") the City is empowered to impose fees and other exactions to provide necessary public facilities required to mitigate the negative effects of new development in the City;

WHEREAS, pursuant to Government Code Sections 66477 et seq., ("Subdivision Map Act"), the City is empowered to require the dedication of land or impose a requirement of the payment of fees in lieu thereof, or a combination of both, for park or recreational purposes as a condition to the approval of a tentative map or parcel map;

WHEREAS, public facilities, land, and safety are needed for community services;

WHEREAS, it is fair and equitable for new development to pay its fair share and contribute to the financing, acquisition and establishment of such facilities, open space, and public safety endeavors to enable the City to provide necessary public services to new residents, businesses and their employees;

WHEREAS, the proposed fees are based upon the information contained in a document and addendum prepared by City staff and SCI Consulting Group ("SCI") entitled "City of Placentia Citywide Development Impact Fees Nexus Study" dated August 2017 ("the Development Impact Fee Nexus Study Report") - of which a Quimby Land Dedication and In-Lieu Fee Study is an Appendix;

WHEREAS, detailed descriptions of each of the facilities, their approximate location, size, approximate time of availability and their estimated costs are set forth in a document entitled "General Plan;"

WHEREAS, copies of the Development Impact Fee Nexus Study Report and the General Plan are on file in the City Clerk's office and have been made available for public review in accordance with state law, as more fully described below;

WHEREAS, this levying of development impact fees has been reviewed by staff in accordance with the California Environmental Quality Act ("CEQA") and the CEQA Guidelines and the City of Placentia Local Guidelines for implementing CEQA and it has been determined that the adoption of this Ordinance is exempt from CEQA pursuant to Sections 15378(b)(4), 15061(b)(3), and 15273 of the CEQA Guidelines, Section 21065 of the Public Resources Code and the City of Placentia Local Guidelines for implementing CEQA. The intent of the Master Facilities Plan, Nexus Study and proposed fees is to provide a means of mitigating some of the potential environmental impacts which have been identified in planning efforts for anticipated future growth of the City. Specific environmental studies are required to be performed for each project that requires further review under CEQA prior to approval of the specific project;

WHEREAS, the City has: 1) made available to the public, at least ten days prior to its public hearing, data indicating the estimated cost required to provide the facilities and infrastructure for which these development fees are levied and the revenue sources anticipated to provide those facilities and infrastructure; 2) mailed notice at least fourteen days prior to this meeting to all interested parties who have requested notice of new or increased development fees; and 3) held a duly noticed, regularly scheduled public hearing on October 3, 2017 at which time oral and written testimony was received regarding the proposed fees; and

WHEREAS, the City Council has reviewed and considered the staff report, the Development Impact Fee Nexus Study Report, the Appendix, the General Plan and all oral and written testimony.

B. ORDINANCE

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PLACENTIA, CALIFORNIA, DOES ORDAIN AS FOLLOWS:

Section 1. The City Council of the City of Placentia hereby approves the Development Impact Fee Nexus Study Report dated August 2017. This document is attached hereto as Exhibit "A" and is hereby incorporated by this reference.

Section 2. The City Council of the City of Placentia hereby adopts the findings set forth in the recitals to this Ordinance, the findings and facts contained in the Development Impact Nexus Study Report (Exhibit A) and the findings contained in Chapters 5.02 and Placentia Municipal Code, as reflected in the attached Exhibit "B".

Section 3. Title 5 (Schedule of Fees) is hereby amended with the addition of Chapter 5.02 to the Placentia Municipal Code as shown on Exhibit "B" attached hereto and incorporated herein by this reference.

Section 4. Section 22.54.08 is hereby amended to read as follows:

22.54.085 Credits for private open space.

Planned developments, real estate developments, community apartment projects, condominium projects and stock cooperatives shall be eligible to receive a twenty five percent (25%) credit, against the amount of land required to be dedicated, or the amount of the fee imposed, pursuant to this chapter, for the value of private open space within the development which is useable for active recreational uses.

Section 5. Section 5.28.050 is hereby repealed.

Section 6. Any provision of the Placentia Municipal Code or appendices thereto inconsistent with the provisions of the Ordinance, to the extent of such inconsistencies and no further, are repealed or modified to that extent necessary to affect the provisions of this Ordinance.

Section 7. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council of the City of Placentia hereby declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase or portion thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions be declared invalid or unconstitutional.

Section 8. The Mayor shall sign and the City Clerk shall attest to the passage of this Ordinance. The City Clerk shall cause the same to be published once in the official

newspaper within 15 days after its adoption. This Ordinance shall become effective 30 days from its adoption.

PASSED, APPROVED AND ADOPTED this 3rd day of October, 2017.

CRAIG S. GREEN, MAYOR

ATTEST:

PATRICK J. MELIA, CITY CLERK

STATE OF CALIFORNIA
COUNTY OF ORANGE

I, Patrick J. Melia, City Clerk of the City of Placentia, do hereby certify that the foregoing Ordinance was adopted at a regular meeting of the City Council of the City of Placentia, held on the 3rd day of October, 2017 by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

PATRICK J. MELIA, CITY CLERK

APPROVED AS TO FORM:

CHRISTIAN L. BETTENHAUSEN, CITY ATTORNEY

EXHIBIT "A"

(Citywide Development Impact Fee Nexus Study Report)



CITY OF PLACENTIA

**CITYWIDE DEVELOPMENT IMPACT FEES
NEXUS STUDY**

AUGUST 2017
FINAL REPORT

PREPARED FOR:

**CITY COUNCIL
CITY OF PLACENTIA**

PREPARED BY:

SCI Consulting Group

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CITY OF PLACENTIA

CITY COUNCIL

Craig Green, Mayor
Chad Wanke, Mayor Pro Tempore
Rhonda Shader, Councilmember
Ward Smith, Councilmember
Jeremy Yamaguchi, Councilmember

CITY ADMINISTRATOR

Damien Arrula

DIRECTOR OF PUBLIC WORKS

Luis Estevez

DIRECTOR OF DEVELOPMENT SERVICES

Joseph Lambert

ACKNOWLEDGEMENTS

This Development Impact Fees Nexus Study was prepared by SCI Consulting Group ("SCI") under an agreement with the City of Placentia ("City"). The work was accomplished under the general direction of Luis Estevez, Director of Public Works.

We would like to acknowledge special efforts made by the following individuals and organizations for this project:

Damien Arrula, City of Placentia
Joseph Lambert, City of Placentia
Jeannette Ortega, City of Placentia
Ivette Rodriquez, City of Placentia
Dudek
Albert Grover and Associates
County of Orange Auditor's Office
County of Orange Assessor's Office

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EXECUTIVE SUMMARY

The City of Placentia ("City") is located in northern Orange County and is bounded by the cities of Brea, Fullerton, Yorba Linda, and Anaheim. Incorporated in 1926, the City has grown to a current population nearly 52,000. The Southern California Association of Governments ("SCAG") estimates that the City will grow to a population of 58,000 by 2040.

As new development occurs within the City, new or expanded capital facilities will be required to meet the demands of future development. Capital facilities will be partially funded through the City's impact fee programs. The fee programs will apply to all future growth anticipated through 2040, except where otherwise noted.

This Development Impact Fees Nexus Study ("Nexus Study") was prepared pursuant to the Mitigation Fee Act ("Act") as found in Government Code § 66000 et seq. The purpose of this Nexus Study is to establish the legal and policy basis for the collection of a new development impact fees. Each type of facility addressed in this Nexus Study is analyzed separately. In each case, the relationship between new development and the need for the facilities is quantified in a way that allows the impact of development on facility needs to be measured. Impact fees calculated in this Nexus Study are based on the capital cost of facilities needed to mitigate those impacts. The impact fee programs established by this Nexus Study include:

- Citywide Public Safety Impact Fee Program
- Citywide Park and Recreation Impact Fee Program
- Sewer Impact Fee Program
- Traffic Impact Fee Program
- Storm Drainage Impact Fee Program
- Citywide Quimby Land Dedication and In-Lieu Fee Program

In order to impose such fees, this Nexus Study demonstrates that a reasonable relationship between new development, the amount of the fee, and the capital improvements funded by the fee. More specifically, this Nexus Study will present findings in order to meet the procedural requirements of the Mitigation Fee Act ("Act"), also known as AB 1600, which are as follows:

1. Identify the **purpose** of the fee.
2. Identify the **use** to which the fee is to be put.

3. Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed ("**benefit relationship**").
4. Determine how there is a reasonable relationship between the need for the facilities and the type of development project on which the fee is imposed ("**impact relationship**").
5. Determine how there is a reasonable relationship between the amount of the fee and the cost of the facilities or portion of the facilities attributable to the development on which the fee is imposed ("**proportional relationship**").

Additionally, the Act specifies that the fee shall not include costs attributable to existing deficiencies in public facilities but may include the costs attributable to the increased demand for public facilities reasonably related to the development project in order to refurbish existing facilities to maintain the existing level of service or achieve an adopted level of service that is consistent with the general plan.

The Nexus Study also outlines the **procedural requirements** for approval of the Nexus Study and proposed development impact fee programs ("fee programs") by the City Council. Also, the Act contains specific requirements for the **annual administration** of the fee programs. These statutory requirements and other important information regarding the imposition and collection of the fees are provided in the last section of the Nexus Study.

A Quimby Land Dedication and In-Lieu Fee Study ("Quimby Study") is provided in Appendix C. The Quimby Study calculates the factors that determine City's Quimby land dedication requirement and in-lieu fee.

Figure 1 summarizes the City's maximum development impact fees and Quimby In-Lieu Fee. The City may adopt the fees at or below the levels determined by this Nexus Study.

FIGURE 1 – SUMMARY OF CITYWIDE DEVELOPMENT IMPACT FEES

| Land Use Categories | Unit | Public Safety | Park and Recreation | Quimby In-Lieu | Sewer ¹ | Traffic ¹ | Storm Drainage (Area A) | Storm Drainage (Area C) |
|--------------------------------|------|---------------|---------------------|----------------|--------------------|----------------------|-------------------------|-------------------------|
| Single Family Detached Housing | DU | \$1,049 | \$3,051 | \$4,586 | \$1,356 | \$1,411 | \$262 | \$119 |
| Single Family Attached Housing | DU | \$851 | \$2,476 | \$3,731 | \$997 | \$1,411 | \$213 | \$97 |
| Multi-Family Housing | DU | \$966 | \$2,808 | \$4,227 | \$761 | \$875 | \$163 | \$74 |
| Mobile Homes | DU | \$768 | \$2,234 | \$3,359 | \$886 | \$832 | \$245 | \$111 |
| Retail / Commercial | BSF | \$0.71 | - | - | \$0.69 | \$1.47 | \$0.17 | \$0.07 |
| Office | BSF | \$1.02 | - | - | \$1.03 | \$2.10 | \$0.11 | \$0.05 |
| Industrial | BSF | \$0.51 | - | - | \$0.41 | \$0.83 | \$0.30 | \$0.13 |

Notes:

¹ New development with the City's TOD area is not subject to the Sewer Impact Fee, the Traffic Impact Fee and the Storm Drainage Impact Fee.

CITYWIDE PUBLIC SAFETY IMPACT FEE

This section determines the City's public safety impact fee. The fee includes police, fire protection and animal care facilities, vehicles and equipment.

The Placentia Police Department ("Department") protects and serves the City through crime prevention, investigation, and other public safety services. The Department headquarters are located within the Placentia Civic Center at 401 East Chapman Avenue.

The Orange City Fire Authority ("Fire Authority") provides first-responder fire protection services to City along with the Cities of Buena Park, Cypress, La Palma, and the unincorporated Orange County under a joint powers agreement. Specifically, these services include fire prevention and suppression; emergency medical response and transport and rescue and hazardous materials response. The Fire Authority is funded primarily from cash contracts and property tax revenues. The City owns Fire Station 34, located at 1530 North Valencia and Fire Station 35, located at 120 South Bradford.

The County of Orange ("County") provides animal care services to the City, along with other cities in the County, under a services agreement. The services agreement specifies that the City shall also pay their fair share of the construction cost of their new facility and equipment costs.

A system-wide facility standard methodology is utilized to determine the City's public safety impact fee. Under this widely-used method, the City's ratio of existing and planned police, fire, and animal control facilities, vehicles and equipment to a buildout service population establishes a facilities standard for determining new development's fair share of the cost to expand the City's public safety system. These costs are then applied to seven land use categories in proportion to the need they create for public safety services to establish a cost/fee per unit of development.

The Nexus Study also identifies the fair share cost of planned public safety facilities needed to serve existing development at the same facilities standard as applied to new development. The identification and use of a facilities standard ensures that new development will only fund the share of planned facilities needed to accommodate growth. Thus, consistent with the Act, this Nexus Study demonstrates that there is a reasonable relationship between new development, the amount of the fee, and the facilities, vehicles, and equipment funded by the fee.

SERVICES POPULATION

Figure 2 determines an equivalent dwelling unit ("EDU") factor for each land use category. The EDU expresses the service population of each unit of a given land use in terms of a single-family attached dwelling unit. Residential density figures are based on census data from the 2010 U.S. Census and expressed in terms of the average occupancy per dwelling unit. The nonresidential density figures from the *2001 Southern California Association of Governments Employment Density Study* prepared by The Natelson Company, Inc. expressed in terms of the number of employees per 1,000 square feet of building area.

FIGURE 2 – SERVICE POPULATION EQUIVALENT DWELLING UNIT FACTOR

| Land Use Category | Unit | | EDU Factor |
|--------------------------------|------|---------|-------------|
| | Unit | Density | |
| | Calc | a | b = a / 3.4 |
| Single-Family Detached Housing | DU | 3.40 | 1.00 |
| Single-Family Attached Housing | DU | 2.76 | 0.81 |
| Multi-Family Housing | DU | 3.13 | 0.92 |
| Mobile Housing | DU | 2.49 | 0.73 |
| Residential Unit | DU | 3.22 | 0.95 |
| Retail / Commercial | KBSF | 2.33 | 0.69 |
| Office | KBSF | 3.33 | 0.98 |
| Industrial | KBSF | 1.67 | 0.49 |
| Nonresidential Area | KBSF | 2.04 | 0.60 |

The City currently protects approximately 18,900 dwelling units and approximately 4.6 million square feet of nonresidential building area by 2040. Figure 3, on the following page, calculates the buildout EDUs for the City through 2040 based on land use data summarized in Appendix A.

FIGURE 3 – BUILDOUT DEMAND EDUS

| Land Use Category | Unit | Buildout Units ¹ | Service | Buildout EDUs |
|----------------------------------|------|--------------------------------|---------------------------------|------------------|
| | | | Pop. EDU Factor ² | |
| | Calc | a | b | c = a * b |
| Single-Family Detached Housing | DU | 10,255 | 1.00 | 10,255 |
| Single-Family Attached Housing | DU | 2,091 | 0.81 | 1,697 |
| Multi-Family Residential Housing | DU | 5,969 | 0.92 | 5,495 |
| Mobile Housing | DU | 586 | 0.73 | 429 |
| Nonresidential | KBSF | 4,648 | 0.60 | 2,785 |
| Total | | 23,548 | | 20,661 |

Sources: California Department of Finance; U.S. Census Bureau; SCI Consulting Group

Notes:

¹ See Appendix A for more detail.

² See Figure 2.

EXISTING PUBLIC SAFETY FACILITIES

The next step in determining the City's existing public safety facilities standard is to calculate the replacement cost of the City's public safety system which includes police, fire and animal control facilities, vehicles and equipment. Fire apparatus, vehicles, and equipment are excluded from the fee since they are provided by the Fire Authority. Under the animal care services agreement, the City has agreed to pay for their share of the animal care center. This figure is used as the City's replacement value of their share of the County facility.

Figure 4, on the following page, presents a summary of replacement cost (in 2017 dollars) for the City's existing public safety facilities (land and buildings), vehicles and equipment. As shown below, the estimated replacement cost of the City's existing public safety facilities, vehicles, and equipment is approximately \$18.7 million in 2017 dollars.

FIGURE 4 – REPLACEMENT COST OF EXISTING PUBLIC SAFETY FACILITIES

| Facility | Amount | Unit Cost | Replacement Cost (2017\$) |
|--|----------------|----------------------|----------------------------------|
| Calc | a | b | c = a * b |
| Police Headquarters ¹ | | | |
| Land | 1.84 acres | \$1,440,000 per acre | \$2,649,600 |
| Buildings | 11,000 sq. ft. | \$500 sq. ft. | \$5,500,000 |
| Vehicles | 53 each | \$32,170 ave. each | \$1,705,000 |
| Equipment | | | \$2,483,360 |
| Fire Station 34 ² | | | |
| Land | 0.67 acres | \$1,440,000 per acre | \$964,800 |
| Buildings | 5,100 sq. ft. | \$500 sq. ft. | \$2,550,000 |
| Fire Station 35 ² | | | |
| Land | 0.22 acres | \$1,440,000 per acre | \$316,800 |
| Buildings | 3,602 sq. ft. | \$500 sq. ft. | \$1,801,000 |
| OC Animal Care Center ³ | | | |
| Buildings | NA | NA | \$588,768 |
| Equipment | NA | NA | \$148,000 |
| Total Existing Public Safety Facilities | | | \$18,707,328 |

Source: City of Placentia; SCI Consulting Group

Notes:

¹ Building area and land acres shown for represents 50% of the City Civic Center.

² Fire services is provided by the Orange County Fire Authority under a services agreement with the City.

³ Figures represents the City's share of the OC Animal Care Center and equipment.

Figure 6, on the following page, presents the City's planned fire facilities. The planned facility improvements include the construction of a new \$6 million fire station to replace Station 35, plus the expansion of Station 34.

FIGURE 5 – PLANNED PUBLIC SAFETY FACILITIES

| Station | Item | Replacement Costs (2017\$) | Total Cost (2017\$) |
|--|---------------------------------|----------------------------|---------------------|
| Station 35 | Current Facility / New Facility | \$3,514,800 | \$6,000,000 |
| Station 34 | Station Expansion | \$0 | \$250,000 |
| Cost of Planned Public Safety Facilities | | \$3,514,800 | \$6,250,000 |
| Less: Existing Fund Balance as of June 30, 2017 | | | \$37,865 |
| Total Cost of Planned Public Safety Facilities | | | \$6,212,135 |

Source: City of Placentia

PUBLIC SAFETY FACILITIES STANDARD

The City's ratio of existing and planned public safety facilities, vehicles and equipment to the service population at buildout establishes the standard for determining new development's fair share of the cost to expand the City's public safety facilities as growth occurs. Total public safety system facilities include the replacement value of the existing public safety system plus new planned facilities. The replacement value of Station 35 is subtracted from the total cost of planned facilities to avoid double counting of facility costs.

As shown below, the standard is represented by the public safety system facilities cost of \$1,028.83 per capita.

FIGURE 6 – PUBLIC SAFETY FACILITIES STANDARD

| | Calc | |
|---|----------------------------|---------------------|
| Existing Public Safety Facilities ¹ | a | \$18,559,328 |
| Planned Public Safety Facilities ² | b | \$6,212,135 |
| Existing Public Safety Facilities to be Replaced ² | c | \$3,514,800 |
| Total Public Safety System Facilities | d = a + b - c | \$21,256,663 |
| Projected Buildout Demand EDUs ³ | e | 20,661 |
| Net Public Safety Facilities Cost Per EDU | f = d / e (rounded) | \$1,028.83 |

Notes:

¹ See Figure 4.² See Figure 5.³ See Figure 3.

CITYWIDE PUBLIC SAFETY IMPACT FEE

Figure 7 below presents the calculation of the maximum allowable public safety impact fee. As shown, the fee per unit of development for each land use category is determined by multiplying the public safety facility standard by their respective service population EDU factor plus an additional 2 percent for administration of the fee program. The fee program administrative cost component is designed to offset the cost of collection, documentation, annual reporting requirements, five-year report requirements, periodic Nexus Study updates and other associated costs reasonably related to compliance with the Act.

FIGURE 7 – CITYWIDE PUBLIC SAFETY IMPACT FEE

| Land Use Category | Unit | Facility Standard ¹ | Service Pop. EDU Factor ² | Cost per Unit | Fee Admin. Cost (2%) | Total Cost/Fee per Unit ³ |
|--------------------------------|----------|--------------------------------|--------------------------------------|---------------|----------------------|--------------------------------------|
| | Calc | a | b | c = a * b | d = c * 0.02 | e = c + d e = (c + d) / 1000 |
| Single Family Detached Housing | DU | \$1,028.83 | 1.00 | \$1,028.83 | \$20.58 | \$1,049 |
| Single Family Attached Housing | DU | \$1,028.83 | 0.81 | \$835.17 | \$16.70 | \$851 |
| Multi-Family Housing | DU | \$1,028.83 | 0.92 | \$947.13 | \$18.94 | \$966 |
| Mobile Home | DU | \$1,028.83 | 0.73 | \$753.47 | \$15.07 | \$768 |
| Retail / Commercial | KBSF/BSF | \$1,028.83 | 0.69 | \$705.05 | \$14.10 | \$0.71 |
| Office | KBSF/BSF | \$1,028.83 | 0.98 | \$1,007.65 | \$20.15 | \$1.02 |
| Industrial | KBSF/BSF | \$1,028.83 | 0.49 | \$505.34 | \$10.11 | \$0.51 |

Notes:

¹ See Figure 6.

² See Figure 2.

³ Total cost/fee is rounded down to the nearest dollar for residential land use categories and the nearest cent for nonresidential land use categories.

NEXUS FINDINGS

PURPOSE OF FEE

The purpose of the public safety impact fee is to fund the cost of expanded public safety facilities, vehicles and equipment attributable to new residential and nonresidential development in the City. The public safety impact fees will ensure that new development will not burden existing development with the cost of facilities required to accommodate growth as it occurs within the City.

USE OF FEE REVENUE

Fee revenue will be used to fund the cost of expanded public safety facilities, police vehicles, and police equipment to serve new development. Additionally, fee revenue will be used to cover fee program administration costs such as collection, documentation, annual reporting requirements, five-year report requirements, periodic Nexus Study updates and other costs reasonably related to compliance with the Act. Fee revenue may not be used to fund operational, maintenance or repair costs.

BENEFIT RELATIONSHIP

The fee will be collected as development occurs. To maintain its existing level of public safety services, fee revenue will be used to expand the City's public safety facilities, vehicles, and equipment, to meet the additional demand created by new development projects. Fee revenue will be deposited into a separate public impact fee account or fund in a manner to avoid any commingling of the fees with other revenues and funds of the City. The fee revenue will be restricted to the uses described in the "Use of Fee Revenue" finding. These actions ensure that a development project paying the fee will benefit from its use.

IMPACT RELATIONSHIP

New development projects will create additional need for the City's public safety services and a corresponding need for expanded public safety facilities, vehicles, and equipment. The fee will be imposed on different types of development projects in proportion to the additional service population created by new development.

PROPORTIONALITY

The cost of public safety facilities, vehicles, and equipment attributable to a development project is based upon the level of existing development served by the City's existing public safety system. The use of a facilities standard methodology to determine the public safety impact fee achieves proportionality between existing development and new development. Moreover, these equivalent costs are applied to seven land use categories in proportion to the need they create for expanded public safety facilities, vehicles, and equipment. The use of a public safety facilities standard to determine the public safety impact fee schedule achieves proportionality across the types of development on which the fee is imposed.

CITYWIDE PARK AND RECREATION IMPACT FEE

Over the next twenty-three years, new development within the City of Placentia ("City") will create a need for additional park and recreational facilities to meet needs additional population generated by new residential development. In order to provide adequate funding to achieve these long-term objectives, a park and recreation impact fee is needed to fund new development's share of the cost of new park and recreational facilities and improvements.

The City has eight (8) neighborhood parks and parkettes, three (3) community parks, and four (4) special use parks totaling 60.9 acres, or 1.20 acres for every 1,000 residents. Additionally, to accommodate the anticipated population increase of approximately 6,500 new residents by 2040, an additional 7.7 acres of park area will be required of new development to maintain the City's existing level of service. The development of park acres will need to be funded with other sources of funds.

Since the need for park and recreational services is inherently population driven, this Nexus Study utilizes a per capita standard-based methodology to determine the City's park and recreation impact fee. Under this method, the cost components are based on the City's existing level of service ("LOS") standard for park development and construction of community use facilities.

PARK DEVELOPMENT COST PER CAPITA

The figure on the following page calculates the per capita cost of developing new parks in the City. As presented, the City's existing LOS standards are multiplied by their respective average development cost per acre to arrive at a per capita cost. The average park development cost per acre shown is based on the estimated replacement value per acre for McFadden Park and Tuffree Hill Park.

FIGURE 8 – PARK DEVELOPMENT COST PER CAPITA

| Cost Component | Existing Acres | Existing Acres | Average | Cost per |
|-----------------|----------------------------------|-------------------------|--|------------------|
| | per 1,000 Residents ¹ | per Capita ¹ | Development Cost per Acre ² | Capita (2017 \$) |
| Calc | a | b = a / 1,000 | c | d = b * c |
| Developed Parks | 1.20 | 0.00120 | \$468,000 | \$561.60 |

Source: City of Placentia Community Services Department

Notes:

¹ Based on the City's existing level of service for developed parks. See Appendix B for the City's Park Inventory.

² Based on estimated replacement cost per acre for McFadden Park and Tuffree Hill Park and rounded to the nearest thousand.

COMMUNITY USE FACILITY COSTS PER CAPITA

City residents currently have use of nine City community use facilities. As shown in figure 9, these facilities provide 43,371 square feet of usable space to City residents. Based upon this existing level of service ("LOS"), the existing LOS per resident for community use facilities is 835.17 square feet per 1,000 residents. This existing standard is used to calculate the cost of expanding community use facility space to meet the needs of the City's growing population. As shown in figure 9 on the following page, assuming an average construction cost of \$381 per square foot, the cost of expanded community use facilities to serve new development is \$318.20 per capita.

FIGURE 9 – COMMUNITY USE FACILITIES EXISTING LOS STANDARD

| Facility | Location | Existing Space | | Existing Population | Sq. Ft. per 1,000 Population |
|---------------------------------------|---------------------------|----------------|---------------|---------------------|------------------------------|
| | | Calc | a | | |
| Champions Sports Complex ¹ | 505 Jefferson Street | | 3,873 | | |
| Backs Community Building | 201 N. Bradford Avenue | | 9,472 | | |
| Bradford House | 136 E. Palm Circle | | 5,200 | | |
| Gomez Community Center | 1701 Atwood Avenue | | 2,452 | | |
| Korch Recreation Center | 2210 N. Valencia Avenue | | 1,456 | | |
| Kraemer Clubhouse / Teen Center | 116 N. Walnut Avenue | | 860 | | |
| E.T. Powell Building | 143 S. Bradford Avenue | | 4,732 | | |
| Tynes Gym | 2101 N. Tuffree Boulevard | | 6,048 | | |
| Whitten Community Center | 900 S. Melrose Street | | 9,278 | | |
| Community Use Facilities | | | 43,371 | 51,931 | 835.17 |

Source: City of Placentia Community Services Department

Notes:

¹ Includes Aquirre Building and Concession Building.

FIGURE 10 – COMMUNITY USE FACILITIES COST PER CAPITA

| Cost Component | Existing Building Sq. Ft. per 1,000 Residents ¹ | Community Use Space per Capita ¹ | Average Construction Cost per Sq. Ft. ² | Cost per Capita |
|--------------------------|--|---|--|-----------------|
| | Calc | a | b = a / 1,000 | c |
| Community Use Facilities | 835.17 | 0.83517 | \$381 | \$318.20 |

Source: City of Placentia Community Services Department; SCI Consulting Group

Notes:

¹ See Figure 9.

² Based on estimates provided by the Engineering News-Record 2016 Square Foot Cost Book.

CITYWIDE PARK AND RECREATION IMPACT FEE

The figure below presents the calculation of the maximum allowable park and recreation impact fee. As shown, park and recreation impact fee per unit of development for each land use category is determined by multiplying the total cost per capita by their respective unit density, plus an additional 2 percent for administration the fee program. The fee program administrative cost component is designed to offset the cost of collection, documentation, annual reporting requirements, five-year report requirements, periodic Nexus Study updates and other associated costs reasonably related to compliance with the Act.

FIGURE 11 – PARK AND RECREATION IMPACT FEE

| Land Use Category | Unit | Cost per Capita ¹ | Unit Density ² | Cost per Unit | Fee Admin. Cost (2%) | Total Cost/Fee per Unit ³ |
|--------------------------------|------|------------------------------|---------------------------|---------------|----------------------|--------------------------------------|
| | Calc | a | b | c = a * b | d = c * 0.02 | e = c + d |
| Housing | DU | \$879.80 | 3.40 | \$2,991.31 | \$59.83 | \$3,051 |
| Single-Family Attached Housing | DU | \$879.80 | 2.76 | \$2,428.24 | \$48.56 | \$2,476 |
| Multi-Family Housing | DU | \$879.80 | 3.13 | \$2,753.77 | \$55.08 | \$2,808 |
| Mobile Housing | DU | \$879.80 | 2.49 | \$2,190.70 | \$43.81 | \$2,234 |

Notes:

¹ The sum of the per capita costs from Figure 8 and Figure 10.

² Persons per dwelling unit based on figures from the 2010 U.S. Census for the City of Placentia.

³ Total cost/fee per unit is rounded down to the nearest dollar.

NEXUS FINDINGS

PURPOSE OF FEE

The purpose of the park and recreation impact fee is to provide revenue that the City can use to help mitigate the impact new residential development will have on the City's park and recreational facilities. The fee will ensure that new residential development will not burden existing residential development with the cost of park development and community use facilities construction of required to accommodate growth as it occurs.

USE OF FEE REVENUE

Fee revenue will be used as a funding source for park development, and community use facility expansion needed to serve new development. Additionally, fee revenue will be used to cover fee program administration costs such as collection, documentation, annual

reporting requirements, five-year report requirements, periodic Nexus Study updates and other costs reasonably related to compliance with the Act. Fee revenue may not be used to fund operational, maintenance or repair costs.

BENEFIT RELATIONSHIP

Since the need for park and recreational services is in part population-driven, new residential development in the City will generate additional need for new parks and recreational services and the corresponding need for various facilities. The fee will be used to develop and expand the City's park and recreational facilities required to serve new development. The fee's use (development of parks and expansion of community use facilities) is therefore reasonably related to the type of project (new residential development) upon which it's imposed. The fee revenue will be restricted to the uses described in the "Use of Fee Revenue" finding. These actions ensure that a development project paying the fee will benefit from its use.

IMPACT RELATIONSHIP

Each new residential development project will generate additional need for park and recreational services and the associated need for parks and recreational facilities. The need is measured in proportion to the persons per dwelling unit for four housing categories and the City's existing level of service.

PROPORTIONALITY

The amount of park and recreational facilities needed to serve a unit of development is based on the City's existing LOS standard for providing such facilities. The cost of park development, construction of expanded community use space, and fee program administrative costs are defined on a cost per capita basis. These per capita costs are then applied to four housing types based on their respective occupancy per dwelling unit.

SEWER IMPACT FEE

The most common way to measure the impact of development on sewer systems is by the volume of sewer flow to the system. The demand variable used in this analysis is average sewer flow in gallons per day ("GPD"). To ensure that new development pays only for capacity enhancement cost required to meet its needs, the sewer impact fee is calculated based on the anticipated volumes of sewer flow by new development, excluding the City's Transit Oriented Development ("TOD") area.

SEWER CAPACITY ENHANCEMENT COSTS

Figure 12 below provides the probable construction costs provided by Dudek for six sewer capacity enhancement projects. Dudek estimates that these six projects will provide 4.98 million gallons per day peak wet weather flow ("PWWF") capacity. Using a conversion factor of 3.2, the conversion of the peak wet weather flow to average GPD would be 1.56 million average gallons per day. Estimated sewer demand for new development excluding the TOD Area is 0.12 million average gallons per day. Based on this information, 7.87% of the total sewer capacity improvement cost, or \$830,679, is attributable to new development excluding the TOD area.

FIGURE 12 – SEWER CAPACITY ENHANCEMENT COSTS

| Sewer Capacity Enhancement Project | Probable | | |
|---|----------------------------|--------------------------|---------------------------|
| | Construction Cost (2017\$) | Est. Future Dev. Share % | Future Dev Share (2017\$) |
| | Calc a | b | c = a * b |
| Bradford Avenue, Orange Grove Ave, Walnut Ave, Santa Barbara St. Placentia Ave. | \$4,626,000 | 7.87% | \$364,066 |
| Twilight St., Sunrise Way, Sunrise ST, Melody Ln., Chapman Ave., Placentia Ave. | \$1,677,000 | 7.87% | \$131,980 |
| Orangethorpe Ave. | \$834,000 | 7.87% | \$65,636 |
| Orangethorpe Ave., Melrose St., Silverlake Dr., Glenlake Dr. | \$2,391,000 | 7.87% | \$188,172 |
| Tuffree Blvd. | \$634,000 | 7.87% | \$49,896 |
| Bastanchury Rd. | \$393,000 | 7.87% | \$30,929 |
| Total Citywide (Excluding TOD Area) | \$10,555,000 | 7.87% | \$830,679 |

Source: Dudek; City of Placentia Public Works Department; SCI Consulting Group

FIGURE 13 – AVERAGE DAILY SEWER FLOW ATTRIBUTABLE TO NEW DEVELOPMENT

| Land Use Category | Units | Unit Growth ¹ | Average Daily | Average Daily |
|--|-------|--------------------------|----------------|-----------------------------------|
| | | | Sewer Flow | Sewer Flow |
| | | | per Unit (GPD) | Attributable to Unit Growth (GPD) |
| | Calc | a | b | c = a * b |
| Single Family Detached Housing | DU | 88 | 196 | 17,150 |
| Single Family Attached Housing | DU | 175 | 144 | 25,200 |
| Multi-Family Housing | DU | 488 | 110 | 53,625 |
| Mobile Housing | DU | 0 | 128 | 0 |
| Retail / Commercial | KBSF | 211 | 100 | 21,128 |
| Office | KBSF | 36 | 150 | 5,330 |
| Industrial | KBSF | 0 | 60 | 0 |
| Total Citywide (Excluding TOD Area) | | 997 | | 122,433 |

Sources: City of Placentia Public Works Department; SCI Consulting Group

Notes:

¹ See Appendix A. Exclude TOD area.

Using the sewer capacity enhancements costs attributable to future development from figure 12 divided by average daily sewer flow attributable to unit growth, the cost per gallon per day is \$6.78.

FIGURE 14 – SEWER COST PER AVERAGE DAILY GALLONS PER DAY

| Future Dev Share (2017 \$) ¹ | Sewer Flow Attributable to Unit Growth (GPD) ² | | Cost per GPD ³ |
|--|---|---|---------------------------|
| | a | b | |
| \$830,679 | 122,433 | | \$6.78 |

Source: City of Placentia Public Works; SCI Consulting Group

Notes:

¹ See Figure 12.

² See Figure 13.

SEWER IMPACT FEE

Figure 15 below presents the calculation of the City's sewer impact fee. The sewer impact fee is citywide, but excludes the City's TOD area. As shown, the sewer impact fee per unit of development for each land use category is determined by the cost per GPD by their respective average daily sewer flow per unit ("GPD") plus an additional 2 percent for administration of the sewer impact fee program. The fee program administrative cost component is designed to offset the cost of City collection, documentation, annual reporting requirements, five-year report requirements, periodic Nexus Study updates and other costs reasonably related to compliance with the Act.

FIGURE 15 – SEWER IMPACT FEES

| Land Use Category | Unit | Sewer | Cost per GPD ² | Cost per Unit | Fee Admin. Cost (2%) | Total Cost/Fee per Unit ³ | |
|--------------------------------|------|--|------------------------------|------------------|----------------------------|--|--------------------|
| | | Flow per Unit (GPD) ¹ | | | | | |
| | Calc | Res | a | b | c = a * b | d = c * 0.02 | e = c + d |
| | | Nonres | | | | | e = (c + d) / 1000 |
| Single Family Detached Housing | | DU | 196 | \$6.78 | \$1,330 | \$27 | \$1,356 |
| Single Family Attached Housing | | DU | 144 | \$6.78 | \$977 | \$20 | \$997 |
| Multi-Family Housing | | DU | 110 | \$6.78 | \$746 | \$15 | \$761 |
| Mobile Housing | | DU | 128 | \$6.78 | \$868 | \$17 | \$886 |
| Retail / Commercial | | KBSF/BSF | 100 | \$6.78 | \$678 | \$14 | \$0.69 |
| Office | | KBSF/BSF | 150 | \$6.78 | \$1,018 | \$20 | \$1.03 |
| Industrial | | KBSF/BSF | 60 | \$6.78 | \$407 | \$8 | \$0.41 |

Notes:

¹ See Figure 13.

² See Figure 14.

³ Total cost/fee is rounded down to the nearest dollar for residential land use categories and the nearest cent for nonresidential land use categories.

NEXUS FINDINGS

PURPOSE OF FEE

The purpose of the sewer impact fee is to provide revenue that the City can use to help mitigate the impact new development will have on the City's sewer system. The fee will ensure that new development will not burden existing development with the cost of sewer improvements required to accommodate growth as it occurs.

USE OF FEE REVENUE

Fee revenue will be used as a funding source for sewer improvements need to serve new development, such as those identified in figure 12. Additionally, fee revenue will be used to cover fee program administration costs such as collection, documentation, annual reporting requirements, five-year report requirements, periodic Nexus Study updates and other costs reasonably related to compliance with the Act. Fee revenue may not be used to fund operational, maintenance or repair costs.

BENEFIT RELATIONSHIP

The fee will be collected as development occurs. New development will contribute an additional burden to City's sewer infrastructure. Fee revenue collected from new development projects will be spent to directly offset this burden by enhancing the City's sewer capacity. Fee revenue will be deposited into a separate account or fund in a manner to avoid any commingling of the fees with other revenues and funds of the City. The fee revenue will be restricted to the uses described in the "Use of Fee Revenue" finding. These actions ensure that a development project paying the fee will benefit from its use.

IMPACT RELATIONSHIP

New development projects in the City will increase sewer flow. The increase in sewer flow will create the need for expansion in the City's sewer capacity. The fee will be imposed on different types of development projects in proportion their average daily sewer flow.

PROPORTIONALITY RELATIONSHIP

The sewer impact fee that is charged to new development is based on the cost of identified sewer improvements that will need to be made to satisfy the projected increase in sewer flow from new development. The sewer capacity improvement costs are applied to seven land use categories in proportion to their average daily sewer flow per unit.

TRAFFIC IMPACT FEE

This section addresses street improvements and traffic signals needed to serve future development in the City excluding the TOD area. The analysis contained in this section is based on the 2003 Administrative Draft of the Circulation Element of the City's General Plan.

To determine the City's traffic impact fee consistent with the procedural requirements of the Act, a plan-based methodology is utilized. Under this widely-used method, the cost of street and traffic signal improvements attributable to new development is divided by the estimated demand, based on peak-hour trips per unit of development, to determine the cost per unit. It is important to note that this methodology is relatively inflexible in the sense that it is based on the relationship between a specific improvement plan and a specific land use plan. Consequently, if the land use plan changes significantly, the traffic impact fees should be re-determined.

STREET IMPROVEMENTS AND TRAFFIC SIGNALS

The City Engineer has developed a list of improvements needed to serve the additional traffic associated with future development. These improvements are listed in figure 16 on the following page with probable cost estimates (in 2017 dollars) and the percentage of each improvement attributable to new development.

The City's General Plan Circulation Element sets a basic level of service ("LOS") target of D or better throughout the City. The level of service designations used by transportation planners is based on the Highway Capacity Manual published by the Transportation Research Board. Those designations range from LOS "A" (free traffic flow, insignificant delays at intersections) to LOS F (forced flow, stop and go traffic, excessive delays at intersections). LOS D on roadways is characterized by approaching unstable flow with maneuverability severely restricted due to congestion.

According to the City Engineer, under current conditions, all road segments in the City operate at LOS D or better during the peak-hours. The capacities of these roadways are therefore adequate to meet the traffic demands of the City's current level of development.

FIGURE 16 – STREET IMPROVEMENTS AND TRAFFIC SIGNALS

| Project | Estimated | % | New Dev \$ |
|---|--------------------|----------------------------|--------------------|
| | Cost (2017\$) | Attributable to New Dev | Share |
| | Calc | a | b |
| | | | c = a * b |
| Bastanchury Rd/Valencia Ave Left Turn Lane | \$75,000 | 100% | \$75,000 |
| Kraemer Boulevard / Alta Vista Street Dual Left Turn Lanes | \$30,000 | 100% | \$30,000 |
| Lakeview Avenue at Miraloma Traffic Signal | \$170,000 | 100% | \$170,000 |
| Van Buren Street at Orchard Drive Traffic Signal | \$170,000 | 100% | \$170,000 |
| Placentia Avenue at Santa Fe Avenue Traffic Signal | \$165,000 | 100% | \$165,000 |
| Kraemer Boulevard at Connecticut Way Traffic Signal | \$235,000 | 100% | \$235,000 |
| Richfield Rd at Miraloma Ave & Miraloma Ave at Van Buren TS | \$315,000 | 100% | \$315,000 |
| Total (Excluding TOD Area) | \$1,160,000 | 100% | \$1,160,000 |

Source: City of Placentia Public Works Department; City of Placentia Capital Improvement Program FY 2016-2023

PEAK-HOUR TRIP EDUS

Trip generation rates are a typical method of measuring demand for new street and traffic signal improvements and allocating costs proportionally among the land use categories. Peak-hour trips are used instead of average daily trips because peak traffic determines the amount of system capacity required to maintain a certain level of service. The trip generation factors used in the determination of the traffic impact fee are from the *Institute of Transportation Engineers Trip Generation Manual, 9th edition*.

From these peak-hour trip rates, an equivalent dwelling unit ("EDU") factor was determined for each land use category. The EDU states the impact of each unit of a given land use in terms of a single-family attached dwelling unit. This Nexus Study also includes a pass-by trip factor for nonresidential land uses to account for trips that are already on the road and do not create additional impact. These costs are then applied to seven land use categories in proportion to their generated peak-hour trips to establish a cost/fee per unit of development.

FIGURE 17 – PEAK-HOUR TRIP EDUS

| Land Use Category | Unit | Unit | PM Peak | Pass-by / | Peak-Hour | Growth |
|-----------------------------------|-----------------------|-----------------------|------------------------|---------------------|-----------|------------|
| | | Growth | Trip Rate ² | Diverted | Trip EDU | Demand |
| | Estimate ¹ | Estimate ¹ | Trip Rate ² | Trip | Factor | EDUs |
| | Calc | a | b | Factor ² | d = b * c | e = a * d |
| Single Family Detached Housing | DU | 88 | 1.00 | 1.00 | 1.00 | 88 |
| Single Family Attached Housing | DU | 175 | 1.00 | 1.00 | 1.00 | 175 |
| Multi-Family Housing | DU | 488 | 0.62 | 1.00 | 0.62 | 302 |
| Mobile Housing | DU | 0 | 0.59 | 1.00 | 0.59 | 0 |
| Retail / Commercial | KBSF | 211 | 1.49 | 0.70 | 1.04 | 220 |
| Office | KBSF | 36 | 3.73 | 0.40 | 1.49 | 53 |
| Industrial | KBSF | 0 | 0.98 | 0.60 | 0.59 | 0 |
| Total (Excluding TOD Area) | | 997 | | | | 838 |

Sources: Institute of Transportation Engineers; SCI Consulting Group

Notes:

¹ See Appendix A. Excludes projected growth in TOD area.

² From ITE Trip Generation Manual, 9th Edition.

In Figure 18 below, the total cost of street and traffic signal improvements attributable to new development is divided by the projected growth in peak-hour trip EDUs that will be generated by the future development to arrive a cost per peak-hour trip EDU. By taking the \$1.16 million in improvements divided by the total peak-hour trip EDUs arrives at a cost per peak-hour trip EDU of \$1,384.03.

FIGURE 18 – COST PER PEAK-HOUR TRIP

| | |
|---|-------------------|
| Citywide Street Improvements and Traffic Signals ¹ | \$1,160,000 |
| Citywide Peak-Hour EDU Growth ² | 838 |
| Cost per Demand EDU | \$1,384.03 |

Notes:

¹ See Figure 16.

² See Figure 17.

TRAFFIC IMPACT FEE

Figure 19 below presents the determination of the maximum allowable traffic impact fee. As shown, the traffic impact fee per unit of development for each land use category is determined by multiplying the cost per peak-hour trip EDU by their respective peak-hour trip EDU factor, plus an additional 2 percent for administration the fee program. The fee program administrative cost component is designed to offset the cost of collection, documentation, annual reporting requirements, five-year report requirements, periodic Nexus Study updates and other associated costs reasonably related to compliance with the Act.

FIGURE 19 –TRAFFIC IMPACT FEE

| Land Use Category | Unit | | EDU Factor ¹ | Cost per EDU ² | Fee Admin. Cost (2%) | Total Cost/Fee per Unit ³ |
|--------------------------------|------|---------------|-------------------------|---------------------------|----------------------|---|
| | Calc | Res Nonres | a | b | c = b * 0.02 | d = a * (b + c) d = a * (b + c) / 1000 |
| Single Family Detached Housing | | DU | 1.00 | \$1,384.03 | \$27.68 | \$1,411 |
| Single Family Attached Housing | | DU | 1.00 | \$1,384.03 | \$27.68 | \$1,411 |
| Multi-Family Housing | | DU | 0.62 | \$1,384.03 | \$27.68 | \$875 |
| Mobile Home | | DU | 0.59 | \$1,384.03 | \$27.68 | \$832 |
| Retail / Commercial | | KBSF/BSF | 1.04 | \$1,384.03 | \$27.68 | \$1.47 |
| Office | | KBSF/BSF | 1.49 | \$1,384.03 | \$27.68 | \$2.10 |
| Industrial | | KBSF/BSF | 0.59 | \$1,384.03 | \$27.68 | \$0.83 |

Notes:

¹ See Figure 17.

² See Figure 18.

³ Total cost/fee is rounded down to the nearest dollar for residential land use categories and the nearest cent for nonresidential land use categories.

NEXUS FINDINGS

PURPOSE OF FEE

The purpose of the traffic impact fee is to provide revenue that the City can use to help mitigate the impact of new development. The fee will ensure that new development will not burden existing development with the cost of street improvements and traffic signals required to accommodate growth as it occurs.

USE OF FEE REVENUE

Fee revenue will be used as a funding source for street improvements, and new traffic signals need to serve new development, such as those identified in Figure 16. Additionally, fee revenue will be used to cover fee program administration costs such as collection, documentation, annual reporting requirements, five-year report requirements, periodic Nexus Study updates and other costs reasonably related to compliance with the Act. Fee revenue may not be used to fund operational, maintenance or repair costs.

BENEFIT RELATIONSHIP

The fee will be collected as development occurs. New development will contribute an additional burden to City traffic. Fee revenue collected from new development projects will be spent to directly offset this burden by improving the existing streets as well as constructing new infrastructure to accommodate the projected growth. Fee revenue will be deposited into a separate account or fund in a manner to avoid any commingling of the fees with other revenues and funds of the City. The fee revenue will be restricted to the uses described in the "Use of Fee Revenue" finding. These actions ensure that a development project paying the fee will benefit from its use.

IMPACT RELATIONSHIP

New development in the City will increase the amount of peak-hour trips, and thus generate a need for the proposed street improvements and traffic signals.

PROPORTIONALITY RELATIONSHIP

The cost of the proposed street improvements and new traffic signals attributable to new development in the City are applied to seven land use categories in proportion to their peak-hour trip generation. The use of a peak-hour trip EDU to determine the traffic impact fee schedule achieves proportionality across the types of development on which the fee is imposed.

STORM DRAINAGE IMPACT FEE

The City of Placentia is divided into several of storm drainage basin areas, referred to as basin areas A through G. Each of the basin areas has a series of storm drainage pipes and detention basins that serve the area's drainage needs. In order for new development to occur, new improvements must be made to the City's existing system. The storm drainage impact fee will cover new development's share of the costs associated with expanding the existing storm drain infrastructure system. The subsections below summarize the nexus findings for the proposed storm drainage impact fee.

STORM DRAINAGE IMPROVEMENTS

The City Engineer has identified six storm drain improvements projects for Area A and one project for Area C. The seven improvement projects total \$5.47 million.

FIGURE 20 – STORM DRAINAGE IMPROVEMENTS

| Improvement Project | Area | Estimated Cost (2017 \$) |
|--|-------------|---------------------------------|
| Drainage Area A-2 Improvements | A | \$342,000 |
| Drainage Area A-7 Improvements | A | \$1,195,000 |
| Drainage Area A-8 Improvements | A | \$2,080,000 |
| Drainage Area A-9 Improvements | A | \$400,000 |
| Drainage Area C-1 Improvements | C | \$1,100,000 |
| Primrose Avenue Storm Drain Extension | A | \$100,000 |
| Bradford Avenue Storm Drain Improvements | A | \$250,000 |
| Total | | \$5,467,000 |

Source: City of Placentia Public Works Department; City of Placentia Capital Improvement Program FY 2016-2023

Figure 21, on the following page, calculates the cost per unit for Area A and Area C. No other storm drainage improvements are planned for the other areas of the City.

FIGURE 21 – STORM DRAINAGE COST PER ACRE

| Storm Drainage Area | Unit | Estimated Cost (2017\$) | Units (Acres) | Cost per Unit |
|----------------------------|-------------|--------------------------------|----------------------|----------------------|
| Calc | | a | b | c = a / b |
| Area A | Acre | \$4,367,000 | 1,702 | \$2,566 |
| Area B | Acre | \$0 | 525 | \$0 |
| Area C | Acre | \$1,100,000 | 944 | \$1,165 |
| Area D | Acre | \$0 | 358 | \$0 |
| Area E | Acre | \$0 | 135 | \$0 |
| Area F | Acre | \$0 | 172 | \$0 |
| Area G | Acre | \$0 | 442 | \$0 |
| Total / Average | | \$5,467,000 | 4,278 | |

Sources: City of Placentia Public Works Department

STORM DRAINAGE IMPACT FEES

The next two figures, on the following pages, present the calculation of the maximum allowable storm drainage impact fees for Area A and Area C. As shown, the storm drainage impact fee per unit of development for each land use category is determined by multiplying the total cost per acre by their respective runoff coefficient and average unit per acre. This methodology allocates the cost of the storm drainage improvements based on the impervious acreage for the seven land use categories.

An additional 2 percent is also included for administration of the fee program. The fee program administrative cost component is designed to offset the cost of collection, documentation, annual reporting requirements, five-year report requirements, periodic Nexus Study updates and other associated costs reasonably related to compliance with the Act.

FIGURE 22 – STORM DRAINAGE IMPACT FEE – AREA A

| Land Use Category | Unit | | Cost per Acre ¹ | Runoff Coeff. ² | Units per Acre ³ | Cost per Unit | Fee Admin. Cost (2%) | Total Cost/Fee per Unit ⁴ |
|--------------------------------|------|---------------|----------------------------|----------------------------|-----------------------------|---------------|----------------------|--------------------------------------|
| | Calc | Res Nonres | a | b | c | d = a * b * c | e = d * 0.02 | f = d + e f = (d + e) / 1000 |
| Single Family Detached Housing | | DU | \$2,566 | 0.50 | 0.200 | \$257 | \$5.13 | \$262 |
| Single Family Attached Housing | | DU | \$2,566 | 0.65 | 0.125 | \$208 | \$4.17 | \$213 |
| Multi-Family Housing | | DU | \$2,566 | 0.75 | 0.083 | \$160 | \$3.19 | \$163 |
| Mobile Housing | | DU | \$2,566 | 0.75 | 0.125 | \$241 | \$4.81 | \$245 |
| Retail / Commercial | | KBSF/BSF | \$2,566 | 0.80 | 0.082 | \$168 | \$3.37 | \$0.17 |
| Office | | KBSF/BSF | \$2,566 | 0.80 | 0.057 | \$117 | \$2.34 | \$0.11 |
| Industrial | | KBSF/BSF | \$2,566 | 0.90 | 0.128 | \$296 | \$5.91 | \$0.30 |

Notes:

¹ See Figure 22.

² The runoff coefficient is from the *Standard Handbook for Civil Engineers*, 3rd Edition by McGraw Hill.

³ Residential units per acre is 1 divided by units per acre. Nonresidential units is 1,000 sq. ft. divided by floor area ratio divided by 43,560.

⁴ Total cost/fee is rounded down to the nearest dollar for residential land use categories and the nearest cent for nonresidential land use categories.

FIGURE 23 – STORM DRAINAGE IMPACT FEE – AREA C

| Land Use Category | Unit | Cost per | Runoff | Units per | Cost per | Fee | Total |
|--------------------------------|----------|-------------------|---------------------|-------------------|---------------|------------------|--------------------------------|
| | | Acre ¹ | Coeff. ² | Acre ³ | Unit | Admin. Cost (2%) | Cost/Fee per Unit ⁴ |
| | Calc | a | b | c | d = a * b * c | e = d * 0.02 | f = d + e |
| | Res | | | | | | f = (d + e) / 1000 |
| | Nonres | | | | | | |
| Single Family Detached Housing | DU | \$1,165 | 0.50 | 0.200 | \$117 | \$2.33 | \$119 |
| Single Family Attached Housing | DU | \$1,165 | 0.65 | 0.125 | \$95 | \$1.89 | \$97 |
| Multi-Family Housing | DU | \$1,165 | 0.75 | 0.083 | \$73 | \$1.45 | \$74 |
| Mobile Housing | DU | \$1,165 | 0.75 | 0.125 | \$109 | \$2.18 | \$111 |
| Retail / Commercial | KBSF/BSF | \$1,165 | 0.80 | 0.082 | \$76 | \$1.53 | \$0.07 |
| Office | KBSF/BSF | \$1,165 | 0.80 | 0.057 | \$53 | \$1.06 | \$0.05 |
| Industrial | KBSF/BSF | \$1,165 | 0.90 | 0.128 | \$134 | \$2.68 | \$0.13 |

Notes:

¹ See Figure 22.

² The runoff coefficient is from the *Standard Handbook for Civil Engineers*, 3rd Edition by McGraw Hill.

³ Residential units per acre is 1 divided by units per acre. Nonresidential units is 1,000 sq. ft. divided by floor area ratio divided by 43,560.

⁴ Total cost/fee is rounded down to the nearest dollar for residential land use categories and the nearest cent for nonresidential land use categories.

NEXUS FINDINGS

PURPOSE OF FEE

The purpose of the storm drainage impact fee is to provide revenue that the City can use to help mitigate the impact new development will have on the storm drainage system. The fee will ensure that new development will not burden existing development with the cost of storm drainage improvements required to accommodate growth as it occurs.

USE OF FEE REVENUE

Fee revenue will be used as a funding source for storm drainage improvements need to serve new development, such as those identified in Figure 20. Additionally, fee revenue will be used to cover fee program administration costs such as collection, documentation, annual reporting requirements, five-year report requirements, periodic Nexus Study updates and other costs reasonably related to compliance with the Act. Fee revenue may not be used to fund operational, maintenance or repair costs.

BENEFIT RELATIONSHIP

The fee will be collected as development occurs. New development will contribute an additional burden to City's storm drainage infrastructure. Fee revenue collected from new development projects will be spent to directly offset this burden by improving the existing storm drainage infrastructure as well as constructing new infrastructure to accommodate the projected growth. Fee revenue will be deposited into a separate account or fund in a manner to avoid any commingling of the fees with other revenues and funds of the City. The fee revenue will be restricted to the uses described in the "Use of Fee Revenue" finding. These actions ensure that a development project paying the fee will benefit from its use.

BENEFIT RELATIONSHIP

The fee will be collected as development occurs. New development will contribute an additional burden to City's sewer infrastructure. Fee revenue collected from new development projects will be spent to directly offset this burden by enhancing the City's sewer capacity. Fee revenue will be deposited into a separate account or fund in a manner to avoid any commingling of the fees with other revenues and funds of the City. The fee revenue will be restricted to the uses described in the "Use of Fee Revenue" finding. These actions ensure that a development project paying the fee will benefit from its use.

IMPACT RELATIONSHIP

New development in the City will increase the impervious area, and thus will create the need for the proposed storm drainage improvements. The storm drainage impact fee will cover new developments proportionate share of the drainage improvements.

PROPORTIONALITY RELATIONSHIP

The storm drainage impact fee that is charged to new development is based on the cost of identified storm drainage improvements that will need to be made to satisfy the projected increase impervious area from new development. The storm drainage improvement costs are applied to seven land use categories in proportion to their respective runoff coefficient.

IMPLEMENTATION AND ADMINISTRATION

This section summarizes the general requirements for adoption of the Nexus Study and the proposed development impact fee programs and the requirements for their annual administration. The specific statutory requirements may be found in the Mitigation Fee Act (California Govt. Code § 66000 et seq.).

ADOPTION REQUIREMENTS

The City Council shall conduct at least “one open and public meeting” as part of a regularly scheduled meeting on the requested fee program. At least 14 days before the meeting, the City shall mail out a notice of the meeting to any interested party who filed a written request for notice of the adoption of new or increased fees. At least 10 days before the meeting, the City shall make available to the public the Nexus Study for review.

At least 10 days before the public hearing, a notice of the time and place of the meeting shall be published twice in a newspaper of general circulation with at least five days intervening between the dates of first and last publication not counting such publication dates. After the public hearing, the City Council shall adopt an ordinance establishing the proposed fee program. The fee program shall become effective 60 days after adoption of the ordinance or longer as specified by the ordinance.

ACCOUNTING REQUIREMENTS

Proceeds from each development impact fee should be deposited into a separate fund or account so that there will be no commingling of fees with other revenue. The fees should be expended solely for the purpose for which they were collected. Any interest earned by such account should be deposited in that account and expended solely for the purpose for which originally collected.

REPORTING REQUIREMENTS

The following information, entitled “*Annual Report*,” must be made available to the public within 180 days after the last day of each fiscal year:

- a brief description of the type of fee in the account;
- the amount of the fee;
- the beginning and ending balance of the account;
- the fees collected that year and the interest earned;

- an identification of each public improvement for which the fees were expended and the amount of the expenditures for each improvement;
- an identification of an approximate date by which development of the improvement will commence if the local agency determines that sufficient funds have been collected to complete financing of an incomplete public improvement;
- a description of each inter-fund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, the date on which any loan will be repaid, and the rate of interest to be returned to the account; and
- the amount of money refunded under section Govt. Code § 66001.

The City shall review the information made available to the public pursuant to paragraph (1) at the next regularly scheduled public meeting, not less than 15 days after this information is made available to the public, as required by this subdivision. Notice of the time and place of the meeting, including the address where this information may be reviewed, shall be mailed, at least 15 days prior to the meeting, to any interested party who files a written request with the City for mailed notice of the meeting. Any written request for mailed notices shall be valid for one year from the date on which it is filed unless a renewal request is filed. Renewal requests for mailed notices shall be filed on or before April 1 of each year. The City may establish a reasonable annual charge for sending notices based on the estimated cost of providing the service.

For the fifth fiscal year following the first receipt of any development impact fee proceeds, and every five years thereafter, the City must comply with Government Code § 66001(d)(1) by affirmatively demonstrating that the City still needs unexpended development impact fees to achieve the purpose for which it was originally imposed and that the City has a plan on how to use the unexpended balance to achieve that purpose. Specifically, the City shall make all of the following findings, entitled "*Five-Year Findings Report*," with respect to that portion of the account or fund remaining unexpended, whether committed or uncommitted:

- Identify the purpose to which the fee is to be put;
- Demonstrate a reasonable relationship between the fee and the purpose for which it is charged;
- Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements; and
- Designate the approximate dates on which the funding is expected to be deposited into the appropriate account or fund.

If the findings show no need for the unexpended funds, or if the conditions discussed above are not met, and the administrative costs of the refund do not exceed the refund itself, the local agency that has collected the funds must refund them (Govt. Code §66001(e)(f)). Alternatively, Govt. Code §66001(f) provides that if the administrative costs of refunding unexpended revenues exceed the amount to be refunded, the City may, after a noticed published hearing, allocate the revenues be allocated for some other purpose for which fees may be collected and which serves the project on which the fee was originally imposed.

ANNUAL INFLATIONARY ADJUSTMENT

The cost estimates in this Nexus Study are in January 2017 dollars. The fees will need to be automatically adjusted annually commensurate with changes in construction costs. Therefore, the fees should be adjusted by an amount equal to the percentage change in the Construction Cost Index for Los Angeles as published by the Engineering News-Record, or its successor publication for the preceding twelve months.

FEE PROGRAM ADMINISTRATION COSTS

As with most programs, there is a cost to administer, oversee and update the development impact fee programs. While an administrative fee is not a development impact fee, it is standard practice to charge new development to recover the costs related to implementing, administering, overseeing and updating the fee program, including the annual reporting requirements. An administrative cost of 2 percent has been added to each development impact fee.

FEE CREDITS

In order to comply with the Act and recent court cases, a fee credit must be given for demolished existing housing units or nonresidential building square footage as part of a redevelopment project. Additionally, subject to certain restrictions, if a developer dedicates land, constructs facilities or improvements for the City, the fee imposed on that development project may be adjusted to reflect a credit for the cost of the dedicated land, facilities constructed or improvements provided.

FEE EXEMPTIONS

The City must provide an exemption to the fee for 1) any development entitled by State or Federal statute to an exemption from development impact fees, and 2) any modernization or rehabilitation projects where no additional net square foot is being added to the existing structure.

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APPENDICES

Appendix A – Land Use Summary

Appendix B – Park Inventory

Appendix C – Quimby Land Dedication and In-Lieu Fee Study

APPENDIX A – LAND USE SUMMARY

FIGURE 24 – RESIDENTIAL LAND USE SUMMARY

| Residential Land Use Category | Unit | Existing Units | % Allocation of 1,750 New Units | | Buildout Units (2040) | TOD Area | Unit Growth Less TOD |
|--------------------------------|------|----------------|---------------------------------|---------------------|-----------------------|-----------|----------------------|
| | | | Unit Growth by 2040 | Unit Growth by 2040 | | | |
| Calc | a | b | c = total c * b | d = a + c | e | f = d - e | |
| Single Family Detached Housing | DU | 10,167 | 5% | 88 | 10,255 | 0 | 88 |
| Single Family Attached Housing | DU | 1,916 | 10% | 175 | 2,091 | 0 | 175 |
| Multi-Family Housing | DU | 4,481 | 85% | 1,488 | 5,969 | 1,000 | 488 |
| Mobile Housing | DU | 586 | 0% | 0 | 586 | 0 | 0 |
| Total Residential | | 17,150 | 100% | 1,750 | 18,900 | 0 | 750 |

Sources:

California Department of Finance
 SCAG
 U.S. Census Bureau
 SCAG Employment Density Study,
 October 2001

FIGURE 25 – NONRESIDENTIAL LAND USE SUMMARY

| Nonresidential Land Use Category | Unit | Jobs-to-Housing Ratio | Dwelling Unit Growth by 2040 | % Allocation of Employee Growth | Employee Growth by 2040 | Building Sq. Ft. per Employee | Unit Growth by 2040 | TOD Area | Unit Growth Less TOD |
|----------------------------------|------|-----------------------|------------------------------|---------------------------------|-------------------------|-------------------------------|---------------------|-----------|----------------------|
| | | | | | | | | | |
| Retail / Commercial | KBSF | | | 80% | 701 | 344 | 241 | 30 | 211 |
| Office | KBSF | | | 20% | 175 | 288 | 51 | 15 | 36 |
| Industrial | KBSF | | | 0% | 0 | 439 | 0 | 0 | 0 |
| Total Nonresidential | | 0.501 | 1,750 | 100% | 877 | | 292 | 45 | 247 |

APPENDIX B – PARK INVENTORY

FIGURE 26 – PARK INVENTORY

| Name of Park / Area | Developed Acres |
|---|------------------------|
| Neighborhood / Parkettes | |
| George C. Koch Park | 4.3 |
| Richard R. Samp Park | 3.4 |
| Wagner Park | 1.8 |
| Goldenrod Park | 2.5 |
| Santa Fe Park | 1.1 |
| Jaycee Parkette | 0.4 |
| La Placita Parkette | 0.9 |
| Parque de los Vaqueros Park | 5.4 |
| Total Neighborhood Parks / Parkettes | 19.8 |
| Community Parks | |
| Parque de Los Ninos | 3.7 |
| Kraemer Park | 11.0 |
| McFadden Park | 3.9 |
| Total Community Parks | 18.6 |
| Special Use Facilities | |
| Parque del Arroyo Verde | 4.4 |
| Tuffree Hill Park | 3.4 |
| Bradford Park | 1.7 |
| Placentia Champions Sports Complex | 13.0 |
| Total Special Use Facilities | 22.5 |
| Total Developed Park Acres | 60.9 |

Source: City of Placentia Community Services Department

APPENDIX C – QIMBY LAND DEDICATION AND IN-LIEU FEE STUDY

The California Government Code contains specific enabling legislation for the dedication of land or fees in lieu of land dedication for neighborhood and community parks by a city, county or special district. This legislation, codified as Government Code § 66477 and known commonly as the "Quimby Act," also establishes the criteria for determination the land dedication requirement and in-lieu fee based on specific park standards.

There are two factors that determine the amount of land that may be required to be dedicated for a new subdivision. These factors are multiplied by the number of respective dwelling units for the proposed subdivision to determine acreage to be dedicated for neighborhood and community parks. In some instances, the payment of a fee in lieu of land may be considered. In this case, the Quimby dedication requirement is multiplied by the fair market value of the land which would be otherwise be required to be dedicated for parks to establish a Quimby in-lieu fee.

Quimby land dedication and in-lieu fees are not subject to the requirement of the Mitigation Fee Act. Therefore, the purpose of this Appendix is to calculate the two factors that would determine the City's Quimby Dedication Requirement and In-Lieu Fee. Based on the findings presented in this section, the City may amend their Quimby Ordinance (Placentia Municipal Code 22.54) and Quimby In-Lieu fees (Placentia Municipal Code 5.28-050) in accordance with the applicable provisions of the Quimby Act (California Govt. Code § 66477).

Proceeds from Quimby in-lieu fees should be collected separately and accounted for independent of park and recreation impact fee proceeds.

QIMBY DEDICATION REQUIREMENT

Based on the City's Municipal Code Chapter 22.54.030, City's Quimby standard is 2.5 acres of land for every 1,000 residents. However, the City's maximum standard allowed under the Quimby Act is 3 acres per 1,000 residents. The City should consider whether it is in the public interest, convenience, health, welfare, and safety to levy the City's maximum allowable Quimby standard.

QIMBY DWELLING UNIT OCCUPANCY FACTOR

Pursuant to Govt. Code § 64477(a)(2), the amount of land dedicated or fees paid shall be based upon residential population density, which shall be in part determined based on the average number of persons per household according to the most recently available federal

census. Moreover, since different residential land uses have varying household sizes, it is reasonable that the land dedication requirement and associated in-lieu fee be expressed per dwelling unit based on their respective average household size. A "dwelling unit" generally means one or more rooms in a building or structure or portion thereof designed exclusively for residential occupancy by one or more persons for living or sleeping purposes and having kitchen and bath facilities, including mobile homes.

Figure 21 below presents the City's updated Quimby land dedication requirement expressed on a land square footage basis for each of the four residential land uses categories based on the City's maximum Quimby standard of 2.5 acres per 1,000 residents.

FIGURE 27 – MAXIMUM QUIMBY LAND DEDICATION REQUIREMENT

| Land Use Categories | Unit | Average Household | Quimby Standard | Maximum Land Dedication |
|--------------------------------|------|-------------------|-------------------------------------|--------------------------------|
| | | Size ¹ | (Acres Per 1,000 Pop.) ² | Requirement (Sq. Ft.) |
| | Calc | a | b | $c = (a * b) / 1,000 * 43,560$ |
| Single-Family Detached Housing | DU | 3.40 | 2.5 | 370 |
| Single-Family Attached Housing | DU | 2.76 | 2.5 | 301 |
| Multi-Family Housing | DU | 3.13 | 2.5 | 341 |
| Mobile Homes | DU | 2.49 | 2.5 | 271 |

Notes:

¹ Based on figures from 2010 U.S. Census for the City of Placentia

² The City's maximum allowable land per 1,000 residents standard under the Quimby Act.

QUIMBY IN-LIEU FEE

For proposed subdivisions containing fewer than 50 parcels, the Quimby Act allows for the payment of a ("Quimby in-lieu fee") in lieu of land dedication.¹ The purpose of the Quimby in-lieu fee is to accumulate enough funding from several smaller subdivisions to acquire land for the development of neighborhood and community parks within the jurisdiction where the fees are collected. Moreover, while land dedication may be required for larger subdivisions, each jurisdiction may require in-lieu fees only, or a combination of land

¹ However, when a multi-family development or stock cooperative exceeds 50 dwelling units, a dedication of land may be required, even though the number of parcels may be less than 50. *Govt. Code § 66477(a)(7)*

dedication and in-lieu fees, to meet the park and recreation goals and objectives of the jurisdiction inhabitants of the subdivision.

The Quimby Act specifies that the amount and location of land to be dedicated or the fee in-lieu of dedication to be paid shall bear a reasonable relationship to the use of the park and recreational facilities by the future inhabitants of the subdivision. Therefore, the Quimby In-Lieu Fee should be equal to the fair market value of the amount of land within the property to be subdivided that would otherwise be required to be dedicated.

Fair market value of the property to be subdivided may be determined by either 1) an appraisal of the property by a certified real estate appraiser or 2) by a set valuation and Quimby in-lieu fees which are periodically updated by the City. The appraisal would appraise the property at its unencumbered (free and clear) value as if it at the approved tentative map state of development and as if any assessments or other encumbrances to which the property is subject has been paid off in full before the date of the appraisal.

Alternatively, the City may, by resolution, approve a fixed market value per acre of land within a community plan, specific plan area, in some instances city-wide, or other boundaries as determined by the City as appropriate. The fair market value of land established for park and recreational purposes would be updated as necessary from time to time and once established may be used, at the option of the subdivider, in place of the appraisal process, to determine the Quimby In-Lieu Fee.

Figure 28, on the following page, calculated the Quimby in-lieu fee based on the City's justified land dedication requirement for single family detached housing, single family attached housing and multifamily housing and an estimated fair market land value of \$540,000 per acre provided by the City.

FIGURE 28 – MAXIMUM QIMBY IN-LIEU FEE

| Land Use Categories | Unit | Land | Estimated | Maximum |
|--------------------------------|------|---|----------------------------------|---------------------------------|
| | | Dedication Requirement (Sq. Ft.) ¹ | Land Value Per Acre ² | Quimby In-Lieu Fee ³ |
| | Calc | a | b | c = a * b / 43,560 |
| Single-Family Detached Housing | DU | 370 | \$540,000 | \$4,586 |
| Single-Family Attached Housing | DU | 301 | \$540,000 | \$3,731 |
| Multi-Family Housing | DU | 341 | \$540,000 | \$4,227 |
| Mobile Homes | DU | 271 | \$540,000 | \$3,359 |

Sources: City of Placentia; SCI Consulting Group

Notes:

¹ See Figure 27.

² Estimated fair market value of land for parks provided by the City.

³ Fee is rounded down to the nearest dollar.

USE OF QIMBY IN-LIEU FEES

The land, fees, or combination thereof may only be used to acquire land for parks or developing new or rehabilitating existing neighborhood or community park or recreational facilities to serve the subdivision. However, the fees may be used for the purpose of developing new or rehabilitating existing park or recreational facilities in a neighborhood other than the neighborhood in which the subdivision for which fees were paid as a condition to the approval of a tentative map or parcel map is located, if all of the following requirements are met:

- The neighborhood in which the fees are to be expended has fewer than three acres of park area per 1,000 members of the neighborhood population.
- The neighborhood in which the subdivision for which the fees were paid has a park area per 1,000 members of the neighborhood population ratio that meets or exceeds the ratio calculated pursuant to subparagraph (A) of paragraph (2), but in no event is less than three acres per 1,000 persons.
- The legislative body holds a public hearing before using the fees pursuant to this subparagraph.
- The legislative body makes a finding supported by substantial evidence that it is reasonably foreseeable that future inhabitants of the subdivision for which the fee is imposed will use the proposed park and recreational facilities in the neighborhood where the fees are used.

- The fees are used within a specified radius that complies with the City's ordinance adopted pursuant to subdivision (a), and are consistent with the adopted general plan or specific plan. For purposes of this clause, "specified radius" includes a planning area, zone of influence, or other geographic region designated by the City.

The City may enter into a joint or shared use agreement with one or more other public districts in the jurisdiction, including, but not limited to, a school district or community college district, in order to provide access to park or recreational facilities to residents of subdivisions with fewer than three acres of park area per 1,000 members of the population.

QUIMBY IN-LIEU FEE CREDITS

The Quimby Act states if the subdivider provides park and recreational improvements to the dedicated land, the value of the improvements together with any equipment located thereon shall be a credit against the payment of fees or dedication of land required by the ordinance. Additionally, the Quimby Act specifies that common interest developments, such as community apartment projects, condominium projects, planned developments, or stock cooperatives, shall be eligible to receive a credit, for the value of private open space within the development which is usable for active recreational uses. The Council Ad-Hoc Committee, at their August 15, 2017 meeting, recommended that the Ordinance specify that the credit for private open space not to exceed twenty-five (25%) percent of the total Quimby dedication or in-lieu fee which may be required.

ACCOUNTING REQUIREMENTS

The City shall develop a schedule specifying how, when, and where it will use the land or fees, or both, to develop park or recreational facilities to serve the residents of the subdivision.

Quimby in-lieu fees must be committed within five years after the payment of the Quimby In-Lieu fees or the issuance of building permits on one-half of the lots created by the subdivision, whichever occurs later. If the fees are not committed, they, without any deductions, shall be distributed and paid to the then record owners of the subdivision in the same proportion that the size of their lot bears to the total area of all lots within the subdivision.

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EXHIBIT B

**A. Chapter 5.02
CITYWIDE DEVELOPMENT IMPACT FEES**

Sections:

- 5.02.010 Findings.**
- 5.02.020 Description of fees.**
- 5.02.030 Limited use of fees.**
- 5.02.040 Imposition of fees.**
- 5.02.050 Public safety impact fees.**
- 5.02.060 Park and Recreation impact fees.**
- 5.02.070 Quimby In-Lieu fees.**
- 5.02.080 Sewer impact fees.**
- 5.02.090 Storm drainage impact fees.**
- 5.02.100 Traffic mitigation impact fees.**
- 5.02.110 Developer construction of facilities.**
- 5.02.120 Fee adjustment.**
- 5.02.130 Definitions.**
- 5.02.140 Development agreements.**
- 5.02.160 Annual Inflationary Adjustment**
- 5.02.180 Schedule of Citywide Development Impact Fees**

5.02.010 Findings.

In order to implement the goals and objectives of the General Plan of the City of Placentia and to mitigate the impacts caused by new development within the city, certain public improvement projects must be or had to be constructed. The City Council determines that development impact fees are needed to finance these public improvements and to pay for development's fair share of the construction costs of these improvements. In establishing the fees described in the following sections, the City Council finds the fees adopted to be consistent with state law (California Government Code Section 66000 et seq.) and with the City's General Plan and, pursuant to Government Code Section 65913.2, has considered the effects of the fees and determines that the fees are not material with respect to the City's housing needs as established in the housing element of the Placentia General Plan.

5.02.020 Description of fees.

A. Development impact fees are hereby established on new development or conversions within the City of Placentia to pay for public improvements related to civic improvement projects, public safety, sewer projects, traffic mitigation, parks and storm drainage. In the following sections, the City Council sets forth the specific amount of the development fee for each type of public improvement project.

B. At least every five years, the City Council shall review these fees to determine whether the fee amounts are reasonably related to the impacts of development and whether the public improvement projects described in the city's capital improvement projects list are still needed. Failure to undertake this review shall not invalidate the imposition of the fees.

5.02.030 Limited use of fees.

The revenues raised by payment of these development impact fees shall each be placed in separate and special impact fund accounts, and such revenues, along with any interest earnings on each separate account, shall be used solely to:

A. Pay for the City's future construction of those public improvement projects at least partially allocable to new development or conversions as described in the City's capital improvement projects list; or

B. Reimburse the City for those described or listed projects constructed by the City with funds advanced by the City from other sources; or

C. Reimburse developers who have been required or permitted by Section 5.02.110 to install such listed facilities which are oversized with supplemental size, length or capacity.

5.02.040 Imposition of fees.

A. Development impact fees shall be imposed on:

1. New development; and
2. Conversions, as provided in this chapter.

B. Development impact fees shall be paid by the owner of the property on which new development or conversion is to occur. The fees shall be collected by the City prior to the issuance of the building or development permit(s) for such development or conversion, whichever occurs later, unless payment at a later time is mandated by Government Code Section 66007.

C. Except as otherwise provided herein, square footage of residential and nonresidential buildings shall be measured by exterior dimensions. Unfinished attics, crawlspaces, and basements shall not be assessed until converted and finished as usable floor space.

D. A building or structure consisting of non-usable floor space, e.g., a garage, carport or storage shed, shall not be deemed to be part of the residential building for the purpose of determining the square footage of the residential building. Such ancillary structures shall require the payment of storm drainage and public safety impact fees; additional impact fees shall not be required until converted to usable floor space.

E. Each single-family residential unit within a multifamily residential building or development project shall be deemed to be a separate building for which a fee is imposed and shall be paid.

F. Additions to an existing building shall be deemed to occur whenever the amount of usable floor space is increased, or whenever new building space is constructed where no structures existed as part of the existing building, whether or not the total building floor area is increased by the new construction.

G. The first seventy (70) square feet of additions or conversions to an existing building in a two-year period shall be exempt from all fees except public safety impact fees and storm drainage impact fees.

H. No development impact fee shall be imposed more than once for the same floor space.

I. Each tenant space in a multi-use building or development project shall be deemed to be a separate use for which a fee is imposed and shall be paid.

5.02.050 Public safety impact fees.

A. Findings. The City Council finds:

1. Numerous items of capital equipment are urgently needed for the City's police and fire protection facilities to maintain the existing level of police and fire protection services to all areas of the City of Placentia.

2. New development or conversions within the City of Placentia result in increased usage of residential, commercial, industrial, and other affected properties, which thereby increases the service requirements and the capital equipment requirements of the City's police and fire safety services. Such increased usage does not ordinarily result from mere subdivision or parcel map divisions of existing properties in the absence of new development or conversions.

3. The City must continue to fund capital additions to its public safety system. These capital improvements include expanding the police and fire department facilities and equipment. These additional capital expenditures are necessary to maintain an acceptable level of public safety service within the next fifteen (15) years.

4. In the absence of the imposition of a public safety impact fee upon all building permits, the additional capital expenses necessary to maintain an acceptable level of public safety services for the entire city would be unfairly imposed upon the owners and residents of the existing buildings and improvements within the City of Placentia.

5. New development or conversions without the payment of fees imposed by this section would not be fair to the owners and occupants of existing buildings within the City of Placentia.

6. The facts and evidence presented in the City's impact fee study establish that there exists a reasonable relationship between the need for the fire and police department and other public safety improvements and the impacts of the types of new development or conversions for which a corresponding fee is charged. A

reasonable relationship or nexus also exists between the fee's use and the type of new development or conversions for which the fee is charged.

B. **Schedule of Public Safety Impact Fees.** A public safety impact fee shall be imposed on all new development or conversions and shall apply to both residential and nonresidential construction within the City of Placentia. See Section 5.02.180 "Schedule of Citywide Development Impact Fees."

C. There is hereby established and created a fund of the city entitled "public safety impact fund" and all revenues derived from and monies collected under this section, including accrued interest thereon, shall be deposited in such fund. The public safety impact fund is established for the sole purpose of providing monies for the acquisition, construction, and reconstruction of facilities and equipment and other capital purposes needed for the City's fire department and the City's police department in providing police and fire protection services.

5.02.060 Park and Recreation impact fees.

A. **Findings.** The City Council finds:

1. Additional park facilities are needed to accommodate future growth and maintain an acceptable level of the existing park and recreational facilities for all areas of the City of Placentia.
2. New development or conversions within the City of Placentia result in increased usage of the existing park and recreational facilities throughout the City, which thereby increases the service requirements and the capital equipment requirements of the City's parks and recreation facilities. Such increased usage does not ordinarily result from mere subdivision or parcel map divisions of existing properties in the absence of new development or conversions.
3. The City must continue to fund park and recreation improvements within the City. These park and recreation improvements include developing additional parklands, open spaces, and recreational facilities. These additional capital expenditures are necessary to maintain the public health, safety, and welfare by assuring an acceptable level of the park and recreation facilities is available in Placentia within the next fifteen (15) years.

4. In the absence of the imposition of a park improvement impact fee upon new development or conversions, the additional capital expenses necessary to maintain an acceptable level of civic services for the entire city would be unfairly imposed upon the owners and residents of the existing buildings and improvements within the City of Placentia.

5. New development or conversions without the payment of fees imposed by this section would not be fair to the owners and occupants of existing buildings within the City of Placentia.

6. The facts and evidence presented in the City's impact fee study establish that there exists a reasonable relationship between the need for parks and other recreation facilities and the impacts of the types of new development or conversions for which a corresponding fee is charged. A reasonable relationship or nexus also exists between the fee's use and the type of new development or conversions for which the fee is charged.

B. **Schedule of Park and Recreation Impact Fees.** A park and recreation impact fee shall be imposed on all new development or conversions and shall apply to all residential construction within the City of Placentia. See Section 5.02.180 "Schedule of Development Impact Fees."

C. There is hereby established and created a fund of the City entitled "park and recreation impact fund" and all revenues derived from and monies collected under this section, including accrued interest thereon, shall be deposited in such fund. The park and recreation improvement impact fund is established for the sole purpose of providing monies for the acquisition, construction, and reconstruction of playgrounds, community facilities, recreation facilities and equipment and other capital purposes needed for providing park and recreation services.

5.02.070 Quimby In-Lieu Fees

A. **Schedule of Quimby Fees.** In-lieu fees shall be imposed and/or the dedication of parkland shall be required as a condition of approval of tentative map or parcel map pursuant to Chapter 22.54. See Section 5.02.180 "Schedule of Development Impact Fees."

5.02.080 Sewer impact fees.

A. Findings. The City Council finds:

1. Placentia has a sewer system that consists of a collection system including public sewers and interceptors leading to the wastewater treatment plant and to the disposal system.
2. New development or conversions within the City of Placentia have a significant impact on the sewer system.
3. The City must continue to fund capital improvements to its sewer system. These capital improvements include updating or replacing sewer lines. These additional capital expenditures are necessary to maintain an acceptable level of sewer service within the next fifteen (15) years.
4. New development or conversions within the City result in increased usage of residential, commercial, industrial, and other affected properties, which thereby increases the service requirements and the capital equipment requirements for the City's sewage disposal system. Such increased usage does not ordinarily result from mere subdivision or parcel map divisions of existing properties in the absence of new development or conversions.
5. In the absence of the imposition of a sewer impact fee upon new development or conversions, the additional capital expenses necessary to maintain an acceptable level of sewer service for the entire City would be unfairly imposed upon the owners and residents of the existing buildings and improvements within the City of Placentia.
6. New development or conversions without the payment of fees imposed by this section would not be fair to the owners and occupants of existing buildings within the City of Placentia.
7. Part of the costs associated with the capital improvements to the sewer system are apportioned to new development and conversions to accommodate increased usage of the sewer system by new residents and businesses.
8. The facts and evidence presented in the City's impact fee study establish that there exists a reasonable relationship between the need for the sewer system improvements and the impacts of the types of new development or conversions for

which a corresponding fee is charged. A reasonable relationship or nexus also exists between the fee's use and the type of new development or conversions for which the fee is charged.

B. Schedule of Sewer Impact Fees.

1. Every person connecting to the City's sewer system or converting unusable to usable floor space in or adding to existing buildings which are already connected to the City's sewer system shall pay to the City a sewer impact fee. See Section 5.02.180 "Schedule of Development Impact Fees."

2. Every person converting an existing use from one use category (residential, commercial, industrial or office) to another use category shall pay a sewer impact fee equal to the difference, if any, between the fees calculated for the existing and new uses as set forth in Section 5.02.180 "Schedule of Development Impact Fees."

3. No sewer impact fee shall be assessed on conversions to another use within the same use category. No person shall be entitled to a refund on conversions from a higher rate use category to a lower rate use category.

C. In addition to the above charges, all expenses and costs of making a sewer connection shall be borne by the person making the connection. No connection shall be made to a public sewer except by the City or by written permission from the City.

D. There is hereby established and created a fund of the City entitled "sewer impact fund" and all revenues derived from and monies collected under this section, including accrued interest thereon, shall be deposited in such fund. The sewer impact fund is established for the sole purpose of providing monies for the acquisition, construction, and reconstruction of sanitation and sewage facilities, to repay principal and interest on bonds issued for the construction or reconstruction of such sanitary or sewage facilities, and to repay federal and state loans or advances made to the City for the construction or reconstruction of sanitary or sewage facilities and infrastructure.

5.02.090 Storm drainage impact fees.

A. Findings. The City Council finds:

1. Numerous items of capital infrastructure are urgently needed for the City's drainage system to maintain an acceptable level of storm drainage from all areas of the City of Placentia.

2. New development within the City of Placentia results in increased usage of residential, commercial, industrial, and other affected properties, which thereby increases the amount of impervious surfaces and irrigation of landscaping which create greater need for and usage of drainage systems within the city. Such increased drainage and usage of the system do not ordinarily result from mere subdivision or parcel map divisions of existing properties in the absence of new development.

3. The City must continue to fund capital improvements to its storm drainage system. These capital improvements include constructing storm drains and storm sewers within the City and conducting a storm drainage and monitoring study. These additional capital expenditures are necessary to maintain an acceptable level of storm drainage within the city in the next fifteen (15) years.

4. In the absence of the imposition of a storm drainage impact fee upon new development, the additional capital expenses necessary to maintain an acceptable level of the City's drainage system for the entire City would be unfairly imposed upon the owners and residents of the existing buildings and improvements within the City of Placentia.

5. New development without the payment of fees imposed by this section would not be fair to the owners and occupants of existing buildings within the City of Placentia.

6. The facts and evidence presented in the City's impact fee study establish that there exists a reasonable relationship between the need for the drainage improvements and the impacts of the types of development for which a corresponding fee is charged. A reasonable relationship or nexus also exists between the fee's use and the type of development for which the fee is charged.

B. Schedule of Storm Drainage Impact Fees.

1. A storm drainage impact fee shall be imposed on new construction of buildings, driveways, parking lots, sidewalks, walkways, patios, decks, and other similar structures, and upon any construction of additions or conversions to an existing

building that increase the impervious surface footprint of the parcel. See Section 5.02.180 "Schedule of Development Impact Fees."

C. There is hereby established and created a fund of the City entitled "storm drainage impact fund" and all revenues derived from and monies collected under this section, including accrued interest thereon, shall be deposited in such fund. The storm drainage impact fund is established for the sole purpose of providing monies for the acquisition, construction, and reconstruction of facilities and equipment and for other capital purposes needed for the City's storm drainage system and for additional drainage and monitoring studies.

5.02.100 Traffic mitigation impact fees.

A. Findings. The City Council finds:

1. New development or conversions within the City of Placentia result in increased usage of residential, commercial, industrial, and other affected properties, which thereby generates additional traffic within the City and will contribute to the usage and degradation of the existing street infrastructure in the City of Placentia.
2. The purpose of this fee is to finance circulation improvements to reduce the impacts of traffic generated by new development within the City.
3. The City must continue to fund capital improvements to its traffic circulation system. These capital improvements include building new roads, bridges, and traffic control facilities and equipment. These additional capital expenditures are necessary to maintain an acceptable level of traffic circulation and the city's roadway system within the next fifteen (15) years.
4. In the absence of the imposition of a traffic mitigation impact fee upon new development or conversions, the additional capital expenses necessary to maintain acceptable traffic circulation for the entire City would be unfairly imposed upon the owners and residents of the existing buildings and improvements within the City of Placentia.
5. The construction of new development or conversions without the payment of fees imposed by this section would not be fair to the owners and occupants of existing buildings within the City of Placentia.

6. The facts and evidence presented in the City's impact fee study establish that there exists a reasonable relationship between the need for the traffic improvements and the impacts of the types of new development or conversions for which a corresponding fee is charged. A reasonable relationship or nexus also exists between the fee's use and the type of new development or conversions for which the fee is charged.

B. Schedule of Traffic Mitigation Impact Fees.

1. A traffic mitigation impact fee shall be imposed on new development or conversions within the City of Placentia. See Section 5.02.180 "Schedule of Development Impact Fees."

2. Every person converting an existing use from one use category (residential, commercial, industrial or office) to another use category shall pay a traffic mitigation impact fee equal to the difference, if any, between the fees calculated for the existing and new uses as set forth Section 5.02.180 "Schedule of Development Impact Fees."

3. No traffic mitigation impact fee shall be assessed on conversions to another use within the same use category. No person shall be entitled to a refund on conversions from a higher rate use category to a lower rate use category.

C. There is hereby established and created a fund of the City entitled "traffic mitigation impact fund" and all revenues derived from and monies collected under this section, including accrued interest thereon, shall be deposited in such fund. The traffic mitigation impact fund is established for the sole purpose of providing monies for the construction and reconstruction of facilities and equipment and other capital purposes needed for traffic circulation improvements in and around the City of Placentia.

5.02.110 Developer construction of facilities.

A. Whenever a developer is required, as a condition of approval of a subdivision, development permit or building permit, to construct a public facility described in the capital improvement projects list, which facility is determined by the city to have supplemental size, length or capacity over that needed to address the impacts of that development, and when construction is necessary to ensure efficient and timely construction of the facilities network, a reimbursement agreement with the developer and a credit against the

applicable impact fee, which would otherwise be charged pursuant to this chapter on the development project, shall be offered. The reimbursement amount shall not include the portion of the improvement needed to provide services or mitigate the need for the facility or the burdens created by the development.

B. A developer who installs an off-site improvement as a special mitigation measure for a project which is identified on the capital improvement projects list to be funded at least partially by impact fees may claim credit on such a fee not to exceed the impact fee payable for the development project. The City's Public Works Director is authorized to allow such credit.

C. If a developer is dissatisfied with the decision of the City's Public Works Director regarding a reimbursement agreement or a credit of development impact fees, the developer shall appeal for relief to the City Council by filing a written appeal with the City Clerk within fifteen (15) days after the disputed decision. The appeal shall state in sufficient detail the basis for the claimed credit. The decision of the City Council shall be final.

5.02.120 Fee adjustment.

A. A developer of any project, including any new building or addition to or conversion of any existing building, subject to the fees described in Sections 5.02.050 through 5.02.100 may apply to the city council for a reduction or adjustment of the fee(s), or a waiver of the fee(s), based upon the absence of any reasonable relationship between the nature of the impact of the development and either the amount of the fee charged or the type of facilities to be financed.

B. The application for a fee reduction, adjustment, or waiver shall be made in writing and filed with the city clerk not later than twenty (20) days after the filing of the application for a building permit.

C. The application shall state in detail the factual basis for the claim of waiver, reduction, or adjustment. The City Council shall consider the application at a hearing held within thirty (30) days after the filing of the fee adjustment application. The decision of the City Council shall be final.

D. If a reduction, adjustment, or waiver is granted, any change in use within the project shall invalidate the waiver, adjustment or reduction of the fee.

5.02.130 Definitions.

- A. "Building permit" shall mean the permit required or issued by the City of Placentia for the construction, improvement or remodeling of any structure pursuant to the City of Placentia's building codes.
- B. "City" shall mean the governmental body managing the administrative operations of the City of Placentia.
- C. "City of Placentia" shall mean all property located within the geographical area within the City of Placentia's city limit line.
- D. "City of Placentia impact fee study" shall mean "Development Impact Fee Nexus Study Report" which is the study, including any amendments or revisions thereto, for the financing of facilities and services designated under the capital improvement projects list for the City of Placentia. This study includes, but is not limited to, a designation of those facilities to be constructed with the impact fees collected under this chapter, the estimated costs of constructing those facilities or providing the services designated therein, and the total use factors or other criteria utilized to arrive at an allocation of the cost of the facilities to the different types of land uses and to new development. Specifically, it means the document and addendum prepared by City staff and SCI Consulting Group ("SCI") entitled "City of Placentia Citywide Development impact Fees Nexus Study" dated August 2017.
- E. "Conversion" shall mean converting from unusable to usable floor space, or converting the existing use to another use.
- F. "Developer" shall mean any person who is the owner or authorized agent of an owner of any new development within the city of Placentia.
- G. "Dwelling unit" shall mean a residential dwelling within the City of Placentia. Each single-family residential unit within a multifamily residential building or development project shall be deemed to be a separate dwelling unit.
- H. "New development" shall mean the original construction of residential, commercial, industrial or other nonresidential buildings, or the addition of usable floor space within existing residential or nonresidential buildings, or the construction of new accessory buildings.

I. "Owner" shall mean the legal owner(s) or the authorized agent(s) for any owner of property being developed.

J. "Usable floor space" shall mean any interior space constructed or converted to be used for human occupancy in accordance with the Uniform Building Code

5.02.140 Development agreements.

The terms of any development approvals or building permit(s) may be negotiated as part of a development agreement which may require a developer to provide or finance any public projects deemed agreeable to both the developer and the City Council. Development constructed under the terms of an approved development agreement may be exempted from the payment of any of the impact fees required under Chapter 5.02.

5.02.160 Annual Inflationary Adjustment

The fees established in Chapter 5.02 shall be automatically adjusted annually commensurate with changes in construction costs. Therefore, the fees shall be adjusted by an amount equal to the percentage change in the Construction Cost Index for Los Angeles as published by the Engineering News-Record, or its successor publication for the preceding twelve months.

5.02.180 Schedule of Development Impact Fees

FIGURE 1 – SUMMARY OF CITYWIDE DEVELOPMENT IMPACT FEES

| Land Use Categories | Unit | Public Safety | Park and Recreation | Quimby In-Lieu | Sewer ¹ | Traffic ¹ | Storm Drainage (Area A) | Storm Drainage (Area C) |
|--------------------------------|-------------|----------------------|----------------------------|-----------------------|---------------------------|-----------------------------|--------------------------------|--------------------------------|
| Single Family Detached Housing | DU | \$1,049 | \$3,051 | \$4,586 | \$1,356 | \$1,411 | \$262 | \$119 |
| Single Family Attached Housing | DU | \$851 | \$2,476 | \$3,731 | \$997 | \$1,411 | \$213 | \$97 |
| Multi-Family Housing | DU | \$966 | \$2,808 | \$4,227 | \$761 | \$875 | \$163 | \$74 |
| Mobile Homes | DU | \$768 | \$2,234 | \$3,359 | \$886 | \$832 | \$245 | \$111 |
| Retail / Commercial | BSF | \$0.71 | - | - | \$0.69 | \$1.47 | \$0.17 | \$0.07 |
| Office | BSF | \$1.02 | - | - | \$1.03 | \$2.10 | \$0.11 | \$0.05 |
| Industrial | BSF | \$0.51 | - | - | \$0.41 | \$0.83 | \$0.30 | \$0.13 |

Notes:

¹ New development with the City's TOD area is not subject to the Sewer Impact Fee, the Traffic Impact Fee and the Storm Drainage Impact Fee.

ORDINANCE NO. O-2017-11

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PLACENTIA, CALIFORNIA, ADDING CHAPTER 5.30 TO THE PLACENTIA MUNICIPAL CODE ESTABLISHING THE RESIDENTIAL AFFORDABLE HOUSING IMPACT FEES AND THE HOUSING IMPACT FEE FUND

City Attorney Summary

This Ordinance would add Chapter 5.30 to the City of Placentia Municipal Code establishing Citywide residential affordable housing fees for new residential developments.

A. RECITALS

WHEREAS, as provided in the Housing Element of the General Plan, the City aims to meet the housing needs of the citizens of Placentia, including the creation and retention of housing for lower income households and households with special needs, given the limitations imposed by current political, economic, and social conditions, and availability of State and federal funding.

WHEREAS, under the California Constitution at Cal. Const., art. XI, § 7, a municipality has broad authority, under its general police power, to regulate the development and use of real property within its jurisdiction to promote the public welfare., so long as a land use restriction or regulation bears a reasonable relationship to the public welfare, the restriction or regulation is constitutionally permissible;

WHEREAS, the City, pursuant to Government Code Section 66000 et seq., ("Mitigation Fee Act") is empowered to impose fees and other exactions to mitigate the negative effects of new development in the City, ("Affordable Housing impact Fees");

WHEREAS, the City Council desires, by this Ordinance, to establish Affordable Housing Impact Fees;

WHEREAS, to ensure that future development projects mitigate their impact on the need for affordable housing in Placentia, and to ensure that any adopted housing impact fees do not exceed the actual affordable housing impacts attributable to the development projects to which the fees relate, the City caused to be prepared a nexus study;

WHEREAS, The Affordable Housing "Residential Nexus Study", dated September 2017 (the "Nexus Study"), prepared by Keyser-Marston Associates, Inc., quantifies the impacts of new market-rate units on the need for affordable housing in the city and the justified affordable housing fees to mitigate those impacts.

WHEREAS, the Nexus Study uses widely applied, appropriate methodology to

determine the maximum amount needed to fully mitigate the need for affordable housing created by residential development;

WHEREAS, to ensure that development projects remain economically feasible, the recommended housing impact fees do not exceed the justified fees needed to mitigate the actual affordable housing impacts attributable to the development projects to which the fees relate, as determined by the Nexus Study;

WHEREAS, the Nexus Studies document a reasonable estimate of the cost differential between the actual cost of providing affordable housing and the amount that various income level households can afford to pay (to rent or to buy). The Nexus Studies establish that there is a reasonable relationship between the fee amounts they identify and the residential development on which the fees will be imposed by City Council resolution, as required by the California Mitigation Fee Act, California Government Code 66000 et seq and as required by the holding of Building Industry Association of Central California v. City of Patterson, (2009) 171 Cal.App.4th 886;

WHEREAS, copies of the Nexus Study and the General Plan are on file in the City Clerk's office and have been made available for public review in accordance with state law, as more fully described below;

WHEREAS, this levying of development impact fees has been reviewed by staff in accordance with the California Environmental Quality Act ("CEQA") and the CEQA Guidelines and the City of Placentia Local Guidelines for implementing CEQA and it has been determined that the adoption of this Ordinance is exempt from CEQA pursuant to Sections 15378(b)(4), 15061(b)(3), and 15273 of the CEQA Guidelines, Section 21065 of the Public Resources Code and Section 3.01(d) of the City of Placentia Local Guidelines for implementing CEQA. The intent of the General Plan, the Nexus Study and the proposed residential affordable housing impact fees is to provide a means of mitigating some of the potential environmental impacts which have been identified in planning efforts for anticipated future growth of the City. Specific environmental studies are required to be performed for each project that requires further review under CEQA prior to approval of the specific project;

WHEREAS, the City has: 1) made available to the public, at least ten days prior to its public hearing, data indicating the estimated cost required to provide the affordable housing; 2) mailed notice at least fourteen days prior to this meeting to all interested parties who have requested notice of new or increased development fees; and 3) held a duly noticed, regularly scheduled public hearing on October 3, 2017 at which time oral and written testimony was received regarding the proposed fees; and

WHEREAS, the City Council has reviewed and considered the staff report, the Nexus Study, the Appendix, the General Plan and all oral and written testimony.

B. ORDINANCE

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PLACENTIA, CALIFORNIA, DOES ORDAIN AS FOLLOWS:

Section 1. The City Council of the City of Placentia hereby approves the Residential Nexus Study dated September 2017. This document is attached hereto as Exhibit "A" and is hereby incorporated by this reference.

Section 2. The City Council of the City of Placentia hereby adopts the findings set forth in the recitals to this Ordinance, the findings and facts contained in the Residential Nexus Study Report (Exhibit A) and the findings contained in Chapters 5.30 of the Placentia Municipal Code, as reflected in the attached Exhibit "B".

Section 3. Title 5 (Schedule of Fees) is hereby amended with the addition of Chapter 5.30 to the Placentia Municipal Code as shown on Exhibit "B" attached hereto and incorporated herein by this reference.

Section 4. Any provision of the Placentia Municipal Code or appendices thereto inconsistent with the provisions of the Ordinance, to the extent of such inconsistencies and no further, are repealed or modified to that extent necessary to affect the provisions of this Ordinance.

Section 5. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council of the City of Placentia hereby declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase or portion thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions be declared invalid or unconstitutional.

Section 6. The Mayor shall sign and the City Clerk shall attest to the passage of this Ordinance. The City Clerk shall cause the same to be published once in the official newspaper within 15 days after its adoption. This Ordinance shall become effective 30 days from its adoption.

PASSED, APPROVED AND ADOPTED this 3rd day of October, 2017.

CRAIG S. GREEN, MAYOR

EXHIBIT "A"

(Residential Nexus Study)



KEYSER MARSTON ASSOCIATES™

RESIDENTIAL NEXUS STUDY

Prepared for:
City of Placentia

Prepared by:
Keyser Marston Associates, Inc.

September 2017

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APPENDICES

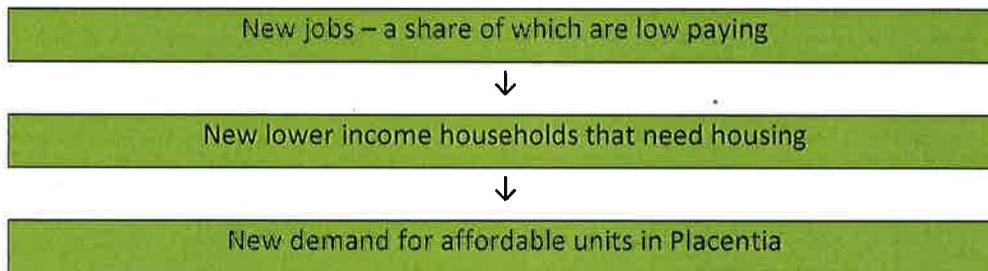
- Appendix A: Household Income Tables**
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I. EXECUTIVE SUMMARY

Keyser Marston Associates, Inc. (KMA) prepared this Residential Nexus Study for the City of Placentia (City) pursuant to a contractual agreement. This “Report” will form one of the bases for recommendations for the adoption of a “Residential Affordable Housing Impact Fee” consistent with the applicable requirements of the Mitigation Fee Act. This Executive Summary contains a concise overview of the residential nexus analysis. Full documentation of the analysis is contained in the body of the Report and its Appendices.

A. Residential Nexus Analysis

A residential nexus analysis demonstrates and quantifies the impact of new market rate housing development on the demand for affordable housing. The underlying nexus concept is that the newly constructed market rate units add net new households to the Placentia population base. These households generate new income in Placentia that will consume goods and services. The increased consumption translates to following:



B. Impact Methodology and Models Used

The analysis is performed using two models that can be described as follows:

1. The IMPLAN (IMPact Analysis for PLANning) model is an industry-accepted, commercially available model developed over 40 years ago to quantify the impacts of changes in a local economy, including the employment impacts created by changes in personal income.
2. The KMA Jobs-Housing Nexus model, which was initially developed over 25 years ago to analyze the income structure of job growth, is used to determine the household income of new employee households.

Information is presented for the following household income categories, which are based on percentages of the Orange County median income (Median):

| Income Category | Percent of Median |
|-----------------------|-----------------------------|
| Extremely Low Income | 0% to 30% of Median |
| Very Low Income | Above 30% to 50% of Median |
| Low Income | Above 50% to 80% of Median |
| Moderate Income | Above 80% to 120% of Median |
| Above Moderate Income | Above 120% of Median |

C. Market Survey and Residential Prototypes

The first step of the nexus analysis is to identify residential prototypes that are representative of the market rate development that is currently occurring in Placentia. To that end, KMA developed programmatic assumptions in consultation with the City for three residential prototypes: single family homes, condominiums, and apartments. KMA then undertook a market survey of representative projects to estimate the current sales prices and rent levels for the prototype units. The prototypes are described in the following table:

| Residential Prototypes | | | |
|---------------------------------|-----------------------|---------------------|-------------------|
| | Single Family Project | Condominium Project | Apartment Project |
| Average Unit Size (Square Feet) | 2,350 | 1,800 | 1,050 |
| Average Number of Bedrooms | 4 | 3 | 2 |
| Average Sales Price / Rent | \$730,000 | \$600,000 | \$2,500/month |

The household incomes for the new residents are estimated based on the sales prices and rent levels of each prototype. The resulting estimated gross household income is adjusted to a net amount available for expenditures on goods and services after deducting the following:

1. The portion of income dedicated to income taxes;
3. Contributions to Social Security and Medicare;
4. Savings; and

5. Repayment of household debt.

Housing costs are not deducted as part of this adjustment step. Those costs are addressed separately as expenditures within the IMPLAN model.

The adjusted household income available for expenditures becomes the input into the IMPLAN model. The resulting household incomes associated with each of the prototypes are estimated as follows:

| Estimated Household Income [Input to IMPLAN model] | | | |
|---|-----------------------|---------------------|-------------------|
| | Single Family Project | Condominium Project | Apartment Project |
| Gross Household Income | \$136,000 | \$114,000 | \$102,000 |
| Percentage of Income Available for Expenditures | 68% | 68% | 66% |
| Household Income Available for Expenditures ¹ [Input to IMPLAN model] | \$92,000 | \$78,000 | \$64,000 |

D. IMPLAN Model Results

The IMPLAN model was applied to link household income to job growth occurring in Orange County. The employment growth anticipated to be generated by this new household spending is summarized in the following table:

| Jobs Generated Per 100 New Residential Units | | | |
|---|-----------------------|---------------------|-------------------|
| | Single Family Project | Condominium Project | Apartment Project |
| Annual Household Expenditures Per 100 New Units | \$9,250,000 | \$7,750,000 | \$6,400,000 |
| Total Jobs Generated Per 100 New Units | 73.9 | 61.9 | 51.1 |

¹ A 5% vacancy allowance is applied to the income available for expenditures of the households residing in apartment projects to account for standard operational vacancies.

E. Compensation Levels of Jobs and Household Income

The output of the IMPLAN model – the numbers of jobs by industry – is entered into the KMA Jobs-Housing Nexus Model to quantify the compensation levels of new jobs and the income of the new worker households. The output of the KMA model is the estimated number of new worker households by income level attributable to the new residential units and new households in Placentia. The following table provides the results associated with the Placentia prototype units:

| New Worker Households by Income Level Per 100 Market Rate Units ² | | | | |
|--|------------------|--------------------------|------------------------|----------------------|
| Household Income Category (Percentage of Median) | | Single Family Project | Condominium Project | Apartment Project |
| Extremely Low: | 0% - 30% | 4.8 | 4.0 | 3.3 |
| Very Low: | Above 30% - 50% | 8.6 | 7.2 | 6.0 |
| Low: | Above 50% - 80% | 9.9 | 8.3 | 6.9 |
| Moderate: | Above 80% - 120% | 3.4 | 2.8 | 2.3 |
| Total: | 0% - 120% | 26.7 | 22.4 | 18.5 |
| Above Moderate: Above 120% | | 7.7 | 6.5 | 5.3 |
| Total New Households | | 34.4 | 28.8 | 23.8 |

F. Maximum Nexus Costs

The last step in the analysis puts a dollar amount on the cost of mitigating the affordable housing impacts. The conclusions of the nexus analysis, expressed as the number of worker households by income affordability category, are linked to the cost of delivering housing to the households in need. Each income or affordability tier is associated with a subsidy needed to produce and deliver a unit at the specified affordability level; this subsidy is referred to as the “affordability gap”. It is assumed that outside leveraging sources are available for Extremely Low Income and Very-Low Income units; no outside leveraging is included in the affordability gaps of the Low Income and Moderate Income units.

² The estimates are rounded to the nearest tenth. The sum of the column may not add to the total due to the rounding of each individual number.

The estimated affordability gaps, per affordable unit, for the four income categories being evaluated are presented in the following table:

| | | |
|-----------------------|--------------------------|-------------|
| Extremely Low Income: | 0% to 30% Median | (\$257,400) |
| Very-Low Income: | Above 30% to 50% Median | (\$184,800) |
| Low Income: | Above 50% to 80% Median | (\$117,500) |
| Moderate Income: | Above 80% to 120% Median | (\$103,800) |

The affordability gap conclusions for each income tier are linked to the number of affordable units required as a result of market rate development, and then divided into 100 unit increments. This calculation results in the allowable Residential Affordable Housing Impact Fee amounts per square foot of building area, which are presented in the following table. It is important to note that these are the maximum allowable Residential Affordable Housing Impact Fees, rather than the recommended amounts.

| Maximum Supportable Residential Affordable Housing Impact Fee Per Square Foot of Livable Area | | | | |
|--|----------------------|--------------------------|------------------------|----------------------|
| Household Income Category (Percentage of Median) | Affordability Gap | Single Family Project | Condominium Project | Apartment Project |
| Prototype Size (Square Feet Per Unit) | | 2,350 | 1,800 | 1,050 |
| Extremely Low 0% - 30% | \$257,400 | \$5.30 | \$5.80 | \$8.20 |
| Very Low Above 30% - 50% | \$184,800 | \$6.80 | \$7.40 | \$10.50 |
| Low Above 50% - 80% | \$117,500 | \$5.00 | \$5.40 | \$7.70 |
| Moderate Above 80% - 120% | \$103,800 | \$1.50 | \$1.60 | \$2.30 |
| Maximum Supportable Residential Affordable Housing Impact Fees | | \$18.60 | \$20.20 | \$28.70 |

The maximum allowable Residential Affordable Housing Impact Fee amounts per unit are as follows:

| Maximum Residential Affordable Housing Impact Fee Per Market Rate Unit | | | | |
|--|-------------------|-----------------------|---------------------|-------------------|
| Household Income Category (Percentage of Median) | Affordability Gap | Single Family Project | Condominium Project | Apartment Project |
| Extremely Low: 0% - 30% | \$257,400 | \$12,400 | \$10,400 | \$8,600 |
| Very Low: Above 30% - 50% | \$184,800 | \$15,900 | \$13,300 | \$11,000 |
| Low: Above 50% - 80% | \$117,500 | \$11,600 | \$9,800 | \$8,100 |
| Moderate: Above 80% - 120% | \$103,800 | \$3,500 | \$2,900 | \$2,400 |
| Total Affordable Housing Nexus Costs | | \$43,400 | \$36,400 | \$30,100 |

G. Recommended Residential Affordable Housing Impact Fees

The KMA Residential Nexus study establishes the maximum Residential Affordable Housing Impact Fee amounts that the City could charge under the nexus requirements imposed by the Mitigation Act. In KMA’s opinion, the fee amounts should be selected based on the strength of the local real estate market and local policy objectives.

Financially Supportable Impact Fee Analysis

KMA recommends that the Residential Affordable Housing Impact Fees be set at levels that do not place an onerous financial burden on the developers of market rate housing. KMA refers to this as the “Financially Supportable Impact Fee”. The methodology used to set the Financially Supportable Impact Fee amounts is described in Section VI of this Report. This methodology is based on parameters that have been used in the creation of many Residential Affordable Housing Impact Fee and Inclusionary Housing Programs in California.

Based on the KMA analysis, the Financially Supportable Impact Fees are estimated as follows:

| Financially Supportable Impact Fees | | | |
|-------------------------------------|-----------------------|---------------------|-------------------|
| | Single Family Project | Condominium Project | Apartment Project |
| Fee Per Square Foot of Livable Area | \$24.90 | \$16.00 | \$6.70 |
| Fee Per Market Rate Unit | \$54,600 | \$29,600 | \$6,000 |

Maximum Recommended Residential Affordable Housing Impact Fees

It is important to remember that the Residential Affordable Housing Impact Fee must not exceed the amounts supported by the Nexus Study. Thus, KMA limited the recommended Residential Affordable Housing Impact Fees to the lesser of the amounts legally supported by the Nexus Study and the Financially Supportable Impact Fees.

The maximum recommended Residential Affordable Housing Impact Fees are summarized in the following tables:

| Maximum Recommended Residential Affordable Housing Impact Fees | | | |
|--|-----------------------|---------------------|-------------------|
| Per Square Foot of Livable Area | | | |
| | Single Family Project | Condominium Project | Apartment Project |
| Maximum Legally Supportable Fee | \$18.60 | \$20.20 | \$28.70 |
| Maximum Financially Supportable Fee | \$24.90 | \$16.00 | \$6.70 |
| Maximum Recommended Residential Affordable Housing Impact Fee | \$18.60 | \$16.00 | \$6.70 |

| Maximum Recommended Residential Affordable Housing Impact Fees Per Unit | | | |
|---|-----------------------|---------------------|-------------------|
| | Single Family Project | Condominium Project | Apartment Project |
| Maximum Legally Supportable Fee | \$43,400 | \$36,400 | \$30,100 |
| Maximum Financially Supportable Fee | \$54,600 | \$29,600 | \$6,000 |
| Maximum Recommended Residential Affordable Housing Impact Fee | \$43,400 | \$29,600 | \$6,000 |

Proposed Residential Affordable Housing Impact Fees

The financial analysis used by KMA to estimate the Maximum Recommended Residential Affordable Housing Impact Fees included the City’s current public permits and fees costs. However, the City is currently in the process of adjusting other public permits and fees amounts. In recognition of this fact, the City considered the aggregate amount of all the new or adjusted public permits and fees. The resulting Residential Affordable Housing Impact Fees being proposed for adoption by the City are as follows:

| Project Type | Residential Affordable Housing Impact Fee Per Unit |
|---------------------|--|
| Single Family Homes | \$7,000 |
| Condominiums | \$5,000 |
| Apartments | \$2,000 |

The Residential Affordable Housing Impact Fees being proposed by the City are lower than both the Maximum Legally Supportable Fees and the Maximum Financially Supportable Fees. As such, the proposed Residential Affordable Housing Impact Fees comply with the requirements imposed by the Mitigation Act.

II. INTRODUCTION AND OVERVIEW

The nexus analysis provides the City with the technical validation required to proceed with the enactment of Residential Affordable Housing Impact Fees. The conclusions of this analysis represent the maximum supportable or legally defensible fee levels based on the impact of new residential development on the need for affordable housing. These findings do not represent the recommended fee levels.

A. Background on Key Legal Cases

The following provides background regarding two key legal cases pertaining to Inclusionary Housing programs that in recent years have motivated many California cities to undertake residential nexus studies. This section is intended as general background only; nothing in this Report should be interpreted as providing specific legal guidance, which KMA is not qualified to provide.

Palmer

The “Palmer case” (Palmer/Sixth Street Properties L.P. v. City of Los Angeles [2009] 175 Cal. App. 4th 1396) was decided in 2009. Among other things, the Palmer case invoked the Costa-Hawkins Rental Housing Act prohibition on government imposition of limits on the rent that can be charged to a new tenant upon the vacancy of a unit. This effectively precludes the use of the long-term rent restrictions that are associated with Inclusionary Housing programs. Since the Palmer case ruling, many California cities have adopted Residential Affordable Housing Impact Fees on rental projects rather than imposing Inclusionary Housing requirements. These Residential Affordable Housing Impact Fee programs have been based on the results of residential nexus studies similar to this Report.

San Jose

In the California Building Industry Association v. City of San Jose (California Supreme Court Case No. S212072, June 15, 2015), also referred to as the “San Jose case”, the California Building Industry Association (CBIA) challenged the City of San Jose’s newly adopted Inclusionary Housing program that applied to the development of ownership housing projects. CBIA’s core contention was that the City’s Inclusionary Housing program constituted an exaction that required the support of a nexus study.

The San Jose case was pending in the courts from 2010 through February 2016. Ultimately, the case was decided by the California Supreme Court in favor of the City of San Jose. The court found the Inclusionary Housing program to be a valid exercise of a city’s power to regulate land use, and not an exaction. The United States Supreme Court denied CBIA’s petition to review the case.

While the San Jose case was pending, there was speculation that the courts would rule in favor of CBIA. This possibility was one of the motivations for jurisdictions to prepare residential nexus studies as an additional “backup” support measure for Inclusionary Housing programs. Now that the case has been decided, jurisdictions have the option of enacting Inclusionary Housing programs or Residential Affordable Housing Impact Fee programs for ownership housing development.³

³ The San Jose case only applies to ownership housing development. The restrictions the Palmer case placed on rental housing development remain in place.

The key advantages to creating a Residential Affordable Housing Impact Fee program for ownership housing development are:

1. It provides the City with a funding source to assist affordable housing projects of the type and in the locations that best fit the community's needs;
2. The funds can be allocated to developers with experience in the development of affordable housing; and
3. Dedicated affordable housing projects potentially have access to outside leveraging sources that can defray a portion of the financial gap associated with the projects.

B. The Nexus Concept

At its most simplified level, the underlying nexus concept is as follows:

1. Newly constructed homes add net new households to the Placentia population.
2. These net new households generate income that is new to the community, and that income will be used to purchase goods and services.
3. This new consumption can be translated into an increase in the number of jobs required to fulfill the demand.
4. A portion of the new jobs will be at lower compensation levels, which in turn relates to lower income households that cannot afford to rent or purchase market rate units in Placentia.
5. This results in the need for additional affordable housing units.

C. Use of this Study

This Residential Nexus Study has been prepared for the limited purpose of determining the nexus support for imposing a Residential Affordable Housing Impact Fee on new residential construction in Placentia. We caution against using this study, or any impact study for that matter, for purposes beyond the intended use. All impact studies are limited and imperfect, but can be helpful for understanding the effects created by new development. The nexus analysis presented in this Report estimates the maximum allowable Residential Affordable Housing Impact Fee amounts, rather than the recommended amounts.

D. Methodology and Models Used

The analysis is performed using the IMPLAN and KMA Jobs-Housing Nexus. These models are described below:

IMPLAN Model

The IMPLAN model is an industry accepted, commercially available, model developed over 40 years ago. The IMPLAN model was first used to quantify the impacts of changes in a local economy, including the employment impacts created by changes in personal income. The IMPLAN model plays the following role in this Residential Nexus Study:

1. The estimated net new personal income in Placentia available for expenditures is input into the IMPLAN model;
2. Using this income information, the IMPLAN model estimates a distribution of expenditures; and
3. The IMPLAN model produces a quantification of new jobs generated by industry type. The IMPLAN model estimates the jobs generated at establishments that serve new residents in the following ways:
 - a. Jobs that serve new residents directly, such as supermarkets, banks and schools;
 - b. Jobs generated by increased demand at firms that service or supply these establishments, such as wholesalers, janitorial contractors, accounting firms, and any jobs down the service/supply chain from direct jobs; and
 - c. Jobs generated when the new employees spend their wages in the local economy and generate additional jobs.

KMA Jobs-Housing Nexus Model

The results of the IMPLAN analysis are input into the KMA Jobs-Housing Nexus model. This model was initially developed over 25 years ago to analyze the income structure of job growth, and it is used to estimate the following:

1. Income of the workers doing the identified jobs;
2. Household income of the workers; and

3. Affordability level of the housing needed by the worker households.

This information is presented for the following household income categories:

| Income Category | Percent of Median |
|-----------------------|-----------------------------|
| Extremely Low Income | 0% to 30% of Median |
| Very Low Income | Above 30% to 50% of Median |
| Low Income | Above 50% to 80% of Median |
| Moderate Income | Above 80% to 120% of Median |
| Above Moderate Income | Above 120% of Median |

The linkages can be illustrated using the following simplified example:

1. An analysis of the housing market is undertaken to provide an average rent or sales price for a new home.
2. The household incomes for the new residents are estimated based on the rent or sales price for the home. Specifically, the estimates are based on the assumptions regarding the share of income spent on housing-related expenses.
3. The household's estimated gross income is adjusted to a net amount available for expenditures.
4. The new households will purchase or consume a range of goods and services, such as purchases at the supermarket or services at the bank.
5. The increase in purchases in the local economy will in turn generate support for increased employment at an array of different compensation levels.
6. A portion of the jobs will provide insufficient compensation for the worker household to afford market rate housing in Placentia.

E. Underlying Assumptions Related to Net New Demand for Housing

An underlying assumption of the analysis is that households that purchase or rent new units represent net new households in Placentia. Factors that influence the estimated population growth area:

1. If purchasers or renters have relocated from elsewhere in the city, vacancies have been created that will be filled. Thus, no adjustment is warranted.
2. If new residential development occurs on property that is currently improved with residential units, an adjustment to the net population growth would be warranted. However, the rate of housing unit removal is currently so low in Placentia that an adjustment or offset is not warranted.

This Residential Nexus Study is limited to an analysis of net new households in Placentia and the impacts generated by their consumption expenditures. Based on this analysis, the net new demand for affordable units to accommodate new worker households is quantified. This analysis does not address, nor in any way include, existing deficiencies in the community's supply of affordable housing.

F. Geographic Area of Impact

The analysis quantifies impacts occurring within Orange County. While much of the impact will occur within Placentia, some impacts will be experienced elsewhere in Orange County and beyond. The IMPLAN model computes the jobs generated within Orange County and sorts out those that occur beyond the Orange County boundaries. The KMA Jobs-Housing Nexus Model analyzes the income structure of jobs and their worker households, without assumptions as to where the worker households live.

Job impacts, like most types of impacts, occur irrespective of political boundaries. And like other types of impact analyses, such as traffic, impacts beyond city boundaries are experienced, are relevant, and are important. See the "Addendum: Additional Background on Specific Assumptions" at the end of this Report for further discussion on this topic.

G. Analysis Organization

The nexus analysis is organized into the following components:

1. A discussion of the prototype new market rate residential units and the estimated household income of purchasers or renters of those units.
2. A description of the IMPLAN model that is used in the nexus analysis to translate household income into the estimated number of jobs in retail, restaurants and other sectors serving new residents.

3. An identification of the linkage between employment growth associated with residential development and the need for affordable housing units in each of the four income categories.
4. A quantification of the nexus or mitigation cost based on the cost of delivering affordable units to new worker households in each of the four income categories.

H. Data Sources and Qualifications

The analyses in this Report have been prepared using the best and most recent data available. Local and current data was used whenever possible. Sources such as the United States Census (Census), the American Community Survey of the Census, and California Employment Development Department data were used extensively. Other sources and analyses are noted when used in the text and footnotes. While we believe all sources utilized are sufficiently accurate for the purposes of the analyses, we cannot guarantee their accuracy. KMA assumes no liability for information from these and other sources.

III. MARKET RATE UNITS AND HOUSEHOLD INCOME

This section describes the prototype market rate residential units used in this analysis, and the estimated incomes of the purchaser and renter households:

1. The market rate prototypes used in this analysis are based on recent development activity in the Placentia market.
2. Household incomes are estimated based on estimates of the income necessary to support the mortgage or rent payments associated with the new market rate units.

This information serves as the basis for the input to the IMPLAN model described in the following section of this Report. These are the starting points of the chain of linkages that connect new market rate units to incremental demand for affordable residential units.

This section provides a summary of the prototypes and household income. More description and supporting tables are provided in Appendix A.

A. Recent Housing Market Activity and Prototype Units

KMA identified the three residential prototypes in consultation with City staff. KMA then undertook a market survey of projects covering these prototypes in July 2017. As part of this

survey, KMA obtained data on sales of existing single family homes and condominiums built since 2005. KMA also conducted a rent survey of relevant apartment projects.

The KMA market analysis is focused on the sales prices and rents of recent residential development rather than the sales prices and rents of older housing stock. The main objective was to establish current sales prices or rents per unit and per square foot for the various residential project types recently developed, or expected to be developed in the near term, in Placentia.

It is important to note that the prototypes analysis is intended to reflect average or typical residential projects in the Placentia market rather than any specific project. It should be expected that specific projects would vary to some degree from the prototypes.

In summary, the prototypes tested in the nexus analysis are as follows:

| Residential Prototypes | | | |
|---------------------------------|-----------------------|---------------------|-------------------|
| | Single Family Project | Condominium Project | Apartment Project |
| Average Unit Size (Square Feet) | 2,350 | 1,800 | 1,050 |
| Average Number of Bedrooms | 4 | 3 | 2 |
| Average Sales Price / Rent | \$730,000 | \$600,000 | \$2,500/month |

B. Income of the Purchaser or Renter of Housing Units

The next step in the analysis is to estimate the income of the purchasing or renting households in the prototype units.

Ownership Units

To estimate the incomes of home buyers, KMA prepared an underwriting analysis using information published by Freddie Mac regarding its portfolio of mortgages originated for the purchases of primary residences within Placentia.⁴ The data pertains to the second quarter of 2016, the most recent period available at the time the information was accessed.

⁴ The Freddie Mac information is presented in a zip code format. KMA extrapolated the zip codes that encompass Placentia.

As the first step in this analysis, KMA estimated that 35% of income is spent on housing-related expenses which include mortgage payments, property taxes, homeowner association dues, maintenance, and insurance. This is reflective of the current averages exhibited in Orange County, and is consistent with criteria used by lenders to determine mortgage eligibility.⁵

KMA then applied purchase terms that are slightly less favorable than what can be achieved at the current time, since we are currently in a period of generationally low interest rates. The terms applied in this analysis can be summarized as follows:

1. The mortgage is based on a 30-year fully amortizing loan at a 4.80% interest rate. This reflects the 10-year average of published mortgage interest rates; and it is approximately 0.75% lower than the rates published in August 2017.⁶
2. The down payment is set at 20% of the home purchase price. This is based on the median down payment for single family homes and condominium purchases as principal residences in Orange County.⁷

Apartment Units

KMA set the housing-related expenditures for renters at 30% of gross household income. This estimate is somewhat lower than the Placentia average of 33.9% as reported by the Census.⁸ KMA selected the 30% factor for the following reasons:

1. KMA aimed to apply a conservative assumption in the estimation of the new residents' incomes.
2. Many renters will choose to spend less than 30% of their income on rent where possible, since the unit is not viewed as an investment with value enhancement potential.
3. The 30% factor is consistent with State and Federal affordability standards.

⁵ The average debt to income ratio was 38.6%. However, this ratio includes other forms of debt such as student loans, credit cards, and auto loans. This suggests a ratio including only housing expenses would be less than 38.6%. Fannie Mae mortgage underwriting eligibility criteria establishes a debt to income threshold of 36%, above which tighter credit standards apply. A debt to income ratio of up to 45% is permitted for borrowers meeting specified credit criteria.

⁶ Based on Freddie Mac Primary Mortgage Market Survey weekly average rates for the West Region for 30-year fixed rate mortgages during the period from 2006 through 2015.

⁷ Based on Freddie Mac data.

⁸ The information is provided in the 2011-2015 American Community Survey.

Estimated Gross Household Incomes

The estimated gross household incomes of the purchasers or renters of the prototype units are calculated in Appendix A – Tables 1 through 3. The results are summarized in the following table:

| Project Type | Gross Household Income |
|---------------------|------------------------|
| Single Family Homes | \$136,000 |
| Condominiums | \$114,000 |
| Apartments | \$102,000 |

C. Income Available for Expenditures

The input into the IMPLAN model used in this analysis is the net income available for expenditures. To arrive at income available for expenditures, gross income must be adjusted for Federal and State income taxes, contributions to Social Security and Medicare, savings, and payments on household debt. Per KMA correspondence with the producers of the IMPLAN model (IMPLAN Group LLC), other taxes including sales tax, gas tax, and property tax are handled internally within the model as part of the analysis of expenditures.

For input into the IMPLAN model, the percentage of income available for expenditures is set prior to deducting any housing-related costs. This is done to maintain consistency with the IMPLAN model, which defines housing costs as expenditures. The IMPLAN model addresses the fact that expenditures on housing do not generate employment to the degree other expenditures such as retail or restaurants do, but some limited maintenance and property management employment is generated.

Appendix A – Table 4 presents the calculation of income available for expenditures.

Ownership Units

The income available for expenditures for the prototype home owner households is estimated based on a review of data from the Internal Revenue Service, the California Franchise Tax Board tax tables, and the United States Bureau of Economic Analysis data. The assumptions applied in the analysis are as follows:

1. Per the Internal Revenue Service, households earning between \$100,000 and \$200,000 per year, which includes the residents of the prototype ownership units, will pay an average of 12% of gross income for federal taxes.
2. Per the California Franchise Tax Board, State taxes are estimated to average 4% of gross income.
3. The employee share of the FICA payroll taxes for Social Security and Medicare is set at 7.65% of gross income. This estimate conservatively assumes all earners in the household are within the \$127,200 ceiling on income subject to Social Security taxes.
4. Savings and repayment of household debt must also be factored into the estimate of the amount of income available for expenditures:
 - a. Savings includes various IRA and 401K type programs, as well as non-retirement household savings and investments.
 - b. Debt repayment includes auto loans, credit cards, and all other non-mortgage debt. An 8% interest rate is used in this analysis, which is based on the average over the past 20 years computed from the United States Bureau of Economic Analysis data.

After taking the preceding deductions, the estimated income available for expenditures is 68% for single family homes and condominiums. This is the factor used to adjust from gross income to the income available for expenditures for input into the IMPLAN model.

Rental Units

Income available for expenditures for the prototype renter households is based on the same evaluation, but a higher income tax rate is applied to the renter households.⁹ The result is that the renter household would have an estimated 66% of income available for expenditures.

KMA includes an adjustment for rental units to account for standard operational vacancies in rental projects. KMA assumes a 5% vacancy rate, which is a level of vacancy considered average for rental units in a healthy market. A comparable adjustment is not applied to ownership units as newly built ownership units are anticipated to have only a nominal level of vacancy.

⁹ A higher income tax rate is applied to renter households due to the fact that home owner households can use income tax benefits such as mortgage interest and property tax deductions.

Income Available for Expenditures

A summary of the estimates of income available for expenditures is presented in the following table:

| Household Income | | | |
|--|-----------------------|---------------------|-------------------|
| | Single Family Project | Condominium Project | Apartment Project |
| Gross Household Income | \$136,000 | \$114,000 | \$102,000 |
| Percentage of Income Available for Expenditures | 68% | 68% | 66% |
| Household Income Available for Expenditures [Input to IMPLAN model] | \$92,000 | \$78,000 | \$64,000 |

The nexus analysis is conducted on 100-unit building modules for ease of presentation, and to avoid awkward fractions. Appendix A – Tables 5 and 6 summarize the conclusions of this section, and calculates the household income for the 100-unit building modules. This is then input into the IMPLAN model.

IV. THE IMPLAN MODEL

Consumer spending by residents of new housing units will create jobs, particularly in sectors such as retail and restaurants, which are closely connected to the expenditures of residents. The IMPLAN model is an economic analysis tool that is widely used to quantify these new jobs by industry sector.

A. IMPLAN Model Description

The IMPLAN model is an economic analysis software package now commercially available through the IMPLAN Group, LLC. IMPLAN was originally developed by the United States Forest Service, the Federal Emergency Management Agency, and the United States Department of the Interior Bureau of Land Management. The model has been in use since 1979, and has been refined over time. It has become a widely used tool for analyzing economic impacts for a broad range of applications from major construction projects to natural resource programs.

IMPLAN is based on an input-output accounting of commodity flows within an economy from producers to intermediate and final consumers. The model establishes a matrix of supply chain relationships between industries, and also between households and the producers of household goods and services. Assumptions about the portion of inputs or supplies for a given industry likely to be met by local suppliers and the portion supplied from outside the region or study area, are derived internally within the model using data on the industrial structure of the region.

The output or result of the model is generated by tracking changes in purchases for final use or final demand as they filter through the supply chain. Industries that produce goods and services for final demand or consumption must purchase inputs from other producers. These producers in turn purchase goods and services. The model tracks these relationships through the economy to the point where leakages from the region stop the cycle. This allows the user to identify how a change in demand for one industry will affect a list of over 400 other industry sectors. The projected response of an economy to a change in final demand can be viewed in terms of economic output, employment, or income.

Data sets are available for each county and state, so the model can be tailored to the specific economic conditions of the region being analyzed. This analysis utilizes the data set for Orange County. As will be discussed, much of the employment impact is in local-serving sectors, such as retail, eating and drinking establishments, and medical services. A significant portion of these jobs will be located in Placentia or nearby. In addition, the employment impacts will extend throughout Orange County and beyond based on where jobs are located that serve Placentia residents. Placentia is part of the larger Orange County metropolitan region's economy, and impacts will likewise extend throughout the region.

B. Application of the IMPLAN Model to Estimate Job Growth

The IMPLAN model was applied to link income to household expenditures to job growth. As discussed previously, employment generated by the household income of residents is analyzed in modules of 100 residential units. The IMPLAN model distributes spending among various types of goods and services (industry sectors) based on data from the Consumer Expenditure Survey and the Bureau of Economic Analysis Benchmark input-output study to estimate the employment that is generated.

Job creation, driven by increased demand for products and services, was projected for each of the industries that will serve the new households. The estimated employment that would be generated by this new household spending is summarized below:

| Jobs Generated Per 100 New Residential Units | | | |
|---|-----------------------|---------------------|-------------------|
| | Single Family Project | Condominium Project | Apartment Project |
| Annual Household Expenditures Per 100 New Units | \$9,250,000 | \$7,750,000 | \$6,400,000 |
| Total Jobs Generated Per 100 New Units | 73.9 | 61.9 | 51.1 |

Appendix B – Table 1 provides a detailed summary of employment generated by industry. The table shows industries sorted by projected employment. The Consumer Expenditure Survey published by the Bureau of Labor Statistics tracks expenditure patterns by income level. IMPLAN utilizes this data to reflect the pattern by income bracket.

Estimated employment is shown for each IMPLAN industry sector representing 1% or more of total employment. The jobs that are generated are heavily retail jobs, jobs in restaurants and other eating establishments, and in services that are provided locally. The jobs counted in the IMPLAN model cover all jobs, full and part time, similar to the Census and all reporting agencies, unless otherwise indicated.

V. THE KMA JOBS-HOUSING NEXUS MODEL

This section presents a summary of the analysis linking employment growth associated with residential development, based on the output of the IMPLAN model, to the estimated number of housing units required in each of the four income categories. The results are presented for each of the three residential prototype units.

A. Analysis Approach and Framework

The analysis approach is to examine the employment growth for industries related to consumer spending by residents in the 100-unit modules. Then, through a series of linkage steps, the number of employees is converted to households and housing units by affordability level. The findings are expressed in terms of numbers of affordable units per 100 market rate units.

The analysis addresses the affordable unit demand associated with single family homes, condominiums, and apartment units in Orange County. The following table shows the 2017 Median income, as well as the income limits for the four categories that were evaluated. The income definitions used in the analysis are those published by the California Department of

Housing and Community Development (HCD) and the United States Department of Housing and Urban Development (HUD).

| 2017 Income Limits for Orange County | | | | | | |
|---|------------------------------------|----------|----------|-----------|-----------|-----------|
| Household Income Category (Percentage of Median) | Household Size (Number of Persons) | | | | | |
| | 1 | 2 | 3 | 4 | 5 | 6+ |
| Extremely Low (0% - 30%) | \$21,950 | \$25,050 | \$28,200 | \$31,300 | \$33,850 | \$36,350 |
| Very Low (Above 30% - 50%) | \$36,550 | \$41,750 | \$46,950 | \$52,150 | \$56,350 | \$60,500 |
| Low (Above 50% - 80%) | \$58,450 | \$66,800 | \$75,150 | \$83,450 | \$90,150 | \$96,850 |
| Moderate (Above 80% - 120%) | \$73,900 | \$84,500 | \$95,050 | \$105,600 | \$114,050 | \$122,500 |
| Median (100%) | \$61,600 | \$70,400 | \$79,200 | \$88,000 | \$95,050 | \$102,100 |

The analysis is conducted using a model that KMA developed and has applied to similar evaluations in many other jurisdictions. The model inputs are all local data to the extent possible, and are fully documented in the following description.

B. Analysis Steps

The analysis provided by the KMA model is presented in seven steps. A description of each step of the analysis follows.

Step 1 – Estimate of Total New Employees (Appendix B – Table 1)

The analysis commences with estimates of the total number of employees associated with the new market rate units. The employees were estimated based on household expenditures of new residents using the IMPLAN model.

Step 2 – Changing Industries Adjustment and Net New Jobs (Appendix B – Table 2)

The local economy, like that of the United States as a whole, is constantly evolving. In the Anaheim – Santa Ana – Irvine Metropolitan Division (MD) (Orange County MD), over the past 20 years, employment in various sectors of the economy has declined. However, jobs lost over the last two decades in these declining sectors were replaced by job growth in other industry sectors.

Long-term declines in employment experienced in some sectors of the economy mean that some of the jobs created in burgeoning industries are being filled by workers that have been displaced from another industry and who are presumed to already be housed locally. Recognizing that jobs added in the community are not necessarily net new jobs, this step in the analysis makes an adjustment to take these declines, changes and shifts within all sectors of the economy into account.

To assist in making the adjustment, KMA analyzed data published by the California Employment Development Department annually for the Orange County MD. For the previous 20-year period, the Orange County region experienced an approximately 15% decline in industry. The decline was largely focused in the manufacturing sector.

Based on the entirety of the data analyzed, the long-term shifts in employment that have occurred in some sectors of the local economy, and the likelihood of continuing changes in the future, KMA applied a 15% downward adjustment for a decline in industries in this nexus analysis.

The impact of the 15% adjustment factor is the effective assumption that approximately one in every seven new jobs will be filled by a worker down-sized from a declining industry and who already lives locally. This factor can be considered conservative given that some displaced workers may exit the workforce entirely by retiring rather than seeking a new job in one of the new industries that have entered the community.

Step 3 – Adjustment from Employees to Employee Households (Appendix B – Table 2)

This step converts the number of employees to the number of employee households, recognizing that there is, on average, more than one worker per household. Thus, the number of housing units in demand for new workers must be reduced to reflect this fact.

The workers per household characteristic provides the link between the number of employees and the number of households associated with the net new employees. Worker households are defined as those households with one or more persons with work-related income, including the self-employed, as reported in the 2011-2013 American Community Survey of the Census. In other words, worker households are distinguished from total households in that the universe of worker households does not include elderly or other households in which members are retired or do not work for other reasons. Student households and unemployed households on public assistance are also excluded from the definition of worker households.

The number of workers per household in a given geographic area is a function of household size, labor force participation rate and employment availability, as well as other factors. According to the 2011-2013 American Community Survey, the average number of workers per worker household in Orange County was 1.82.

Step 4 – Occupational Distribution of Employees (Appendix B – Table 2)

The occupational breakdown of employees is the first step in the process of estimating income levels. The output from the IMPLAN model provides the number of employees by industry sector. The IMPLAN output is paired with data from the Department of Labor, Bureau of Labor Statistics May 2016 Occupational Employment Survey (OES) to estimate the occupational composition of employees for each industry sector.¹⁰

Pairing of OES and IMPLAN data was accomplished by matching IMPLAN industry sector codes with the four-digit North American Industry Classification System Code (NAICS) used in the OES. Each IMPLAN industry sector is associated with one or more NAICS codes, with matching NAICS codes ranging from two to five digits. Employment for IMPLAN sectors with multiple matching NAICS codes was distributed among the matching codes based on distribution of employment among those industries at the national level. Employment for IMPLAN sectors where matching NAICS codes were only at the two- or three- digit level of detail was distributed using a similar approach, among all of the corresponding four-digit NAICS codes falling under the broader two- or three-digit categories.

National-level employment totals for each industry within the OES were prorated to match the employment distribution projected using the IMPLAN model, which varies by income category. Occupational compensation within each industry was held constant. The result is the estimated occupation mix of employees, by income category.

As shown on Appendix B – Table 2, new jobs will be distributed across a variety of occupational categories. The three largest occupational categories are office and administrative support (17%), food preparation and serving (14%), and sales and related (13%).

¹⁰ The May 2016 OES was released in March 2017.

Step 5 – Estimates of Employee Households Meeting the Lower Income Definitions (Appendix B – Tables 3 through 6)

In this step, occupations are translated to employee incomes based on recent Orange County wage and salary information from the California Employment Development Department.¹¹ The percentages and numbers of employee households are cross tabulated by occupation and income as follows:

| Income Category | Percent of Median | Appendix B |
|----------------------|-----------------------------|------------|
| Extremely Low Income | 0% to 30% of Median | Table 3 |
| Very Low Income | Above 30% to 50% of Median | Table 4 |
| Low Income | Above 50% to 80% of Median | Table 5 |
| Moderate Income | Above 80% to 120% of Median | Table 6 |

Individual employee income data was used to calculate the number of households that fall into the income categories by assuming that multiple earner households are, on average, formed of individuals with similar incomes. Employee households not falling into one of the major occupation categories are assumed to have the same income distribution as the major occupation categories as a whole.

Step 6 – Distribution of Household Size and Number of Workers (Appendix B – Tables 3 through 6)

In this step, household size distribution was input into the model in order to estimate the income and household size combinations that meet the income definitions for Orange County. The household size distribution utilized in the analysis is that of worker households in Orange County derived using American Community Survey data. For example, four-person worker households can have one, two, three, or four workers in the household. The model uses American Community Survey data to develop a distribution of the number of workers per worker household, by household size.

¹¹ The wage and salary information for is presented in Appendix C.

Step 7 – Estimate of Number of Households that Meet Size and Income Criteria (Appendix B – Table 7)

Step 7 is the final step in the calculation of the number of worker households meeting the size and income criteria for the four affordability tiers. The calculation methodology can be described as follows:

1. The percentage of worker households that would meet the income criteria at each potential household size and number of workers combination (Step 5), is combined with the probability of a worker household having a given household size and number of workers combination (Step 6).
2. The result is the estimated percentages of households that fall into each affordability category.
3. The estimated percentages are then multiplied by the estimated total number of households from Step 3 to arrive at the estimated number of households in each affordability category.

Appendix B – Table 7 shows the results produced by the KMA Jobs-Housing Nexus model. The results are presented for each of the four income categories, resulting in a total count of worker households per 100 units.

C. Summary Findings

Appendix B – Table 7 presents the analysis results for each of the residential prototypes. The table presents the number of households generated in each affordability category, and the total number of households earning more than 120% of the Median.

The findings in Appendix B –Table 7 are summarized below. The table shows the total demand for affordable housing units per each new 100 market rate units.

| New Worker Households by Income Level Per 100 Market Rate Units ¹² | | | |
|---|--------------------------|------------------------|----------------------|
| Household Income Category (Percentage of Median) | Single Family Project | Condominium Project | Apartment Project |
| Extremely Low: 0% - 30% | 4.8 | 4.0 | 3.3 |
| Very Low: Above 30% - 50% | 8.6 | 7.2 | 6.0 |
| Low: Above 50% - 80% | 9.9 | 8.3 | 6.9 |
| Moderate: Above 80% - 120% | 3.4 | 2.8 | 2.3 |
| Total: 0% - 120% | 26.7 | 22.4 | 18.5 |
| Above Moderate: Above 120% | 7.7 | 6.5 | 5.3 |
| Total New Households | 34.4 | 28.8 | 23.8 |

As shown in the preceding table, housing demand for new worker households earning less than 120% of Median ranges from 18.5 units per 100 market rate units for apartment units, to 26.7 units per 100 market rate units for single family homes. Housing demand is distributed across the lower income tiers with the greatest number of households in the above 30% to 50% of Median and above 50% to 80% of Median tiers.

The finding that jobs associated with consumer spending tend to be low-paying jobs where the workers will require housing affordable at the lower income levels (Extremely Low to Moderate) is not surprising. As noted above, direct consumer spending results in employment that is concentrated in lower paid occupations including food preparation, administrative, and retail sales.

D. Total Affordable Housing Nexus Costs

This section takes the conclusions from the previous section on the number of households in the Extremely Low, Very-Low, Low and Moderate Income categories generated by the development of market rate units, and estimates the total cost of assistance required to make housing affordable. This section puts a cost on the units at each income level to produce the “total affordable housing nexus cost.” This is done for each of the prototype units.

¹² The estimates are rounded to the nearest tenth. The sum of the column may not add to the total due to the rounding of each individual number.

Affordability Gap Scenarios

A key component of the analysis is the size of the gap between what households can afford and the cost of producing additional housing in Placentia; this is known as the “affordability gap.” The assumption is that the City will assist in filling the financial gap associated with the development of affordable units at development cost levels based on similar development projects and the City’s recent experience.

KMA conducted a series of affordability gap analyses, which are presented in Appendix D. The scenarios that were tested can be described as follows:

For the Extremely Low Income and Very-Low Income categories, it was assumed that Tax-Exempt Multifamily Bonds (Bonds) and the automatically awarded 4% Low Income Housing Tax Credits (Tax Credits) would be used to finance the project.

For the Low Income category, KMA analyzed a Bonds/4% Tax Credit project at 60% of Median, and an unleveraged rental project at 80% of Median. The unleveraged project generated a smaller affordability gap than the Bonds/4% Tax Credit project. Thus, the unleveraged project was used in the Low Income category.

KMA analyzed both a Moderate Income rental and ownership projects for the Moderate Income category. The Moderate Income rental project exhibited a smaller affordability gap, and was used in the analysis.

The resulting affordability gaps per unit are presented in the following table:

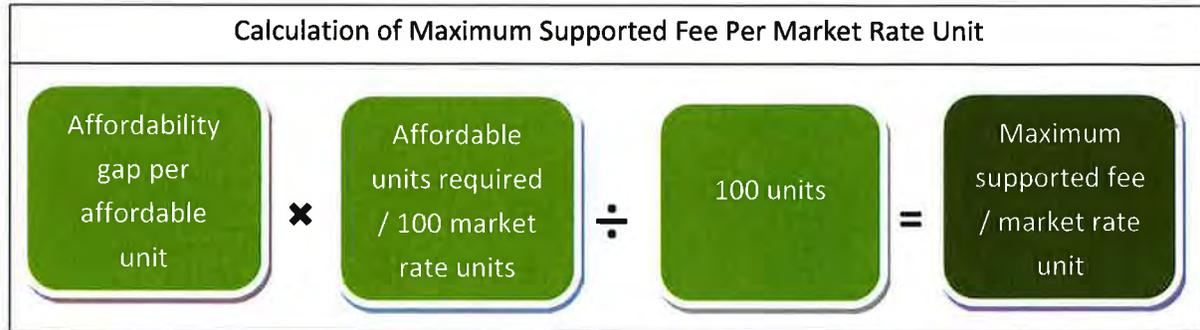
| | |
|--|-------------|
| Extremely Low Income (0% to 30% Median) | (\$257,400) |
| Very Low Income (Above 30% to 50% Median) | (\$184,800) |
| Low Income (Above 50% to 80% Median) | (\$117,500) |
| Moderate Income (Above 80% to 120% Median) | (\$103,800) |

Total Affordable Housing Nexus Costs

To summarize, previous steps in the nexus analysis estimated the following:

1. The demand for affordable housing units created by the development of the three residential prototypes; and
2. The affordability gaps associated with providing housing at the various income levels.

The total nexus cost per market rate unit is equal to the affordability gap multiplied times the number of affordable units demanded per new market rate unit.



The resulting total affordable housing nexus cost per market rate unit for each of the prototypes are as follows:

| Affordable Housing Nexus Cost Per Market Rate Unit | | | | |
|---|-------------------|-----------------------|---------------------|-------------------|
| Household Income Category (Percentage of Median) | Affordability Gap | Single Family Project | Condominium Project | Apartment Project |
| Extremely Low: 0% - 30% | \$257,400 | \$12,400 | \$10,400 | \$8,600 |
| Very Low: Above 30% - 50% | \$184,800 | \$15,900 | \$13,300 | \$11,000 |
| Low: Above 50% - 80% | \$117,500 | \$11,600 | \$9,800 | \$8,100 |
| Moderate: Above 80% - 120% | \$103,800 | \$3,500 | \$2,900 | \$2,400 |
| Total Affordable Housing Nexus Costs | | \$43,400 | \$36,400 | \$30,100 |

The total affordable housing nexus cost indicated above, may also be expressed on a per square foot level. The square foot area of the prototype units used throughout the analysis become the basis for the Residential Affordable Housing Impact Fee calculation. The results per square foot of livable area are as follows:

| Maximum Supportable Residential Affordable Housing Impact Fee | | | | | |
|--|------------------|----------------------|--------------------------|------------------------|----------------------|
| Per Square Foot of Livable Area ¹³ | | | | | |
| Household Income Category (Percentage of Median) | | Affordability Gap | Single Family Project | Condominium Project | Apartment Project |
| Prototype Size (Square Feet Per Unit) | | | 2,350 | 1,800 | 1,050 |
| Extremely Low | 0% - 30% | \$257,400 | \$5.30 | \$5.80 | \$8.20 |
| Very Low | Above 30% - 50% | \$184,800 | \$6.80 | \$7.40 | \$10.50 |
| Low | Above 50% - 80% | \$117,500 | \$5.00 | \$5.40 | \$7.70 |
| Moderate | Above 80% - 120% | \$103,800 | \$1.50 | \$1.60 | \$2.30 |
| Maximum Supportable Residential Affordable Housing Impact Fees | | | \$18.60 | \$20.20 | \$28.70 |

The costs presented in the preceding table express the nexus costs for the three residential prototype developments. These total affordable housing nexus costs represent the ceiling for any Residential Affordable Housing Impact Fee requirement to be imposed on market rate residential development. However, the totals are not the recommended fee levels; they represent only the Residential Affordable Housing Impact Fee caps established by this analysis. Based on a variety of factors, the City can choose to set the Residential Affordable Housing Impact Fees at less than the maximum allowable amounts.

VI. RECOMMENDED FEE LEVELS

The following sections discuss the methods in which the City could set the Residential Affordable Housing Impact Fees.

A. Fee-Setting Context

The preceding study establishes the maximum fee amounts the City could charge under the nexus requirements imposed by the Mitigation Act. In KMA's opinion, the fee amounts should be selected based on the strength of the local real estate market and local policy objectives.

¹³ Findings are presented based on net rentable or sellable square footage.

B. Recommended Fee Levels

Financially Supportable Impact Fee Methodology

KMA recommends that the City set the Residential Affordable Housing Impact Fees at levels that do not place an onerous financial burden on the developers of market rate housing. KMA refers to this as the Financially Supportable Impact Fee.

It has been KMA's experience that the following sequence of events occurs when a Residential Affordable Housing Impact Fee program is adopted:

1. Immediately following approval of a Residential Affordable Housing Impact Fee program, the financial impacts created by that fee are largely borne by developers that had purchased property prior to the imposition of the requirement.
2. After a Residential Affordable Housing Impact Fee program is adopted, developers that have not purchased land will attempt to bargain for a lower land price that reflects the impacts created by the fee.
3. During the initial implementation period for a Residential Affordable Housing Impact Fee program, some property owners are reluctant to accept the fact that their land value has decreased, and they defer selling their property until market demand causes prices to increase.
4. As is the case with all development requirements, over time land prices will adjust to reflect the value supported by the market given the requirements and restrictions imposed on the property.

To determine the Financially Supportable Impact Fee amounts, KMA relied on standards that the courts have applied to Inclusionary Housing programs. Notably, the courts have held that affordable housing is a "public benefit". In that context, the courts have found that Inclusionary Housing requirements cannot deprive an owner of "all economically beneficial use" of the property. However, all economically beneficial use has never been defined.

It is likely that the imposition of a Residential Affordable Housing Impact Fee will impact the values supported by properties that are subject to the requirements. This is allowable as long as the property owner is not deprived of all economically beneficial use of the property. A significant number of California Inclusionary Housing policies have been based on a projected land value reduction in the 30% range. Based on this standard, the KMA analysis is focused on

identifying Residential Affordable Housing Impact Fees that result in an approximately 30% reduction in land value.

Pro Forma Analyses

To evaluate the impacts created by the imposition of a Residential Affordable Housing Impact Fee, KMA prepared pro forma analyses for three prototype development projects under the following scenarios:

- Base Impact Fee Scenario: This scenario utilizes the City’s current public permits and fees estimates. This scenario provides a baseline against which to measure the financial impacts created by the imposition of a Residential Affordable Housing Impact Fee.

- Residential Affordable Housing Impact Fee Scenario: This scenario includes the imposition of a Residential Affordable Housing Impact Fee that results in an approximately 30% reduction in land value.

The pro forma analyses can be found in Appendix E, and are organized as follows:

| Base Impact Fee Scenarios | |
|---------------------------|---|
| Table 1: | Estimated Construction Costs |
| Table 2: | Projected Net Revenue / Stabilized Net Operating Income |
| Table 3: | Residual Land Value Calculation |

| Residential Affordable Housing Impact Fee Scenarios | |
|---|---|
| Table 1: | Estimated Construction Costs |
| Table 2: | Projected Net Revenue / Stabilized Net Operating Income |
| Table 3: | Financially Supportable Affordable Housing Impact Fee |

Financially Supportable Impact Fees

As discussed previously, the KMA analysis is calibrated to estimate the maximum Residential Affordable Housing Impact Fee that creates an approximately 30% reduction in land value. The results are presented in the following table:

| Financially Supportable Impact Fees | | | |
|-------------------------------------|-----------------------|---------------------|-------------------|
| | Single Family Project | Condominium Project | Apartment Project |
| Fee Per Square Foot of Livable Area | \$24.90 | \$16.00 | \$6.70 |
| Fee Per Market Rate Unit | \$54,600 | \$29,600 | \$6,000 |

Maximum Recommended Residential Affordable Housing Impact Fees

It is important to remember that the Residential Affordable Housing Impact Fee cannot exceed the amounts supported by the Nexus Study. Thus, KMA limited the recommended Residential Affordable Housing Impact Fees to the lesser of the amounts legally supported by the Nexus Study and the Financially Supportable Impact Fees. The maximum recommended Residential Affordable Housing Impact Fees are summarized as follows:

| Maximum Recommended Residential Affordable Housing Impact Fees Per Square Foot of Livable Area | | | |
|---|-----------------------|---------------------|-------------------|
| | Single Family Project | Condominium Project | Apartment Project |
| Maximum Legally Supportable Fee | \$18.60 | \$20.20 | \$28.70 |
| Maximum Financially Supportable Fee | \$24.90 | \$16.00 | \$6.70 |
| Maximum Recommended Residential Affordable Housing Impact Fee | \$18.60 | \$16.00 | \$6.70 |

| Maximum Recommended Residential Affordable Housing Impact Fees Per Unit | | | |
|---|-----------------------|---------------------|-------------------|
| | Single Family Project | Condominium Project | Apartment Project |
| Maximum Legally Supportable Fee | \$43,400 | \$36,400 | \$30,100 |
| Maximum Financially Supportable Fee | \$54,600 | \$29,600 | \$6,000 |
| Maximum Recommended Residential Affordable Housing Impact Fee | \$43,400 | \$29,600 | \$6,000 |

Proposed Residential Affordable Housing Impact Fees

It is important to remember that the Recommended Residential Affordable Housing Impact Fee amounts outlined in the preceding table assume the City's current public permits and fees are applied. However, the City is currently in the process of adjusting other public permits and fees amounts. As part of this process, the City considered the aggregate amount of all the new or adjusted public permits and fees. The resulting Residential Affordable Housing Impact Fees being proposed for adoption by the City are as follows:

| Project Type | Residential Affordable Housing Impact Fee Per Unit |
|---------------------|--|
| Single Family Homes | \$7,000 |
| Condominiums | \$5,000 |
| Apartments | \$2,000 |

The Residential Affordable Housing Impact Fees being proposed by the City are lower than both the Maximum Legally Supportable Fees and the Maximum Financially Supportable Fees. As such, the proposed Residential Affordable Housing Impact Fees comply with the requirements imposed by the Mitigation Act.

C. Potential Indices for Annual Updates to Residential Affordable Housing Impact Fees

Administrative objectives that should be taken into consideration in selecting an appropriate index for updating the Residential Affordable Housing Impact Fees are as follows:

1. The update methodology should be simple and easily administered;
2. The terms of the update should be clear and objective, not subject to interpretation; and
3. The update should be tied to a readily accessible and neutral third-party published source.

The following table summarized common indices that could be used to adjust the Residential Affordable Housing Impact Fee amounts each year:

| Index | Concept / Description | Advantages | Disadvantages |
|-------------------------------|--|---|---|
| Construction Cost Index (CCI) | Fees go up or down based on changes in building construction costs Published by Engineering News Record (ENR) Available as a national average for 20 cities, including Los Angeles | Very well established Consistent fee burden is imposed relative to changes in construction costs | May not trend with changes in development cost components such as land and soft costs May not trend with the cost associated with producing affordable units |
| Building Cost Index (BCI) | Also published by ENR and similar to the Construction Cost Index, but with weighting towards structural costs | Very well established Consistent fee burden is imposed relative to changes in construction costs | The CCI is likely the more appropriate of the two ENR indices since it is more closely tracks labor costs |
| Consumer Price Index (CPI) | Published by the US Bureau of Labor Statistics. Available for major metropolitan areas | Very well established Tracks with inflation generally Produced by a neutral government agency | May not trend with construction costs, or the cost to produce affordable housing units |

Based on the identified advantages and disadvantages of the three common indices, KMA recommends that the CCI be used to adjust the Residential Affordable Housing Impact Fee each year.

VII. ADDENDUM: ADDITIONAL BACKGROUND ON SPECIFIC ASSUMPTIONS

This Addendum provides a discussion of various specific factors and assumptions related to the nexus concept. This discussion supplements the overview provided in previous sections of the Report.

A. Addressing the Housing Needs of a New Population versus the Existing Population

An assumption of this Residential Nexus Study is that there is currently no excess supply of affordable housing available to absorb or offset new demand. Therefore, new affordable units are needed to mitigate the new affordable housing demand generated by development of new market rate residential units.

The City, in its Housing Element, has clearly documented that the housing needs of existing lower income households are not currently being met. The Housing Element states that approximately 38% of all the households in Placentia are defined as lower income households. The existing housing shortage, especially at the lowest income levels, is manifested in numerous ways such as residents paying far more than the affordable rent set forth in federal and state guidelines, overcrowding, and other factors that are extensively documented by the Census and other reports.

Local analyses of housing conditions indicate that new housing affordable to lower income households is not being added to the supply in sufficient quantity to meet the needs of new employee households. If significant numbers of units were being added to the supply to accommodate the Extremely Low to Moderate Income groups, or if residential units in Placentia were experiencing higher than typical long-term vacancy levels, particularly in affordable units, then the need for new units would be questionable.

B. Economic Cycles

In the context of economic downturns such as the recent severe recession, the question is sometimes raised as to whether there is excess capacity in the labor force that will be absorbed by existing jobs and workers, thus resulting in fewer net new jobs. In response, it is important to understand that a nexus analysis of this nature is intended to support the imposition of a one-time fee that addresses the impacts generated over the 40+ year life of a project. Short-term conditions, such as a recession or a vigorous boom period, are not appropriate bases for estimating impacts over the life of a building. These cycles can produce impacts that are higher or lower on a temporary basis.

Development of new residential units tends to be minimal during a recession, and generally remains minimal until conditions improve or there is confidence that improved conditions are imminent. When this occurs, the improved economic condition of the households in the local area will absorb the current underutilized capacity of existing workers, employed and unemployed. By the time the new units become occupied, economic conditions will have likely improved.

C. The Burden of Paying for Affordable Housing

The City's Residential Affordable Housing Impact Fee program will not place all of the burden for the creation of affordable housing on new residential construction.

The burden of affordable housing is borne by many sectors of the economy and society. A significant source of affordable housing funding is provided by the federal government in the form of Tax Credits and Tax-Exempt Multifamily Bonds. Additionally, there are other federal grant and loan programs administered by HUD and state programs, which are administered by HCD. Much of the state funding is provided by voter approved bond measures paid for by all Californians.

Local governments play a large role in affordable housing. In addition, private sector lenders play an important role, some voluntarily and others less so with the requirements of the Community Reinvestment Act. Then there is the non-profit sector, both sponsors and developers that build much of the affordable housing.

In summary, all levels of government and many private parties, for profit and non-profit, contribute to supplying affordable housing. Residential developers are not being asked to bear the burden alone, any more than they are assumed to be the only source of demand or cause for needing affordable housing in our communities. Based on past experience, the Residential Affordable Housing Impact Fee program will fund only a small percentage of the affordable housing needed in Placentia.

APPENDIX A
HOUSEHOLD INCOME TABLES
RESIDENTIAL NEXUS ANALYSIS
PLACENTIA, CALIFORNIA

**APPENDIX A - TABLE 1
 PROTOTYPE 1: SINGLE FAMILY
 SALES PRICE TO INCOME RATIO
 RESIDENTIAL NEXUS ANALYSIS
 PLACENTIA, CALIFORNIA**

**Prototype 1
 Single Family**

| | | | |
|---|-------------------|-----------------------|--------------------|
| Sales Price | \$311 /SF | 2,350 SF ¹ | \$730,000 |
| <u>Mortgage Payment</u> | | | |
| Down Payment | | 20% ² | \$146,000 |
| Loan Amount | | | \$584,000 |
| Interest Rate | | | 4.80% ³ |
| Term of Mortgage (Years) | | | <u>30</u> |
| Annual Mortgage Payment | | | \$36,800 |
| <u>Other Costs</u> | | | |
| Property Taxes | 1.09% Sales Price | ⁴ | \$8,000 |
| HOA Fees / Maintenance | \$100 Per Month | ⁵ | 1,200 |
| Homeowner Insurance | 0.20% Sales Price | ⁶ | <u>1,500</u> |
| Total Annual Housing Cost | | | \$47,500 |
| % of Income Spent on Hsg | | | 35% ⁷ |
| Annual Household Income Required | | | \$136,000 |
| Sales Price to Income Ratio | | | 5.4 |

Notes

- ¹ Based on KMA market survey.
- ² Based on the Single Family Loan-Level Dataset published by Freddie Mac for loans issued in the 2nd Quarter of 2016.
- ³ Average mortgage interest rate for prior 10 years derived from Freddie Mac Primary Mortgage Market Survey, West Region. Based on weekly average rates for 30-year fixed rate mortgages during the period from 1/2006 through 12/2015.
- ⁴ Property tax rate is inclusive of ad valorem taxes and applicable voter approved rates, fixed charges, and assessments for the jurisdiction indicated. Source: Orange County Treasurer-Tax Collector.
- ⁵ Based on data provided by redfin.com.
- ⁶ Estimated from quotes obtained from Geico Insurance.
- ⁷ Ratio is consistent with Fannie Mae mortgage underwriting eligibility which establishes a debt to income threshold of 36%, above which tighter credit standards apply. A debt to income ration of up to 45% is permitted for borrowers meeting specified credit criteria. Ratio is also consistent with the California Health and Safety Code standard for relating income to housing costs for ownership units. Freddie Mac data on new purchase loans originated in zip codes corresponding to Placentia for the 2nd Quarter of 2016 indicates an average debt to income ratio of 39%. However, most households have other forms of debt such as credit cards, student loans, and auto loans that are included as part of this ratio. Thus, a ratio solely considering housing costs would be lower.

**APPENDIX A - TABLE 2
 PROTOTYPE 2: CONDOMINIUM
 SALES PRICE TO INCOME RATIO
 RESIDENTIAL NEXUS ANALYSIS
 PLACENTIA, CALIFORNIA**

| | | | <u>Prototype 2 Condominium</u> |
|---|-------------------|-----------------------|------------------------------------|
| Sales Price | \$333 /SF | 1,800 SF ¹ | \$600,000 |
| <u>Mortgage Payment</u> | | | |
| Down Payment | | 20% ² | \$120,000 |
| Loan Amount | | | \$480,000 |
| Interest Rate | | | 4.80% ³ |
| Term of Mortgage (Years) | | | <u>30</u> |
| Annual Mortgage Payment | | | \$30,200 |
| <u>Other Costs</u> | | | |
| Property Taxes | 1.09% Sales Price | ⁴ | \$6,540 |
| HOA Fees / Maintenance | \$200 Per Month | ⁵ | 2,400 |
| Homeowner Insurance | 0.10% Sales Price | ⁶ | <u>600</u> |
| Total Annual Housing Cost | | | \$39,740 |
| % of Income Spent on Hsg | | | 35% ⁷ |
| Annual Household Income Required | | | \$114,000 |
| Sales Price to Income Ratio | | | 5.3 |

- Notes
- ¹ Based on KMA market survey.
 - ² Based on the Single Family Loan-Level Dataset published by Freddie Mac for loans issued in the 2nd Quarter of 2016.
 - ³ Average mortgage interest rate for prior 10 years derived from Freddie Mac Primary Mortgage Market Survey, West Region. Based on weekly average rates for 30-year fixed rate mortgages during the period from 1/2006 through 12/2015.
 - ⁴ Property tax rate is inclusive of ad valorem taxes and applicable voter approved rates, fixed charges, and assessments for the jurisdiction indicated. Source: Orange County Treasurer-Tax Collector.
 - ⁵ Based on data provided by redfin.com
 - ⁶ Estimated from quotes obtained from Geico Insurance.
 - ⁷ Ratio is consistent with Fannie Mae mortgage underwriting eligibility which establishes a debt to income threshold of 36%, above which tighter credit standards apply. A debt to income ration of up to 45% is permitted for borrowers meeting specified credit criteria. Ratio is also consistent with the California Health and Safety Code standard for relating income to housing costs for ownership units. Freddie Mac data on new purchase loans originated in zip codes corresponding to Placentia for the 2nd Quarter of 2016 indicates an average debt to income ratio of 39%. However, most households have other forms of debt such as credit cards, student loans, and auto loans that are included as part of this ratio. Thus, a ratio solely considering housing costs would be lower.

**APPENDIX A - TABLE 3
 PROTOTYPE 3: APARTMENT
 SALES PRICE TO INCOME RATIO
 RESIDENTIAL NEXUS ANALYSIS
 PLACENTIA, CALIFORNIA**

| | | | Prototype 3 Apartment |
|---|------------|-----------------------|----------------------------------|
| Market Rent | | | |
| Monthly | \$2.38 /SF | 1,050 SF ¹ | \$2,500 |
| Utilities | | | \$61 ² |
| Monthly Housing Cost | | | \$2,561 |
| Annual Housing Cost | | | \$30,732 |
| % of Income Spent on Rent | | | 30% ³ |
| Annual Household Income Required | | | \$102,000 |
| Sales Rent to Income Ratio | | | 3.3 |

Notes

- ¹ Based on KMA market survey.
- ² Based on utility allowances published on 10/1/2016 by the Orange County Housing Authority.
- ³ Renter households are assumed to spend 30% of their income on rent. While landlords may permit rental payments to represent a slightly higher share of total income, 30% represents an average and is reflective of standards in health and safety code.

APPENDIX A - TABLE 4

PERCENT OF INCOME AVAILABLE FOR EXPENDITURES¹
 RESIDENTIAL NEXUS ANALYSIS
 PLACENTIA, CALIFORNIA

| | Prototype 1: Single Family | Prototype 2: Condominium | Prototype 3: Apartment |
|---|-------------------------------|-----------------------------|---------------------------|
| Gross Household Income | \$136,000 | \$114,000 | \$102,000 |
| Gross Income | 100% | 100% | 100% |
| <u>Less:</u> | | | |
| Federal Income Taxes ² | 12.2% | 12.2% | 14.0% |
| State Income Taxes ³ | 4.00% | 4.00% | 4.00% |
| FICA Tax Rate ⁴ | 7.65% | 7.65% | 7.65% |
| Savings & other deductions ⁵ | 8% | 8% | 8% |
| Percent of Income Available for Expenditures⁶ [Input to IMPLAN model] | 68% | 68% | 66% |

- Notes:**
- Gross income after deduction of taxes and savings. Income available for expenditures is the input to the IMPLAN model which is used to estimate the resulting employment impacts. Housing costs are not deducted as part of this adjustment step because they are addressed separately as expenditures within the IMPLAN model.
 - Reflects average tax rates (as opposed to marginal) based on U.S. Internal Revenue Services, Tax Statistics, Tables 1.1 and 2.1 for 2014. Homeowners are assumed to itemize deductions. Tax rates reflect averages for applicable income range.
 - Average tax rate estimated by KMA based on marginal rates per the California Franchise Tax Board and ratios of taxable income to gross income estimated based on U.S. Internal Revenue Service data.
 - For Social Security and Medicare. Conservatively assumes all income will be subject to Social Security taxes. The current ceiling on applicability of Social Security taxes is \$127,200 (ceiling applies per earner not per household).
 - Household savings including retirement accounts like 401k / IRA and other deductions such as interest costs on credit cards, auto loans, etc, necessary to determine the amount of income available for expenditures. The 8% rate used in the analysis for households earning less than \$225,000 is based on the average over the past 20 years computed from U.S. Bureau of Economic Analysis data, specifically the National Income and Product Accounts, Table 2.1 "Personal Income and Its Disposition."
 - Deductions from gross income to arrive at the income available for expenditures are consistent with the way the IMPLAN model and National Income and Product Accounts (NIPA) defines income available for personal consumption expenditures. Income taxes, contributions to Social Security and Medicare, and savings are deducted; however, property taxes and sales taxes are not. Housing costs are not deducted as part of the adjustment because they are addressed separately as expenditures within the IMPLAN model.

**APPENDIX A - TABLE 5
FOR SALE PROTOTYPES: INCOME AVAILABLE FOR EXPENDITURE
RESIDENTIAL NEXUS ANALYSIS
PLACENTIA, CALIFORNIA**

| | | Per Unit | Per Sq.Ft. | 100 Unit Building Module |
|---|--------------|-----------------|-------------------|-------------------------------------|
| PROTOTYPE 1: SINGLE FAMILY | | | | |
| Units | | | | 100 Units |
| Building Sq.Ft. (excludes garage) | | 2,350 | | 235,000 |
| Sales Price | | \$730,000 | \$311 | \$73,000,000 |
| Sales Price to Income Ratio | | 5.4 | | 5.4 |
| Gross Household Income | | \$136,000 | | \$13,600,000 |
| Income Available for Expenditure ¹ | 68% of gross | \$92,000 | | \$9,250,000 |
| PROTOTYPE 2: CONDOMINIUM | | | | |
| Units | | | | 100 Units |
| Building Sq.Ft. (excludes garage) | | 1,800 | | 180,000 |
| Sales Price | | \$600,000 | \$333 | \$60,000,000 |
| Sales Price to Income Ratio | | 5.3 | | 5.3 |
| Gross Household Income | | \$114,000 | | \$11,400,000 |
| Income Available for Expenditure ¹ | 68% of gross | \$78,000 | | \$7,750,000 |

Notes:

¹ Represents net income available for expenditures after income tax, payroll taxes, and savings. See APPENDIX A - TABLE 4 for derivation.

Source: See Appendix A - Tables 1 through 4.

APPENDIX A - TABLE 6
RENTAL PROTOTYPE: INCOME AVAILABLE FOR EXPENDITURE
RESIDENTIAL NEXUS ANALYSIS
PLACENTIA, CALIFORNIA

| | | <u>Per Unit</u> | <u>Per Sq.Ft.</u> | <u>100 Unit Building Module</u> |
|--|--------------|-----------------|-------------------|-------------------------------------|
| PROTOTYPE 3: APARTMENT | | | | |
| Units | | | | 100 Units |
| Building Sq.Ft. (gross) | | 1,050 | | 105,000 |
| Rent | | | | |
| Monthly | | \$2,500 | \$2.38 /SF | \$250,000 |
| Monthly with Utilities | | \$2,561 | | \$256,000 |
| Annual with Utilities | | \$30,732 | | \$3,073,000 |
| Rent to Income Ratio | | 3.3 | | 3.3 |
| Gross Household Income | | \$102,000 | | \$10,200,000 |
| Income Available for Expenditure ¹ | 66% of gross | \$67,000 | | \$6,730,000 |
| Expenditures adjusted for vacancy ² | 5% vacancy | \$64,000 | | \$6,400,000 |

Notes:

- ¹ Represents net income available for expenditures after income tax, payroll taxes, and savings. See APPENDIX A - TABLE 4 for derivation
- ² Allowance to account for standard operational vacancy.

Source: See Appendix A - Tables 1 through 4.

APPENDIX B

RESIDENTIAL NEXUS ANALYSIS TABLES

RESIDENTIAL NEXUS ANALYSIS

PLACENTIA, CALIFORNIA

APPENDIX B - TABLE 1
IMPLAN MODEL OUTPUT
EMPLOYMENT GENERATED
RESIDENTIAL NEXUS ANALYSIS
PLACENTIA, CALIFORNIA

Per 100 Market Rate Units

| | Prototype 1: Single Family | Prototype 2: Condominium | Prototype 3: Apartment |
|---|---------------------------------------|-------------------------------------|-----------------------------------|
| Household Expenditures (100 Market Rate Units) ¹ | \$9,250,000 | \$7,750,000 | \$6,400,000 |
| Jobs Generated by Industry ² | | | |
| Retail - Motor vehicle and parts dealers | 0.9 | 0.8 | 0.6 |
| Retail - Building material and garden equipment and supplies stores | 0.8 | 0.7 | 0.6 |
| Retail - Food and beverage stores | 2.2 | 1.8 | 1.5 |
| Retail - Health and personal care stores | 0.8 | 0.7 | 0.6 |
| Retail - Clothing and clothing accessories stores | 1.1 | 0.9 | 0.8 |
| Retail - General merchandise stores | 2.3 | 2.0 | 1.6 |
| Retail - Miscellaneous store retailers | 1.1 | 0.9 | 0.7 |
| Retail - Nonstore retailers | <u>1.3</u> | <u>1.1</u> | <u>0.9</u> |
| Subtotal Retail | 10.5 | 8.8 | 7.3 |
| Full-service restaurants | 4.4 | 3.7 | 3.0 |
| Limited-service restaurants | 3.8 | 3.2 | 2.6 |
| All other food and drinking places | <u>2.1</u> | <u>1.8</u> | <u>1.5</u> |
| Subtotal Food Services | 10.2 | 8.6 | 7.1 |
| Offices of dentists | 1.0 | 0.8 | 0.7 |
| Offices of physicians | 2.7 | 2.3 | 1.9 |
| Offices of other health practitioners | 1.1 | 1.0 | 0.8 |
| Home health care services | 1.0 | 0.8 | 0.7 |
| Hospitals | 2.8 | 2.3 | 1.9 |
| Nursing and community care facilities | <u>1.2</u> | <u>1.0</u> | <u>0.9</u> |
| Subtotal Healthcare | 9.8 | 8.2 | 6.8 |
| Wholesale trade | 1.9 | 1.6 | 1.3 |
| Other educational services | 1.1 | 0.9 | 0.8 |
| Automotive repair and maintenance, except car washes | 1.2 | 1.0 | 0.8 |
| Personal care services | 1.6 | 1.3 | 1.1 |
| Other personal services | 1.2 | 1.0 | 0.8 |
| Religious organizations | 1.6 | 1.3 | 1.1 |
| Private households | 0.9 | 0.7 | 0.6 |
| Monetary authorities and depository credit intermediation | 0.9 | 0.8 | 0.6 |
| Nondepository credit intermediation and related activities | 0.8 | 0.6 | 0.5 |
| Other financial investment activities | 2.2 | 1.9 | 1.5 |
| Insurance carriers | 0.8 | 0.6 | 0.5 |
| Insurance agencies, brokerages, and related activities | 1.1 | 0.9 | 0.8 |
| Funds, trusts, and other financial vehicles | 0.8 | 0.7 | 0.6 |
| Real estate | 2.4 | 2.0 | 1.7 |
| Employment services | 1.2 | 1.0 | 0.8 |
| Services to buildings | 1.1 | 0.9 | 0.8 |
| Individual and family services | 2.5 | 2.1 | 1.7 |
| All Other | 20.1 | 16.9 | 13.9 |
| Total Number of Jobs Generated | 73.9 | 61.9 | 51.1 |

¹ Estimated employment generated by expenditures of households within 100 prototypical market rate units. Employment estimates are based on the IMPLAN Group's economic model, IMPLAN, for Orange County. Includes both full- and part-time jobs.

² For Industries representing more than 1% of total employment.

APPENDIX B - TABLE 2
NET NEW HOUSEHOLDS AND OCCUPATION DISTRIBUTION
EMPLOYEE HOUSEHOLDS GENERATED
RESIDENTIAL NEXUS ANALYSIS
PLACENTIA, CALIFORNIA

| | Prototype 1: Single Family | Prototype 2: Condominium | Prototype 3: Apartment |
|--|---------------------------------------|-------------------------------------|-----------------------------------|
| Step 1 - Employees ¹ | 73.9 | 61.9 | 51.1 |
| Step 2 - Adjustment for Changing Industries (15%) | 62.8 | 52.6 | 43.4 |
| Step 2 - Adjustment for Number of Households (1.82) ² | 34.4 | 28.8 | 23.8 |
| Step 3 - Occupation Distribution ³ | | | |
| Management Occupations | 4.6% | 4.6% | 4.6% |
| Business and Financial Operations | 5.8% | 5.8% | 5.8% |
| Computer and Mathematical | 1.9% | 1.9% | 1.9% |
| Architecture and Engineering | 0.4% | 0.4% | 0.4% |
| Life, Physical, and Social Science | 0.3% | 0.3% | 0.3% |
| Community and Social Services | 2.1% | 2.1% | 2.1% |
| Legal | 0.7% | 0.7% | 0.7% |
| Education, Training, and Library | 2.6% | 2.6% | 2.6% |
| Arts, Design, Entertainment, Sports, and Media | 1.6% | 1.6% | 1.6% |
| Healthcare Practitioners and Technical | 7.5% | 7.5% | 7.5% |
| Healthcare Support | 4.2% | 4.2% | 4.2% |
| Protective Service | 1.1% | 1.1% | 1.1% |
| Food Preparation and Serving Related | 14.3% | 14.3% | 14.3% |
| Building and Grounds Cleaning and Maint. | 4.5% | 4.5% | 4.5% |
| Personal Care and Service | 6.4% | 6.4% | 6.4% |
| Sales and Related | 13.3% | 13.3% | 13.3% |
| Office and Administrative Support | 17.3% | 17.3% | 17.3% |
| Farming, Fishing, and Forestry | 0.1% | 0.1% | 0.1% |
| Construction and Extraction | 1.0% | 1.0% | 1.0% |
| Installation, Maintenance, and Repair | 3.5% | 3.5% | 3.5% |
| Production | 1.7% | 1.7% | 1.7% |
| Transportation and Material Moving | <u>5.2%</u> | <u>5.2%</u> | <u>5.2%</u> |
| Totals | 100.0% | 100.0% | 100.0% |
| Management Occupations | 1.6 | 1.3 | 1.1 |
| Business and Financial Operations | 2.0 | 1.7 | 1.4 |
| Computer and Mathematical | 0.7 | 0.6 | 0.5 |
| Architecture and Engineering | 0.1 | 0.1 | 0.1 |
| Life, Physical, and Social Science | 0.1 | 0.1 | 0.1 |
| Community and Social Services | 0.7 | 0.6 | 0.5 |
| Legal | 0.2 | 0.2 | 0.2 |
| Education, Training, and Library | 0.9 | 0.8 | 0.6 |
| Arts, Design, Entertainment, Sports, and Media | 0.6 | 0.5 | 0.4 |
| Healthcare Practitioners and Technical | 2.6 | 2.2 | 1.8 |
| Healthcare Support | 1.4 | 1.2 | 1.0 |
| Protective Service | 0.4 | 0.3 | 0.3 |
| Food Preparation and Serving Related | 4.9 | 4.1 | 3.4 |
| Building and Grounds Cleaning and Maint. | 1.5 | 1.3 | 1.1 |
| Personal Care and Service | 2.2 | 1.8 | 1.5 |
| Sales and Related | 4.6 | 3.8 | 3.2 |
| Office and Administrative Support | 6.0 | 5.0 | 4.1 |
| Farming, Fishing, and Forestry | 0.0 | 0.0 | 0.0 |
| Construction and Extraction | 0.4 | 0.3 | 0.2 |
| Installation, Maintenance, and Repair | 1.2 | 1.0 | 0.8 |
| Production | 0.6 | 0.5 | 0.4 |
| Transportation and Material Moving | <u>1.8</u> | <u>1.5</u> | <u>1.2</u> |
| Totals | 34.4 | 28.8 | 23.8 |

Notes:

- ¹ Estimated employment generated by expenditures of households within 100 prototypical market rate units. Employment estimates based on economic model, IMPLAN.
- ² Adjustment from number of workers to households using average of 1.82 workers per worker household derived from the U.S. Census American Community Survey 2011 to 2013.
- ³ See Appendix C for additional information on Major Occupation Categories.

APPENDIX B - TABLE 3
EXTREMELY LOW INCOME EMPLOYEE HOUSEHOLDS¹ GENERATED
RESIDENTIAL NEXUS ANALYSIS
PLACENTIA, CALIFORNIA

Per 100 Market Rate Units

| | Prototype 1: Single Family | Prototype 2: Condominium | Prototype 3: Apartment |
|---|---------------------------------------|-------------------------------------|-----------------------------------|
| Step 5 & 6 - Extremely Low Income Households (under 30% AMI) within Major Occupation Categories ² | | | |
| Management | 0.00 | 0.00 | 0.00 |
| Business and Financial Operations | - | - | - |
| Computer and Mathematical | - | - | - |
| Architecture and Engineering | - | - | - |
| Life, Physical and Social Science | - | - | - |
| Community and Social Services | 0.03 | 0.03 | 0.02 |
| Legal | - | - | - |
| Education Training and Library | 0.08 | 0.07 | 0.06 |
| Arts, Design, Entertainment, Sports, & Media | - | - | - |
| Healthcare Practitioners and Technical | 0.01 | 0.01 | 0.01 |
| Healthcare Support | 0.18 | 0.15 | 0.13 |
| Protective Service | - | - | - |
| Food Preparation and Serving Related | 1.34 | 1.12 | 0.93 |
| Building Grounds and Maintenance | 0.33 | 0.28 | 0.23 |
| Personal Care and Service | 0.54 | 0.46 | 0.38 |
| Sales and Related | 0.94 | 0.79 | 0.65 |
| Office and Admin | 0.47 | 0.39 | 0.32 |
| Farm, Fishing, and Forestry | - | - | - |
| Construction and Extraction | - | - | - |
| Installation Maintenance and Repair | 0.04 | 0.03 | 0.02 |
| Production | - | - | - |
| Transportation and Material Moving | 0.33 | 0.28 | 0.23 |
| EL Income Households - Major Occupations | 4.30 | 3.61 | 2.98 |
| EL Households¹ - all other occupations | 0.52 | 0.44 | 0.36 |
| Total EL Households¹ | 4.83 | 4.04 | 3.34 |

¹ Includes households earning from zero through 30% of Orange County Area Median Income.

² See Appendix C Table 1 for additional information on Major Occupation Categories. Note that the model places individual employees into households. Many households have multiple income sources and therefore household income is higher than the wages shown in Appendix C Table 2. The distribution of the number of workers per worker household and the distribution of household size are based on American Community Survey data.

APPENDIX B - TABLE 4
VERY-LOW INCOME EMPLOYEE HOUSEHOLDS¹ GENERATED
RESIDENTIAL NEXUS ANALYSIS
PLACENTIA, CALIFORNIA

Per 100 Market Rate Units

| | Prototype 1: Single Family | Prototype 2: Condominium | Prototype 3: Apartment |
|---|---------------------------------------|-------------------------------------|-----------------------------------|
| Step 5 & 6 - Very-Low Income Households (greater than 30% but not exceeding 50% AMI) within Major Occupation Categories ² | | | |
| Management | 0.02 | 0.01 | 0.01 |
| Business and Financial Operations | 0.06 | 0.05 | 0.04 |
| Computer and Mathematical | - | - | - |
| Architecture and Engineering | - | - | - |
| Life, Physical and Social Science | - | - | - |
| Community and Social Services | 0.15 | 0.12 | 0.10 |
| Legal | - | - | - |
| Education Training and Library | 0.22 | 0.18 | 0.15 |
| Arts, Design, Entertainment, Sports, & Media | - | - | - |
| Healthcare Practitioners and Technical | 0.07 | 0.06 | 0.05 |
| Healthcare Support | 0.49 | 0.41 | 0.34 |
| Protective Service | - | - | - |
| Food Preparation and Serving Related | 1.60 | 1.34 | 1.10 |
| Building Grounds and Maintenance | 0.54 | 0.45 | 0.37 |
| Personal Care and Service | 0.73 | 0.61 | 0.51 |
| Sales and Related | 1.38 | 1.16 | 0.95 |
| Office and Admin | 1.64 | 1.37 | 1.13 |
| Farm, Fishing, and Forestry | - | - | - |
| Construction and Extraction | - | - | - |
| Installation Maintenance and Repair | 0.22 | 0.18 | 0.15 |
| Production | - | - | - |
| Transportation and Material Moving | 0.58 | 0.48 | 0.40 |
| Very Low Income Households - Major Occupations | 7.68 | 6.43 | 5.31 |
| VL Households ¹ - all other occupations | 0.93 | 0.78 | 0.64 |
| Total VL Households¹ | 8.61 | 7.21 | 5.96 |

¹ Includes households earning from 30% through 50% of Orange County Area Median Income.

² See Appendix C Table 1 for additional information on Major Occupation Categories. Note that the model places individual employees into households. Many households have multiple income sources and therefore household income is higher than the wages shown in Appendix C Tables 2. The distribution of the number of workers per worker household and the distribution of household size are based on American Community Survey data.

APPENDIX B - TABLE 5
LOW INCOME EMPLOYEE HOUSEHOLDS¹ GENERATED
RESIDENTIAL NEXUS ANALYSIS
PLACENTIA, CALIFORNIA

Per 100 Market Rate Units

| | Prototype 1: Single Family | Prototype 2: Condominium | Prototype 3: Apartment |
|--|---------------------------------------|-------------------------------------|-----------------------------------|
| Step 5 & 6 - Low Income Households (greater than 50% but not exceeding 80% AMI) within Major Occupation Categories ² | | | |
| Management | 0.12 | 0.10 | 0.08 |
| Business and Financial Operations | 0.34 | 0.28 | 0.24 |
| Computer and Mathematical | - | - | - |
| Architecture and Engineering | - | - | - |
| Life, Physical and Social Science | - | - | - |
| Community and Social Services | 0.21 | 0.18 | 0.14 |
| Legal | - | - | - |
| Education Training and Library | 0.27 | 0.23 | 0.19 |
| Arts, Design, Entertainment, Sports, & Media | - | - | - |
| Healthcare Practitioners and Technical | 0.31 | 0.26 | 0.21 |
| Healthcare Support | 0.50 | 0.42 | 0.34 |
| Protective Service | - | - | - |
| Food Preparation and Serving Related | 1.57 | 1.32 | 1.09 |
| Building Grounds and Maintenance | 0.51 | 0.43 | 0.35 |
| Personal Care and Service | 0.72 | 0.60 | 0.50 |
| Sales and Related | 1.34 | 1.12 | 0.93 |
| Office and Admin | 1.98 | 1.66 | 1.37 |
| Farm, Fishing, and Forestry | - | - | - |
| Construction and Extraction | - | - | - |
| Installation Maintenance and Repair | 0.37 | 0.31 | 0.26 |
| Production | - | - | - |
| Transportation and Material Moving | 0.59 | 0.50 | 0.41 |
| Low Income Households - Major Occupations | 8.83 | 7.40 | 6.11 |
| Low Households¹ - all other occupations | 1.07 | 0.90 | 0.74 |
| Total Low Households¹ | 9.90 | 8.30 | 6.85 |

¹ Includes households earning from 50% through 80% of Orange County Area Median Income.

² See Appendix C Table 1 for additional information on Major Occupation Categories. Note that the model places individual employees into households. Many households have multiple income sources and therefore household income is higher than the wages shown in Appendix C Table 2. The distribution of the number of workers per worker household and the distribution of household size are based on American Community Survey data.

APPENDIX B - TABLE 6
MODERATE INCOME EMPLOYEE HOUSEHOLDS¹ GENERATED
RESIDENTIAL NEXUS ANALYSIS
PLACENTIA, CALIFORNIA

Per 100 Market Rate Units

| | Prototype 1: Single Family | Prototype 2: Condominium | Prototype 3: Apartment |
|--|---------------------------------------|-------------------------------------|-----------------------------------|
| Step 5 & 6 - Moderate Income Households (greater than 80% but not exceeding 120% AMI) within Major Occupation Categories ² | | | |
| Management | 0.13 | 0.11 | 0.09 |
| Business and Financial Operations | 0.26 | 0.22 | 0.18 |
| Computer and Mathematical | - | - | - |
| Architecture and Engineering | - | - | - |
| Life, Physical and Social Science | - | - | - |
| Community and Social Services | 0.11 | 0.09 | 0.08 |
| Legal | - | - | - |
| Education Training and Library | 0.12 | 0.10 | 0.08 |
| Arts, Design, Entertainment, Sports, & Media | - | - | - |
| Healthcare Practitioners and Technical | 0.33 | 0.27 | 0.23 |
| Healthcare Support | 0.15 | 0.13 | 0.11 |
| Protective Service | - | - | - |
| Food Preparation and Serving Related | 0.21 | 0.18 | 0.15 |
| Building Grounds and Maintenance | 0.10 | 0.09 | 0.07 |
| Personal Care and Service | 0.10 | 0.08 | 0.07 |
| Sales and Related | 0.34 | 0.29 | 0.24 |
| Office and Admin | 0.82 | 0.69 | 0.57 |
| Farm, Fishing, and Forestry | - | - | - |
| Construction and Extraction | - | - | - |
| Installation Maintenance and Repair | 0.19 | 0.16 | 0.13 |
| Production | - | - | - |
| Transportation and Material Moving | 0.15 | 0.12 | 0.10 |
| Low Income Households - Major Occupations | 3.01 | 2.53 | 2.09 |
| Low Households ¹ - all other occupations | 0.37 | 0.31 | 0.25 |
| Total Low Households¹ | 3.38 | 2.83 | 2.34 |

¹ Includes households earning from 80% through 120% of Orange County Area Median Income.

² See Appendix C Table 1 for additional information on Major Occupation Categories. Note that the model places individual employees into households. Many households have multiple income sources and therefore household income is higher than the wages shown in Appendix C Table 2. The distribution of the number of workers per worker household and the distribution of household size are based on American Community Survey data.

**APPENDIX B - TABLE 7
IMPACT ANALYSIS SUMMARY
EMPLOYEE HOUSEHOLDS GENERATED
RESIDENTIAL NEXUS ANALYSIS
PLACENTIA, CALIFORNIA**

**RESIDENTIAL UNIT DEMAND IMPACTS
PER 100 MARKET RATE UNITS**

| Number of New Households¹ | Prototype 1: Single Family | Prototype 2: Condominium | Prototype 3: Apartment |
|---|---------------------------------------|-------------------------------------|-----------------------------------|
| Under 30% Area Median Income | 4.8 | 4.0 | 3.3 |
| 30% to 50% Area Median Income | 8.6 | 7.2 | 6.0 |
| 50% to 80% Area Median Income | 9.9 | 8.3 | 6.9 |
| 80% to 120% Area Median Income | 3.4 | 2.8 | 2.3 |
| Subtotal through 80% of Median | 26.7 | 22.4 | 18.5 |
| Above 120% Area Median Income | 7.7 | 6.5 | 5.3 |
| Total Employee Households | 34.4 | 28.8 | 23.8 |

| Percent of New Households¹ | | | |
|--|-------------|-------------|-------------|
| Under 30% Area Median Income | 14% | 14% | 14% |
| 30% to 50% Area Median Income | 25% | 25% | 25% |
| 50% to 80% Area Median Income | 29% | 29% | 29% |
| 80% to 120% Area Median Income | 10% | 10% | 10% |
| Subtotal through 80% of Median | 78% | 78% | 78% |
| Above 120% Area Median Income | 22% | 22% | 22% |
| Total Employee Households | 100% | 100% | 100% |

Notes

¹ Households of healthcare, retail, and other workers that serve residents of new market rate units.

**APPENDIX B - TABLE 8
 IMPACT ANALYSIS SUMMARY PER UNIT
 EMPLOYEE HOUSEHOLDS GENERATED
 RESIDENTIAL NEXUS ANALYSIS
 PLACENTIA, CALIFORNIA**

RESIDENTIAL UNIT DEMAND IMPACTS

PER MARKET RATE UNIT

| Number of New Households¹ | Prototype 1: Single Family | Prototype 2: Condominium | Prototype 3: Apartment |
|---|---------------------------------------|-------------------------------------|-----------------------------------|
| Under 30% Area Median Income | 0.05 | 0.04 | 0.03 |
| 30% to 50% Area Median Income | 0.09 | 0.07 | 0.06 |
| 50% to 80% Area Median Income | 0.10 | 0.08 | 0.07 |
| 80% to 120% Area Median Income | 0.03 | 0.03 | 0.02 |
| Subtotal through 80% of Median | 0.27 | 0.22 | 0.18 |
| Over 120% Area Median Income | 0.08 | 0.06 | 0.05 |
| Total Employee Households | 0.34 | 0.29 | 0.24 |

Notes

¹ Households of retail, education, healthcare and other workers that serve residents of new market rate units.

APPENDIX B - TABLE 9
SUPPORTED FEE / NEXUS SUMMARY PER SQUARE FOOT
RESIDENTIAL NEXUS ANALYSIS
PLACENTIA, CALIFORNIA

TOTAL NEXUS COST PER SQUARE FOOT¹

| | Affordability Gap Per Unit | Nexus Cost Per Square Foot ² | | |
|------------------------------------|-------------------------------|---|-----------------------------|---------------------------|
| | | Prototype 1: Single Family | Prototype 2: Condominium | Prototype 3: Apartment |
| | Avg. Unit Size (SF) | 2,350 SF | 1,800 SF | 1,050 SF |
| Household Income Level | | | | |
| Under 30% Area Median Income | \$257,400 ² | \$5.30 | \$5.80 | \$8.20 |
| 30% to 50% Area Median Income | \$184,800 ² | \$6.80 | \$7.40 | \$10.50 |
| 50% to 80% Area Median Income | \$117,500 ³ | \$5.00 | \$5.40 | \$7.70 |
| 80% to 120% Area Median Income | \$103,800 ³ | \$1.50 | \$1.60 | \$2.30 |
| Total Supported Fee / Nexus | | \$18.60 | \$20.20 | \$28.70 |

TOTAL NEXUS COST PER MARKET RATE UNIT

| | Nexus Cost Per Market Rate Unit | | |
|------------------------------------|---------------------------------|-----------------------------|---------------------------|
| | Prototype 1: Single Family | Prototype 2: Condominium | Prototype 3: Apartment |
| Household Income Level | | | |
| Under 30% Area Median Income | \$12,400 | \$10,400 | \$8,600 |
| 30% to 50% Area Median Income | \$15,900 | \$13,300 | \$11,000 |
| 50% to 80% Area Median Income | \$11,600 | \$9,800 | \$8,100 |
| 80% to 120% Area Median Income | \$3,500 | \$2,900 | \$2,400 |
| Total Supported Fee / Nexus | \$43,400 | \$36,400 | \$30,100 |

Notes:

¹ Nexus cost per square foot computed by multiplying affordable unit demand from APPENDIX B - TABLE 8 by the affordability gap and then dividing by the average unit size.

² Assumes affordable rental units. Affordability gaps represent the remaining affordability gap after tax credit financing.

³ Assumes affordable rental units. Affordability gaps represent the unleveraged affordability gap.

APPENDIX C
OCCUPATION AND COMPENSATION TABLES
RESIDENTIAL NEXUS ANALYSIS
PLACENTIA, CALIFORNIA

**APPENDIX C - TABLE 1
 WORKER OCCUPATION DISTRIBUTION, 2016
 SERVICES TO HOUSEHOLDS EARNING \$100,000 TO \$150,000
 RESIDENTIAL NEXUS ANALYSIS
 PLACENTIA, CALIFORNIA**

| Major Occupations (2% or more) | Worker Occupation Distribution¹ Services to Households Earning \$100,000 to \$150,000 |
|---|---|
| Management Occupations | 4.5% |
| Business and Financial Operations Occupations | 5.7% |
| Community and Social Service Occupations | 2.0% |
| Education, Training, and Library Occupations | 2.6% |
| Healthcare Practitioners and Technical Occupations | 7.3% |
| Healthcare Support Occupations | 4.1% |
| Food Preparation and Serving Related Occupations | 13.9% |
| Building and Grounds Cleaning and Maintenance Occupations | 4.4% |
| Personal Care and Service Occupations | 6.2% |
| Sales and Related Occupations | 13.0% |
| Office and Administrative Support Occupations | 16.9% |
| Installation, Maintenance, and Repair Occupations | 3.4% |
| Transportation and Material Moving Occupations | 5.1% |
| All Other Worker Occupations - Services to Households Earning \$100,000 to \$150,000 | <u>10.8%</u> |
| INDUSTRY TOTAL | 100.0% |

¹ Distribution of employment by industry is per the IMPLAN model and the distribution of occupational employment within those industries is based on the Bureau of Labor Statistics Occupational Employment Survey.

APPENDIX C - TABLE 2
 AVERAGE ANNUAL WORKER COMPENSATION, 2016
 SERVICES TO HOUSEHOLDS EARNING \$100,000 TO \$150,000
 RESIDENTIAL NEXUS ANALYSIS
 PLACENTIA, CALIFORNIA

| Occupation ³ | 2016 Avg. Compensation ¹ | % of Total Occupation Group ² | % of Total No. of Service Workers |
|---|--|--|---|
| <i>Page 1 of 4</i> | | | |
| <i>Management Occupations</i> | | | |
| Chief Executives | \$236,100 | 3.1% | 0.1% |
| General and Operations Managers | \$149,300 | 35.3% | 1.6% |
| Sales Managers | \$135,500 | 4.8% | 0.2% |
| Administrative Services Managers | \$114,900 | 3.6% | 0.2% |
| Computer and Information Systems Managers | \$145,700 | 3.6% | 0.2% |
| Financial Managers | \$146,300 | 10.4% | 0.5% |
| Food Service Managers | \$57,600 | 4.7% | 0.2% |
| Medical and Health Services Managers | \$107,200 | 5.9% | 0.3% |
| Property, Real Estate, and Community Association Managers | \$76,800 | 7.0% | 0.3% |
| Managers, All Other | \$132,800 | 3.7% | 0.2% |
| All other Management Occupations (Avg. All Categories) | <u>\$134,500</u> | <u>18.0%</u> | <u>0.8%</u> |
| | Weighted Mean Annual Wage | \$134,500 | 100.0% |
| <i>Business and Financial Operations Occupations</i> | | | |
| Claims Adjusters, Examiners, and Investigators | \$77,400 | 4.8% | 0.3% |
| Human Resources Specialists | \$76,100 | 4.8% | 0.3% |
| Management Analysts | \$95,900 | 6.2% | 0.3% |
| Training and Development Specialists | \$69,300 | 3.1% | 0.2% |
| Market Research Analysts and Marketing Specialists | \$72,900 | 7.2% | 0.4% |
| Business Operations Specialists, All Other | \$82,700 | 8.1% | 0.5% |
| Accountants and Auditors | \$79,900 | 17.4% | 1.0% |
| Financial Analysts | \$98,100 | 8.6% | 0.5% |
| Personal Financial Advisors | \$126,700 | 11.9% | 0.7% |
| Loan Officers | \$81,400 | 5.1% | 0.3% |
| All Other Business and Financial Operations Occupations (Avg. All Categories) | <u>\$89,300</u> | <u>22.8%</u> | <u>1.3%</u> |
| | Weighted Mean Annual Wage | \$89,300 | 100.0% |

APPENDIX C - TABLE 2

AVERAGE ANNUAL WORKER COMPENSATION, 2016

SERVICES TO HOUSEHOLDS EARNING \$100,000 TO \$150,000

RESIDENTIAL NEXUS ANALYSIS

PLACENTIA, CALIFORNIA

| Occupation ³ | 2016 Avg. Compensation ¹ | % of Total Occupation Group ² | % of Total No. of Service Workers |
|--|-------------------------------------|--|-----------------------------------|
| <i>Community and Social Service Occupations</i> | | | |
| Substance Abuse and Behavioral Disorder Counselors | \$37,900 | 4.0% | 0.1% |
| Educational, Guidance, School, and Vocational Counselors | \$60,300 | 4.2% | 0.1% |
| Mental Health Counselors | \$46,900 | 7.5% | 0.2% |
| Rehabilitation Counselors | \$33,800 | 4.5% | 0.1% |
| Child, Family, and School Social Workers | \$57,400 | 10.7% | 0.2% |
| Healthcare Social Workers | \$78,200 | 6.7% | 0.1% |
| Mental Health and Substance Abuse Social Workers | \$70,200 | 5.2% | 0.1% |
| Social and Human Service Assistants | \$37,300 | 17.7% | 0.4% |
| Community and Social Service Specialists, All Other | \$57,800 | 3.5% | 0.1% |
| Clergy | \$63,500 | 13.9% | 0.3% |
| Directors, Religious Activities and Education | \$46,500 | 8.5% | 0.2% |
| Religious Workers, All Other | \$55,000 | 3.1% | 0.1% |
| All Other Community and Social Service Occupations (Avg. All Categories) | <u>\$52,800</u> | <u>10.3%</u> | <u>0.2%</u> |
| | Weighted Mean Annual Wage | \$52,800 | 100.0% |
| <i>Education, Training, and Library Occupations</i> | | | |
| Vocational Education Teachers, Postsecondary | \$62,800 | 4.3% | 0.1% |
| Preschool Teachers, Except Special Education | \$34,100 | 15.5% | 0.4% |
| Elementary School Teachers, Except Special Education | \$79,100 | 6.6% | 0.2% |
| Secondary School Teachers, Except Special and Career/Technical Education | \$85,500 | 4.1% | 0.1% |
| Self-Enrichment Education Teachers | \$45,500 | 15.4% | 0.4% |
| Teachers and Instructors, All Other, Except Substitute Teachers | \$34,700 | 8.8% | 0.2% |
| Substitute Teachers | \$38,000 | 3.8% | 0.1% |
| Teacher Assistants | \$37,100 | 14.5% | 0.4% |
| All Other Education, Training, and Library Occupations (Avg. All Categories) | <u>\$46,000</u> | <u>26.9%</u> | <u>0.7%</u> |
| | Weighted Mean Annual Wage | \$46,000 | 100.0% |
| <i>Healthcare Practitioners and Technical Occupations</i> | | | |
| Pharmacists | \$137,000 | 3.7% | 0.3% |
| Physicians and Surgeons, All Other | \$209,500 | 4.5% | 0.3% |
| Physical Therapists | \$99,000 | 3.4% | 0.3% |
| Registered Nurses | \$89,900 | 27.6% | 2.0% |
| Dental Hygienists | \$95,400 | 4.0% | 0.3% |
| Pharmacy Technicians | \$36,500 | 5.2% | 0.4% |
| Licensed Practical and Licensed Vocational Nurses | \$53,100 | 7.5% | 0.6% |
| All Other Healthcare Practitioners and Technical Occupations (Avg. All Categories) | <u>\$93,600</u> | <u>44.1%</u> | <u>3.2%</u> |
| | Weighted Mean Annual Wage | \$93,600 | 100.0% |

APPENDIX C - TABLE 2

AVERAGE ANNUAL WORKER COMPENSATION, 2016

SERVICES TO HOUSEHOLDS EARNING \$100,000 TO \$150,000

RESIDENTIAL NEXUS ANALYSIS

PLACENTIA, CALIFORNIA

| Occupation ³ | 2016 Avg. Compensation ¹ | % of Total Occupation Group ² | % of Total No. of Service Workers |
|---|-------------------------------------|--|-----------------------------------|
| <i>Page 3 of 4</i> | | | |
| <i>Healthcare Support Occupations</i> | | | |
| Home Health Aides | \$31,200 | 21.2% | 0.9% |
| Nursing Assistants | \$30,500 | 24.4% | 1.0% |
| Massage Therapists | \$40,000 | 5.1% | 0.2% |
| Dental Assistants | \$37,500 | 11.1% | 0.5% |
| Medical Assistants | \$35,300 | 19.3% | 0.8% |
| Veterinary Assistants and Laboratory Animal Caretakers | \$28,200 | 3.3% | 0.1% |
| Phlebotomists | \$40,700 | 3.0% | 0.1% |
| All Other Healthcare Support Occupations (Avg. All Categories) | <u>\$33,400</u> | <u>12.5%</u> | <u>0.5%</u> |
| | Weighted Mean Annual Wage | 100.0% | 4.1% |
| <i>Food Preparation and Serving Related Occupations</i> | | | |
| First-Line Supervisors of Food Preparation and Serving Workers | \$37,100 | 6.9% | 1.0% |
| Cooks, Fast Food | \$23,800 | 3.9% | 0.5% |
| Cooks, Restaurant | \$29,900 | 9.0% | 1.3% |
| Food Preparation Workers | \$25,600 | 6.3% | 0.9% |
| Bartenders | \$30,300 | 6.6% | 0.9% |
| Combined Food Preparation and Serving Workers, Including Fast Food | \$23,800 | 26.1% | 3.6% |
| Counter Attendants, Cafeteria, Food Concession, and Coffee Shop | \$26,300 | 3.6% | 0.5% |
| Waiters and Waitresses | \$30,700 | 19.6% | 2.7% |
| Dishwashers | \$23,200 | 4.0% | 0.6% |
| Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop | \$23,800 | 3.1% | 0.4% |
| All Other Food Preparation and Serving Related Occupations (Avg. All Categories) | <u>\$27,600</u> | <u>10.9%</u> | <u>1.5%</u> |
| | Weighted Mean Annual Wage | 100.0% | 13.9% |
| <i>Building and Grounds Cleaning and Maintenance Occupations</i> | | | |
| First-Line Supervisors of Landscaping, Lawn Service, and Groundskeeping Workers | \$53,100 | 3.6% | 0.2% |
| Janitors and Cleaners, Except Maids and Housekeeping Cleaners | \$29,100 | 45.5% | 2.0% |
| Maids and Housekeeping Cleaners | \$25,900 | 10.4% | 0.5% |
| Landscaping and Groundskeeping Workers | \$30,100 | 31.9% | 1.4% |
| All Other Building and Grounds Cleaning and Maintenance Occupations (Avg. All Categories) | <u>\$30,000</u> | <u>8.7%</u> | <u>0.4%</u> |
| | Weighted Mean Annual Wage | 100.0% | 4.4% |

APPENDIX C - TABLE 2

AVERAGE ANNUAL WORKER COMPENSATION, 2016

SERVICES TO HOUSEHOLDS EARNING \$100,000 TO \$150,000

RESIDENTIAL NEXUS ANALYSIS

PLACENTIA, CALIFORNIA

| Occupation ³ | 2016 Avg. Compensation ¹ | % of Total Occupation Group ² | % of Total No. of Service Workers |
|--|--|--|---|
| Page 4 of 4 | | | |
| <i>Personal Care and Service Occupations</i> | | | |
| First-Line Supervisors of Personal Service Workers | \$41,700 | 3.9% | 0.2% |
| Nonfarm Animal Caretakers | \$29,900 | 8.3% | 0.5% |
| Amusement and Recreation Attendants | \$23,100 | 3.4% | 0.2% |
| Hairdressers, Hairstylists, and Cosmetologists | \$32,700 | 16.5% | 1.0% |
| Manicurists and Pedicurists | \$25,000 | 4.4% | 0.3% |
| Childcare Workers | \$27,900 | 8.7% | 0.5% |
| Personal Care Aides | \$24,300 | 31.7% | 2.0% |
| Fitness Trainers and Aerobics Instructors | \$52,100 | 6.2% | 0.4% |
| Recreation Workers | \$28,700 | 4.0% | 0.3% |
| All Other Personal Care and Service Occupations (Avg. All Categories) | <u>\$29,700</u> | <u>12.7%</u> | <u>0.8%</u> |
| | Weighted Mean Annual Wage | \$29,700 | 100.0% |
| <i>Sales and Related Occupations</i> | | | |
| First-Line Supervisors of Retail Sales Workers | \$45,000 | 8.7% | 1.1% |
| Cashiers | \$24,900 | 25.3% | 3.3% |
| Counter and Rental Clerks | \$33,300 | 3.8% | 0.5% |
| Retail Salespersons | \$31,200 | 35.2% | 4.6% |
| Insurance Sales Agents | \$83,200 | 3.8% | 0.5% |
| Securities, Commodities, and Financial Services Sales Agents | \$84,200 | 3.8% | 0.5% |
| Sales Representatives, Services, All Other | \$65,700 | 5.0% | 0.6% |
| Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products | \$65,500 | 4.3% | 0.6% |
| All Other Sales and Related Occupations (Avg. All Categories) | <u>\$38,800</u> | <u>10.1%</u> | <u>1.3%</u> |
| | Weighted Mean Annual Wage | \$38,800 | 100.0% |
| <i>Office and Administrative Support Occupations</i> | | | |
| First-Line Supervisors of Office and Administrative Support Workers | \$63,900 | 6.8% | 1.1% |
| Bookkeeping, Accounting, and Auditing Clerks | \$48,000 | 7.3% | 1.2% |
| Customer Service Representatives | \$41,000 | 12.6% | 2.1% |
| Receptionists and Information Clerks | \$33,700 | 7.9% | 1.3% |
| Stock Clerks and Order Fillers | \$27,900 | 9.8% | 1.7% |
| Medical Secretaries | \$36,900 | 3.9% | 0.7% |
| Secretaries and Administrative Assistants, Except Legal, Medical, and Executive | \$41,400 | 11.1% | 1.9% |
| Office Clerks, General | \$34,100 | 13.4% | 2.3% |
| All Other Office and Administrative Support Occupations (Avg. All Categories) | <u>\$39,800</u> | <u>27.2%</u> | <u>4.6%</u> |
| | Weighted Mean Annual Wage | \$39,800 | 100.0% |

APPENDIX C - TABLE 2

AVERAGE ANNUAL WORKER COMPENSATION, 2016

SERVICES TO HOUSEHOLDS EARNING \$100,000 TO \$150,000

RESIDENTIAL NEXUS ANALYSIS

PLACENTIA, CALIFORNIA

| Occupation ³ | 2016 Avg. Compensation ¹ | % of Total Occupation Group ² | % of Total No. of Service Workers |
|---|-------------------------------------|--|-----------------------------------|
| <i>Page 5 of 5</i> | | | |
| <i>Installation, Maintenance, and Repair Occupations</i> | | | |
| First-Line Supervisors of Mechanics, Installers, and Repairers | \$75,400 | 7.7% | 0.3% |
| Automotive Body and Related Repairers | \$53,500 | 6.9% | 0.2% |
| Automotive Service Technicians and Mechanics | \$55,500 | 20.9% | 0.7% |
| Bus and Truck Mechanics and Diesel Engine Specialists | \$52,300 | 3.4% | 0.1% |
| Maintenance and Repair Workers, General | \$42,700 | 30.5% | 1.0% |
| All Other Installation, Maintenance, and Repair Occupations (Avg. All Categories) | <u>\$51,700</u> | <u>30.5%</u> | <u>1.0%</u> |
| | Weighted Mean Annual Wage | \$51,700 | 100.0% |
| <i>Transportation and Material Moving Occupations</i> | | | |
| Bus Drivers, School or Special Client | \$37,500 | 4.2% | 0.2% |
| Driver/Sales Workers | \$36,300 | 7.6% | 0.4% |
| Heavy and Tractor-Trailer Truck Drivers | \$44,700 | 11.2% | 0.6% |
| Light Truck or Delivery Services Drivers | \$38,000 | 10.4% | 0.5% |
| Parking Lot Attendants | \$25,000 | 9.4% | 0.5% |
| Industrial Truck and Tractor Operators | \$35,600 | 3.3% | 0.2% |
| Cleaners of Vehicles and Equipment | \$25,900 | 7.8% | 0.4% |
| Laborers and Freight, Stock, and Material Movers, Hand | \$27,800 | 21.2% | 1.1% |
| Packers and Packagers, Hand | \$26,500 | 7.2% | 0.4% |
| All Other Transportation and Material Moving Occupations (Avg. All Categories) | <u>\$32,400</u> | <u>17.7%</u> | <u>0.9%</u> |
| | Weighted Mean Annual Wage | \$32,400 | 100.0% |
| | | | 89.2% |

¹ The methodology utilized by the California Employment Development Department (EDD) assumes that hourly paid employees are employed full-time. Annual compensation is calculated by EDD by multiplying hourly wages by 40 hours per work week by 52 weeks.

² Occupation percentages are based on the 2016 National Industry - Specific Occupational Employment survey compiled by the Bureau of Labor Statistics. Wages are based on the 2016 Occupational Employment Survey data applicable to Orange County, updated by the California Employment Development Department to 2017 wage levels.

³ Including occupations representing 3% or more of the major occupation group

APPENDIX D
AFFORDABILITY GAP ANALYSIS
RESIDENTIAL NEXUS ANALYSIS
PLACENTIA, CALIFORNIA

APPENDIX D - EXHIBIT 1

**ESTIMATED DEVELOPMENT COSTS
RENTAL AFFORDABILITY GAP SCENARIOS
NEXUS AFFORDABILITY GAP ANALYSIS
PLACENTIA, CALIFORNIA**

APPENDIX D - EXHIBIT 1 - TABLE 1

ESTIMATED DEVELOPMENT COSTS
 RENTAL AFFORDABILITY GAP SCENARIOS
 NEXUS AFFORDABILITY GAP ANALYSIS
 PLACENTIA, CALIFORNIA

| | | | | | | |
|-------------|---|--------------|-------------------------------|------------------------|--|---------------------|
| I. | Land Acquisition Costs | ¹ | 87,120 Sf Land | \$40 /Sf Land | | \$3,485,000 |
| II. | Direct Costs | | | | | |
| | Off-Site Improvements | | | | | \$100,000 |
| | On-Site Improvements | | 87,120 Sf Land | \$20 /Sf Land | | 1,742,000 |
| | Surface Parking Spaces | ² | 100 Spaces | \$5,000 /Space | | 500,000 |
| | Building Costs | | 45,000 Sf GBA | \$130 /Sf GBA | | 5,850,000 |
| | Contractor Costs | ³ | 20% of Other Direct Costs | | | 1,618,000 |
| | Total Direct Costs | | 45,000 Sf GBA | \$218 /Sf GBA | | \$9,810,000 |
| III. | Indirect Costs | | | | | |
| | Architecture, Engineering, & Consulting | | 6.00% of Direct Costs | | | \$589,000 |
| | Public Permits & Fees | ⁴ | 50 Units | \$21,000 /Unit | | 1,050,000 |
| | Taxes, Insurance Legal & Accounting | | 3.00% of Direct Costs | | | 294,000 |
| | Development Management | | 4.00% of Direct Costs | | | 392,000 |
| | Contingency Allowance | | 5.00% of Other Indirect Costs | | | 116,000 |
| | Total Indirect Costs | | | | | \$2,441,000 |
| IV. | Financing Costs | | | | | |
| | Land Carrying Costs | ⁵ | \$3,485,000 Financed | 5.50% Interest | | \$335,000 |
| | Interest During Construction | ⁶ | \$14,054,000 Financed | 5.50% Interest | | 889,000 |
| | Financing Fees | | | | | |
| | Construction Loan | | \$14,054,000 Financed | 2.50 Points | | 351,000 |
| | Permanent Loan | | \$9,135,000 Financed | 2.50 Points | | 228,000 |
| | Total Financing Costs | | | | | \$1,803,000 |
| V. | Total Development Costs | | 50 Units | \$350,800 /Unit | | \$17,539,000 |

¹ Estimated based on a survey of recent land sales.

² The parking count is based on the assumption that the project applies for and receives a SB1818 density bonus.

³ Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

⁴ Based on City's current fee schedule.

⁵ Based on an 18-month construction period and a 3-month absorption period with a 100% average outstanding balance.

⁶ Based on an 18-month construction period with a 60% average outstanding balance and a 3-month absorption period with a 100% average outstanding balance.

APPENDIX D - EXHIBIT 2

**RENTAL AFFORDABILITY GAP SCENARIOS
RENTS @ 30% TCAC MEDIAN
4% TAX CREDIT SCENARIO
NEXUS AFFORDABILITY GAP ANALYSIS
PLACENTIA, CALIFORNIA**

APPENDIX D - EXHIBIT 2 - TABLE 1

STABILIZED NET OPERATING INCOME
RENTS @ 30% TCAC MEDIAN
4% TAX CREDIT SCENARIO
NEXUS AFFORDABILITY GAP ANALYSIS
PLACENTIA, CALIFORNIA

| | | | | |
|--|-----------------------------|--------------------|-----------|------------------|
| I. <u>Rent @ 30% TCAC MEDIAN</u> | | | | |
| | | | | ¹ |
| One-Bedroom Units | 15 Units | \$535 /Unit/Month | \$96,300 | |
| Two-Bedroom Units | 20 Units | \$643 /Unit/Month | 154,300 | |
| Three-Bedroom Units | 15 Units | \$717 /Unit/Month | 129,100 | |
| Gross Rent Income | | | \$379,700 | |
| Laundry and Miscellaneous Income | 50 Units | \$10 /Unit/Month | 6,000 | |
| Gross Income | | | \$385,700 | |
| (Less) Vacancy and Collection | 5% Gross Residential Income | | (19,300) | |
| Effective Gross Income | | | | \$366,400 |
| II. Operating Expenses | | | | |
| | 50 Units | \$5,500 /Unit/Year | \$275,000 | |
| III. <u>Stabilized Net Operating Income</u> | | | | \$91,400 |

¹ The affordable rents are based on 2017 rents published by TCAC, and assume the deduction of the Orange County Housing Authority utility allowance as of 10/1/2016.

² Assumes the project will apply for a property tax exemption accorded to non-profit housing organizations for units rented to households earning less than 80% of the Area Median Income.

APPENDIX D - EXHIBIT 2 - TABLE 2

ESTIMATED AFFORDABILITY GAP
RENTS @ 30% TCAC MEDIAN
4% TAX CREDIT SCENARIO
NEXUS AFFORDABILITY GAP ANALYSIS
PLACENTIA, CALIFORNIA

I. Available Outside Funding Sources

A. Tax-Exempt Bond Financing ¹

| | | |
|---------------------------------|---------------|--|
| Stabilized Net Operating Income | \$91,400 | (See APPENDIX D - EXHIBIT 2 - TABLE 1) |
| Income Available for Mortgage | 1.20 DCR | \$76,167 Debt Service |
| Interest Rate | 6.5% Interest | 7.58% Mortgage Constant |

Total Tax-Exempt Bond Financing **\$1,004,000**

B. Tax Credit Equity ²

\$5,773,000

Total Outside Funding Sources

\$6,777,000

II. Affordability Gap Calculation

Total Outside Funding Sources \$6,777,000

Less:

Total Development Costs (17,539,000)

Additional Developer Fee ³ (2,108,000)

| | | | |
|--------------------------------|-----------------|--------------------------|-----------------------|
| Total Affordability Gap | 50 Units | (\$257,400) /Unit | (\$12,870,000) |
| | 45,000 Sf GBA | (\$286) /Sf | |

¹ Assumes a 30-year amortization period.

² Assumes a 3.24% tax credit rate, a 130% difficult to develop premium, and a \$0.94 tax credit equity rate.

³ Equal to the \$2,500,000 maximum amount allowed by the tax credit qualified allocation plan minus the \$392,000 Developer Fee included in the Total Development Costs.

APPENDIX D - EXHIBIT 3

**RENTAL AFFORDABILITY GAP SCENARIOS
RENTS @ 50% TCAC MEDIAN
4% TAX CREDIT SCENARIO
NEXUS AFFORDABILITY GAP ANALYSIS
PLACENTIA, CALIFORNIA**

APPENDIX D - EXHIBIT 3 - TABLE 1

**STABILIZED NET OPERATING INCOME
RENTS @ 50% TCAC MEDIAN
4% TAX CREDIT SCENARIO
NEXUS AFFORDABILITY GAP ANALYSIS
PLACENTIA, CALIFORNIA**

| | | | | |
|---|--------------|-----------------|---------------------------|------------------|
| I. Rent @ 50% TCAC MEDIAN | ¹ | | | |
| One-Bedroom Units | | 15 Units | \$926 /Unit/Month | \$166,700 |
| Two-Bedroom Units | | 20 Units | \$1,112 /Unit/Month | 266,900 |
| Three-Bedroom Units | | 15 Units | \$1,260 /Unit/Month | <u>226,800</u> |
| Gross Rent Income | | | | \$660,400 |
| Laundry and Miscellaneous Income | | 50 Units | \$10 /Unit/Month | 6,000 |
| Gross Income | | | | \$666,400 |
| (Less) Vacancy and Collection | | 5% Gross Income | | <u>(33,300)</u> |
| Effective Gross Income | | | | \$633,100 |
| II. Operating Expenses | ² | 50 Units | \$5,500 /Unit/Year | \$275,000 |
| III. Stabilized Net Operating Income | | | | \$358,100 |

¹ The affordable rents are based on 2017 rents published by TCAC, and assume the deduction of the Orange County Housing Authority utility allowance as of 10/1/2016.

² Assumes the project will apply for a property tax exemption accorded to non-profit housing organizations for units rented to households earning less than 80% of the Area Median Income.

APPENDIX D - EXHIBIT 3 - TABLE 2

ESTIMATED AFFORDABILITY GAP
RENTS @ 50% TCAC MEDIAN
4% TAX CREDIT SCENARIO
NEXUS AFFORDABILITY GAP ANALYSIS
PLACENTIA, CALIFORNIA

I. Available Outside Funding Sources

A. Tax-Exempt Bond Financing ¹

| | | |
|---|---------------|--|
| Stabilized Net Operating Income | \$358,100 | (See APPENDIX D - EXHIBIT 3 - TABLE 1) |
| Income Available for Mortgage Interest Rate | 1.20 DCR | \$298,417 Debt Service |
| | 5.0% Interest | 6.44% Mortgage Constant |

Total Tax-Exempt Bond Financing **\$4,632,000**

B. Tax Credit Equity ²

\$5,773,000

Total Outside Funding Sources

\$10,405,000

II. Affordability Gap Calculation

Total Outside Funding Sources \$10,405,000

Less:

| | |
|---------------------------------------|--------------|
| Total Development Costs | (17,539,000) |
| Additional Developer Fee ³ | (2,108,000) |

| | | | |
|--------------------------------|----------------------|--------------------------|----------------------|
| Total Affordability Gap | 50 Units | (\$184,800) /Unit | (\$9,242,000) |
| | 45,000 Sf GBA | (\$205) /Sf | |

¹ Assumes a 30-year amortization period.

² Assumes a 3.24% tax credit rate, a 130% difficult-to-develop premium, and a \$0.94 tax credit equity rate.

³ Equal to the \$2,500,000 maximum amount allowed by the tax credit qualified allocation plan minus the \$392,000 Developer Fee included in the Total Development Costs.

APPENDIX D - EXHIBIT 4

**RENTAL AFFORDABILITY GAP SCENARIOS
RENTS @ 60% TCAC MEDIAN
4% TAX CREDIT SCENARIO
NEXUS AFFORDABILITY GAP ANALYSIS
PLACENTIA, CALIFORNIA**

APPENDIX D - EXHIBIT 4 - TABLE 1

**STABILIZED NET OPERATING INCOME
RENTS @ 60% TCAC MEDIAN
4% TAX CREDIT SCENARIO
NEXUS AFFORDABILITY GAP ANALYSIS
PLACENTIA, CALIFORNIA**

| | | | | |
|---|--------------|-----------------|---------------------------|------------------|
| I. Rent @ 60% TCAC MEDIAN | ¹ | | | |
| One-Bedroom Units | | 15 Units | \$1,122 /Unit/Month | \$202,000 |
| Two-Bedroom Units | | 20 Units | \$1,347 /Unit/Month | 323,300 |
| Three-Bedroom Units | | 15 Units | \$1,531 /Unit/Month | <u>275,600</u> |
| Gross Rent Income | | | | \$800,900 |
| Laundry and Miscellaneous Income | | 50 Units | \$10 /Unit/Month | 6,000 |
| Gross Income | | | | \$806,900 |
| (Less) Vacancy and Collection | | 5% Gross Income | | <u>(40,300)</u> |
| Effective Gross Income | | | | \$766,600 |
| II. Operating Expenses | ² | 50 Units | \$5,500 /Unit/Year | \$275,000 |
| III. Stabilized Net Operating Income | | | | \$491,600 |

¹ The affordable rents are based on 2017 rents published by TCAC, and assume the deduction of the Orange County Housing Authority utility allowance as of 10/1/2016.

² Assumes the project will apply for a property tax exemption accorded to non-profit housing organizations for units rented to households earning less than 80% of the Area Median Income.

APPENDIX D - EXHIBIT 4 - TABLE 2

ESTIMATED AFFORDABILITY GAP
RENTS @ 60% TCAC MEDIAN
4% TAX CREDIT SCENARIO
NEXUS AFFORDABILITY GAP ANALYSIS
PLACENTIA, CALIFORNIA

I. Available Outside Funding Sources

A. Tax-Exempt Bond Financing ¹

| | | |
|---|---------------|--|
| Stabilized Net Operating Income | \$491,600 | (See APPENDIX D - EXHIBIT 4 - TABLE 1) |
| Income Available for Mortgage Interest Rate | 1.20 DCR | \$409,667 Debt Service |
| | 5.0% Interest | 6.44% Mortgage Constant |

Total Tax-Exempt Bond Financing **\$6,359,000**

B. Tax Credit Equity ²

\$5,773,000

Total Outside Funding Sources **\$12,132,000**

II. Affordability Gap Calculation

Total Outside Funding Sources \$12,132,000

Less:

| | |
|---------------------------------------|--------------|
| Total Development Costs | (17,539,000) |
| Additional Developer Fee ³ | (2,108,000) |

| | | | |
|--------------------------------|-----------------|--------------------------|----------------------|
| Total Affordability Gap | 50 Units | (\$150,300) /Unit | (\$7,515,000) |
| | 45,000 Sf GBA | (\$167) /Sf | |

¹ Assumes a 30-year amortization period.

² Assumes a 3.24% tax credit rate, a 130% difficult-to-develop premium, and a \$0.94 tax credit equity rate.

³ Equal to the \$2,500,000 maximum amount allowed by the tax credit qualified allocation plan minus the \$392,000 Developer Fee included in the Total Development Costs.

APPENDIX D - EXHIBIT 5

**RENTAL AFFORDABILITY GAP SCENARIOS
RENTS @ 80% TCAC MEDIAN
UNLEVERAGED SCENARIO
NEXUS AFFORDABILITY GAP ANALYSIS
PLACENTIA, CALIFORNIA**

APPENDIX D - EXHIBIT 5 - TABLE 1

STABILIZED NET OPERATING INCOME
RENTS @ 80% TCAC MEDIAN
UNLEVERAGED SCENARIO
NEXUS AFFORDABILITY GAP ANALYSIS
PLACENTIA, CALIFORNIA

| | | | | | |
|------|--|---|-----------------|---------------------|--------------------|
| I. | Rent @ 80% TCAC MEDIAN | 1 | | | |
| | One-Bedroom Units | | 15 Units | \$1,513 /Unit/Month | \$272,300 |
| | Two-Bedroom Units | | 20 Units | \$1,816 /Unit/Month | 435,800 |
| | Three-Bedroom Units | | 15 Units | \$2,074 /Unit/Month | <u>373,300</u> |
| | Gross Rent Income | | | | \$1,081,400 |
| | Laundry and Miscellaneous Income | | 50 Units | \$10 /Unit/Month | 6,000 |
| | Gross Income | | | | \$1,087,400 |
| | (Less) Vacancy and Collection | | 5% Gross Income | | <u>(54,400)</u> |
| | Effective Gross Income | | | | \$1,033,000 |
| II. | Operating Expenses | 2 | 50 Units | \$5,500 /Unit/Year | \$275,000 |
| III. | Stabilized Net Operating Income | | | | \$758,000 |

¹ The affordable rents are extrapolated from the 2017 rents published by TCAC, and assume the deduction of the Orange County Housing Authority utility allowance as of 10/1/2016.

² Assumes the project will apply for a property tax exemption accorded to non-profit housing organizations for units rented to households earning less than 80% of the Area Median Income.

APPENDIX D - EXHIBIT 5 - TABLE 2

ESTIMATED AFFORDABILITY GAP
RENTS @ 80% TCAC MEDIAN
UNLEVERAGED SCENARIO
NEXUS AFFORDABILITY GAP ANALYSIS
PLACENTIA, CALIFORNIA

| | | | |
|---|--|-------------------|----------------------|
| I. <u>Supportable Private Investment</u> | | | |
| Stabilized Net Operating Income | (See APPENDIX D - EXHIBIT 5 - TABLE 1) | | \$758,000 |
| Threshold Stabilized Return | | | 6.50% |
| Total Supportable Private Investment | | | \$11,662,000 |
| II. <u>Affordability Gap Calculation</u> | | | |
| Total Supportable Private Investment | | | \$11,662,000 |
| (Less) Total Development Costs | | | (17,539,000) |
| Total Affordability Gap | | | (\$5,877,000) |
| | 50 Units | (\$117,500) /Unit | |
| | 45,000 Sf GBA | (\$131) /Sf | |

¹ Based on a 5.0% capitalization rate plus a 1.5% margin.

APPENDIX D - EXHIBIT 6

**RENTAL AFFORDABILITY GAP SCENARIOS
RENTS @ 110% TCAC MEDIAN
UNLEVERAGED SCENARIO
NEXUS AFFORDABILITY GAP ANALYSIS
PLACENTIA, CALIFORNIA**

APPENDIX D - EXHIBIT 6 - TABLE 1

STABILIZED NET OPERATING INCOME
RENTS @ 110% TCAC MEDIAN
UNLEVERAGED SCENARIO
NEXUS AFFORDABILITY GAP ANALYSIS
PLACENTIA, CALIFORNIA

| | | | |
|--|-----------------|---------------------|--------------------|
| I. <u>Rent @ 110% TCAC MEDIAN</u> | | | |
| One-Bedroom Units | 15 Units | \$1,973 /Unit/Month | \$355,100 |
| Two-Bedroom Units | 20 Units | \$2,100 /Unit/Month | 504,000 |
| Three-Bedroom Units | 15 Units | \$2,520 /Unit/Month | <u>453,600</u> |
| Gross Rent Income | | | \$1,312,700 |
| Laundry and Miscellaneous Income | 50 Units | \$10 /Unit/Month | 6,000 |
| Gross Income | | | \$1,318,700 |
| (Less) Vacancy and Collection | 5% Gross Income | | <u>(65,900)</u> |
| Effective Gross Income | | | \$1,252,800 |
| II. <u>Operating Expenses</u> | | | |
| General Operating Expenses | 50 Units | \$5,500 /Unit/Year | \$275,000 |
| Property Taxes | 50 Units | \$3,500 /Unit/Year | <u>175,000</u> |
| Total Operating Expenses | | | \$450,000 |
| III. <u>Stabilized Net Operating Income</u> | | | \$802,800 |

¹ The affordable rents are extrapolated from the 2017 rents published by TCAC, and assume the deduction of the Orange County Housing Authority utility allowance as of 10/1/2016.

² The residential property tax expense is estimated based on the residential NOI capitalized at a 5.0% rate, and a 1.09% property tax rate.

APPENDIX D - EXHIBIT 6 - TABLE 2

**ESTIMATED AFFORDABILITY GAP
RENTS @ 110% TCAC MEDIAN
UNLEVERAGED SCENARIO
NEXUS AFFORDABILITY GAP ANALYSIS
PLACENTIA, CALIFORNIA**

| | | | |
|---|--|-------------------|----------------------|
| I. <u>Supportable Private Investment</u> | | | |
| Stabilized Net Operating Income | (See APPENDIX D - EXHIBIT 6 - TABLE 1) | | \$802,800 |
| Threshold Stabilized Return | ¹ | | 6.50% |
| Total Supportable Private Investment | | | \$12,351,000 |
| II. <u>Affordability Gap Calculation</u> | | | |
| Total Supportable Private Investment | | | \$12,351,000 |
| (Less) Total Development Costs | | | (17,539,000) |
| Total Affordability Gap | | | (\$5,188,000) |
| | 50 Units | (\$103,800) /Unit | |
| | 45,000 Sf GBA | (\$115) /Sf | |

¹ Based on a 5.0% capitalization rate plus a 1.5% margin.

APPENDIX D - EXHIBIT 7

**OWNERSHIP AFFORDABILITY GAP SCENARIO
NEXUS AFFORDABILITY GAP ANALYSIS
PLACENTIA, CALIFORNIA**

APPENDIX D - EXHIBIT 7 - TABLE 1

ESTIMATED DEVELOPMENT COSTS
 AFFORDABLE PRICES @ 110% TAX CREDIT MEDIAN
 OWNERSHIP AFFORDABILITY GAP SCENARIO
 NEXUS AFFORDABILITY GAP ANALYSIS
 PLACENTIA, CALIFORNIA

| | | | | | | |
|------|---|--------------|-------------------------------|------------------------|--|---------------------|
| I. | Land Acquisition Costs | ¹ | 87,120 Sf Land | \$40 /Sf Land | | \$3,485,000 |
| II. | Direct Costs | | | | | |
| | Off-Site Improvements | | | | | \$100,000 |
| | On-Site Improvements | | 87,120 Sf Land | \$20 /Sf Land | | 1,742,000 |
| | Building Costs | | 32,000 Sf GBA | \$75 /Sf GBA | | 2,400,000 |
| | Contractor Costs | ² | 20% of Other Direct Costs | | | 828,000 |
| | Total Direct Costs | | 32,000 Sf GBA | \$158 /Sf GBA | | \$5,070,000 |
| III. | Indirect Costs | | | | | |
| | Architecture, Engineering, & Consulting | | 10.00% of Direct Costs | | | \$507,000 |
| | Public Permits & Fees | ³ | 20 Units | \$21,000 /Unit | | 420,000 |
| | Taxes, Insurance Legal & Accounting | | 3.00% of Direct Costs | | | 152,000 |
| | Development Management | | 4.00% of Direct Costs | | | 203,000 |
| | Contingency Allowance | | 5.00% of Other Indirect Costs | | | 64,000 |
| | Total Indirect Costs | | | | | \$1,346,000 |
| IV. | Financing Costs | | | | | |
| | Land Carrying Costs | ⁴ | \$3,485,000 Financed | 5.50% Interest | | \$367,000 |
| | Interest During Construction | ⁵ | \$7,490,000 Financed | 5.50% Interest | | 542,000 |
| | Financing Fees | | 60.00% of Costs | 2.50 Points | | 165,000 |
| | Total Financing Costs | | | | | \$1,074,000 |
| V. | Total Development Costs | | 20 Units | \$548,800 /Unit | | \$10,975,000 |

¹ Estimated based on a survey of recent land sales.

² Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

³ Based on City's current fee schedule.

⁴ Based on an 18-month construction period and a 5-month absorption period with a 100% average outstanding balance.

⁵ Based on an 18-month construction period with a 60% average outstanding balance and a 5-month absorption period with a 100% average

APPENDIX D - EXHIBIT 7 - TABLE 2

**ESTIMATED AFFORDABILITY GAP
 AFFORDABLE PRICES @ 110% TAX CREDIT MEDIAN
 OWNERSHIP AFFORDABILITY GAP SCENARIO
 NEXUS AFFORDABILITY GAP ANALYSIS
 PLACENTIA, CALIFORNIA**

| | | | |
|--|--------------------------------------|-------------------|-----------------------|
| I. <u>Net Sales Revenue</u> | | | |
| Gross Sales Revenue | 20 Units | \$416,100 /Unit | \$8,322,000 |
| (Less) Cost of Sales | 5% Sales Revenues | | (416,000) |
| Net Sales Revenue | | | \$7,906,000 |
| II. <u>Project Costs</u> | | | |
| Total Development Costs | See APPENDIX D - EXHIBIT 7 - TABLE 1 | | \$10,975,000 |
| Threshold Profit | 12% Gross Sales Revenue | | 999,000 |
| Total Project Costs | | | (\$11,974,000) |
| III. <u>Total Affordability Gap</u> | | | |
| | 20 Units | (\$203,000) /Unit | (\$4,068,000) |
| | 32,000 Sf GBA | (\$127) /Sf | |

APPENDIX E
FINANCIAL FEASIBILITY ANALYSIS
RESIDENTIAL NEXUS ANALYSIS
PLACENTIA, CALIFORNIA

APPENDIX E - EXHIBIT I

**BASE IMPACT FEE SCENARIO
80 SINGLE FAMILY DETACHED UNITS
SINGLE FAMILY DEVELOPMENT PROTOTYPE
PLACENTIA, CALIFORNIA**

APPENDIX E - EXHIBIT I - TABLE 1

ESTIMATED CONSTRUCTION COSTS
 BASE IMPACT FEE SCENARIO
 80 SINGLE FAMILY DETACHED UNITS
 SINGLE FAMILY DEVELOPMENT PROTOTYPE
 PLACENTIA, CALIFORNIA

| | | | |
|--|------------------------------|-----------------|---------------------|
| I. Direct Costs | | | |
| Off-Site Improvements | | | \$500,000 |
| On-Site Improvements | 80 Units | \$75,000 /Unit | 6,000,000 |
| Building Costs | 175,500 Sf GBA | \$75 /Sf GBA | 13,163,000 |
| Contractor Fees | 20.0% of Other Direct Costs | | 3,933,000 |
| Total Direct Costs | 175,500 Sf GBA | \$134 /Sf GBA | \$23,596,000 |
| II. Indirect Costs | | | |
| Architecture, Engineering & Consulting | 6.0% of Direct Costs | | \$1,416,000 |
| Public Permits & Fees | 1 80 Units | \$21,000 /Unit | 1,680,000 |
| Affordable Housing Impact Fee | 175,500 Livable SF | \$0 /Livable Sf | 0 |
| Taxes, Insurance, Legal & Accounting | 3.0% of Direct Costs | | 708,000 |
| Marketing | 80 Units | \$8,500 /Unit | 680,000 |
| Developer Fee | 3.0% of Gross Sales Revenue | | 1,742,000 |
| Contingency Allowance | 5.0% of Other Indirect Costs | | 311,000 |
| Total Indirect Costs | | | \$6,537,000 |
| III. Financing Costs | | | |
| Interest During Construction | 2 5.5% Interest | | \$3,639,000 |
| Financing Fees | 60% of Costs | 2.5 Points | 452,000 |
| Total Financing Costs | | | \$4,091,000 |
| IV. Total Construction Costs | 80 Units | \$427,800 /Unit | \$34,224,000 |
| | 175,500 Sf GBA | \$195 /Sf GBA | |

¹ Based on current City fee schedule.

² Assumes a 5.50% interest rate; an 18-month construction period; a 9 month absorption period; and presales of 30% of the units.

APPENDIX E - EXHIBIT I - TABLE 2

PROJECTED NET REVENUE
BASE IMPACT FEE SCENARIO
80 SINGLE FAMILY DETACHED UNITS
SINGLE FAMILY DEVELOPMENT PROTOTYPE
PLACENTIA, CALIFORNIA

| | | | | |
|-------------|------------------------------------|--------------------------|-----------------|----------------------|
| I. | <u>Gross Sales Revenues</u> | | | |
| | Three-bedroom Units | 30 Units | \$710,000 /Unit | \$21,300,000 |
| | Four-bedroom Units | 50 Units | \$735,000 /Unit | 36,750,000 |
| | Total Gross Sales Revenues | 80 Units | \$725,600 /Unit | \$58,050,000 |
| II. | <u>Cost of Sales</u> | | | |
| | Sales Commissions | 3.0% Gross Sales Revenue | | \$1,742,000 |
| | Closing Costs | 2.0% Gross Sales Revenue | | 1,161,000 |
| | Warranties | 80 Units | \$5,000 /Unit | 400,000 |
| | Total Cost of Sales | | | (\$3,303,000) |
| III. | Projected Net Revenue | | | \$54,747,000 |

APPENDIX E - EXHIBIT I - TABLE 3

**RESIDUAL LAND VALUE CALCULATIONS
 BASE IMPACT FEE SCENARIO
 80 SINGLE FAMILY DETACHED UNITS
 SINGLE FAMILY DEVELOPMENT PROTOTYPE
 PLACENTIA, CALIFORNIA**

| | | | | | | | |
|-------------|------------------------------|--------------------------------------|--|--|-----------------|--|---------------|
| I. | Projected Net Revenue | See APPENDIX E - EXHIBIT I - TABLE 2 | \$54,747,000 | | | | |
| II. | <u>Project Costs</u> | | | | | | |
| | Total Construction Costs | | \$34,224,000 | | | | |
| | Threshold Developer Profit | 10.00% Gross Sales Revenues | 5,475,000 | | | | |
| | Total Project Costs | | (\$39,699,000) | | | | |
| III. | Residual Land Value | 80 Units 348,480 Sf Land | <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%; text-align: right;">\$188,100 /Unit</td> </tr> <tr> <td></td> <td style="text-align: right;">\$43 /Sf Land</td> </tr> </table> \$15,048,000 | | \$188,100 /Unit | | \$43 /Sf Land |
| | \$188,100 /Unit | | | | | | |
| | \$43 /Sf Land | | | | | | |

APPENDIX E - EXHIBIT II

**RESIDENTIAL AFFORDABLE HOUSING IMPACT FEE SCENARIO
80 SINGLE FAMILY DETACHED UNITS
SINGLE FAMILY DEVELOPMENT PROTOTYPE
PLACENTIA, CALIFORNIA**

APPENDIX E - EXHIBIT II - TABLE 1

ESTIMATED CONSTRUCTION COSTS
 RESIDENTIAL AFFORDABLE HOUSING IMPACT FEE SCENARIO
 80 SINGLE FAMILY DETACHED UNITS
 SINGLE FAMILY DEVELOPMENT PROTOTYPE
 PLACENTIA, CALIFORNIA

| | | | |
|--|------------------------------|---------------------|---------------------|
| I. Direct Costs | | | |
| Off-Site Improvements | | | \$500,000 |
| On-Site Improvements | 80 Units | \$75,000 /Unit | 6,000,000 |
| Buiding Costs | 175,500 Sf GBA | \$75 /Sf GBA | 13,163,000 |
| Contractor Fees | 20.0% of Other Direct Costs | | 3,933,000 |
| Total Direct Costs | 175,500 Sf GBA | \$134 /Sf GBA | \$23,596,000 |
| II. Indirect Costs | | | |
| Architecture, Engineering & Consulting | 6.0% of Direct Costs | | \$1,416,000 |
| Public Permits & Fees | 1 | 80 Units | \$21,000 /Unit |
| Affordable Housing Impact Fee | 175,500 Livable SF | \$24.90 /Livable Sf | 4,370,000 |
| Taxes, Insurance, Legal & Accounting | 3.0% of Direct Costs | | 708,000 |
| Marketing | 80 Units | \$8,500 /Unit | 680,000 |
| Developer Fee | 3.0% of Gross Sales Revenue | | 1,742,000 |
| Contingency Allowance | 5.0% of Other Indirect Costs | | 530,000 |
| Total Indirect Costs | | | \$11,126,000 |
| III. Financing Costs | | | |
| Interest During Construction | 2 | 5.5% Interest | \$3,639,000 |
| Financing Fees | 60% of Costs | 2.5 Points | 452,000 |
| Total Financing Costs | | | \$4,091,000 |
| IV. Total Construction Costs | 80 Units | \$485,200 /Unit | \$38,813,000 |
| | 175,500 Sf GBA | \$221 /Sf GBA | |

¹ Based on current City fee schedule.

² Assumes a 5.50% interest rate; an 18-month construction period; a 9 month absorption period; and presales of 30% of the units.

APPENDIX E - EXHIBIT II - TABLE 2

PROJECTED NET REVENUE
RESIDENTIAL AFFORDABLE HOUSING IMPACT FEE SCENARIO
80 SINGLE FAMILY DETACHED UNITS
SINGLE FAMILY DEVELOPMENT PROTOTYPE
PLACENTIA, CALIFORNIA

| | | | |
|--|--------------------------|------------------------|----------------------|
| I. <u>Gross Sales Revenues</u> | | | |
| Three-bedroom Units | 30 Units | \$710,000 /Unit | \$21,300,000 |
| Four-bedroom Units | 50 Units | \$735,000 /Unit | 36,750,000 |
| Total Gross Sales Revenues | 80 Units | \$725,600 /Unit | \$58,050,000 |
| II. <u>Cost of Sales</u> | | | |
| Sales Commissions | 3.0% Gross Sales Revenue | | \$1,742,000 |
| Closing Costs | 2.0% Gross Sales Revenue | | 1,161,000 |
| Warranties | 80 Units | \$5,000 /Unit | 400,000 |
| Total Cost of Sales | | | (\$3,303,000) |
| III. <u>Projected Net Revenue</u> | | | \$54,747,000 |

APPENDIX E - EXHIBIT II - TABLE 3

**FINANCIALLY SUPPORTABLE AFFORDABLE HOUSING IMPACT FEE
RESIDENTIAL AFFORDABLE HOUSING IMPACT FEE SCENARIO
80 SINGLE FAMILY DETACHED UNITS
SINGLE FAMILY DEVELOPMENT PROTOTYPE
PLACENTIA, CALIFORNIA**

| | | | |
|-------------|--|---------------------------------------|-----------------------|
| I. | Projected Net Revenue | See APPENDIX E - EXHIBIT II - TABLE 2 | \$54,747,000 |
| II. | Project Costs | | |
| | Total Construction Costs | | \$38,813,000 |
| | Threshold Developer Profit | 10.00% Gross Sales Revenues | 5,475,000 |
| | Total Project Costs | | (\$44,288,000) |
| III. | Residual Land Value | 80 Units 348,480 Sf Land | \$10,459,000 |
| | | \$130,700 /Unit \$30 /Sf Land | |
| IV. | Reduction in Land Value | | |
| | Supportable Land Value without Impact Fee | | \$15,048,000 |
| | Supportable Land Value with Impact Fee | | 10,459,000 |
| | Reduction in Supportable Land Value | 30% Land Value Reduction | \$4,589,000 |
| V. | Financially Supportable Affordable Housing Impact Fee | | |
| | Fee Per Livable Square Foot | \$24.90 /Sf | |
| | Fee Per Unit | \$54,600 /Unit | |

APPENDIX E - EXHIBIT III

**BASE IMPACT FEE SCENARIO
10 ATTACHED TOWNHOME UNITS
TOWNHOME DEVELOPMENT PROTOTYPE
PLACENTIA, CALIFORNIA**

APPENDIX E - EXHIBIT III - TABLE 1

ESTIMATED CONSTRUCTION COSTS
 BASE IMPACT FEE SCENARIO
 10 ATTACHED TOWNHOME UNITS
 TOWNHOME DEVELOPMENT PROTOTYPE
 PLACENTIA, CALIFORNIA

| | | | |
|--|------------------------------|-----------------|--------------------|
| I. Direct Costs | | | |
| Off-Site Improvements | | | \$100,000 |
| On-Site Improvements | 10 Units | \$60,000 /Unit | 600,000 |
| Building Costs | 18,500 Sf GBA | \$85 /Sf GBA | 1,573,000 |
| Contractor Costs | 20.0% of Direct Costs | | 455,000 |
| Total Direct Costs | 18,500 Sf GBA | \$147 /Sf GBA | \$2,728,000 |
| II. Indirect Costs | | | |
| Architecture, Engineering & Consulting | 6.0% of Direct Costs | | \$164,000 |
| Public Permits & Fees | 10 Units | \$21,000 /Unit | 210,000 |
| Affordable Housing Impact Fee | 18,500 Livable Sf | \$0 /Livable Sf | 0 |
| Taxes, Insurance, Legal & Accounting | 3.0% of Direct Costs | | 82,000 |
| Marketing | 10 Units | \$5,000 /Unit | 50,000 |
| Developer Fee | 3.0% of Gross Sales Revenue | | 177,000 |
| Contingency Allowance | 5.0% of Other Indirect Costs | | 34,000 |
| Total Indirect Costs | | | \$717,000 |
| III. Financing Costs | | | |
| Interest During Construction | 5.5% Interest | | \$317,000 |
| Financing Fees | 60% of Costs | 2.5 Points | 52,000 |
| Total Financing Costs | | | \$369,000 |
| IV. Total Construction Costs | 10 Units | \$381,400 /Unit | \$3,814,000 |
| | 18,500 Sf GBA | \$206 /Sf GBA | |

¹ Based on City's current fee schedule.

² Assumes a 5.50% interest rate; an 18-month construction period; a 5 month absorption period; and presales of 30% of the units.

APPENDIX E - EXHIBIT III - TABLE 2

PROJECTED NET REVENUE
BASE IMPACT FEE SCENARIO
10 ATTACHED TOWNHOME UNITS
TOWNHOME DEVELOPMENT PROTOTYPE
PLACENTIA, CALIFORNIA

| | | | | |
|------|------------------------------|--------------------------|-----------------|--------------------|
| I. | Gross Sales Revenues | | | |
| | Three-bedroom Units | 10 Units | \$590,000 /Unit | \$5,900,000 |
| II. | Cost of Sales | | | |
| | Sales Commissions | 3.0% Gross Sales Revenue | | \$177,000 |
| | Closing Costs | 2.0% Gross Sales Revenue | | 118,000 |
| | Warranties | 10 Units | \$7,500 /Unit | 75,000 |
| | Total Cost of Sales | | | (\$370,000) |
| III. | Projected Net Revenue | | | \$5,530,000 |

APPENDIX E - EXHIBIT III - TABLE 3

**RESIDUAL LAND VALUE CALCULATIONS
 BASE IMPACT FEE SCENARIO
 10 ATTACHED TOWNHOME UNITS
 TOWNHOME DEVELOPMENT PROTOTYPE
 PLACENTIA, CALIFORNIA**

| | | | | | | | |
|-----------------|------------------------------|--|---|-----------------|--|---------------|--------------------|
| I. | Projected Net Revenue | See APPENDIX E - EXHIBIT III - TABLE 2 | \$5,530,000 | | | | |
| II. | <u>Project Costs</u> | | | | | | |
| | Total Construction Costs | | \$3,814,000 | | | | |
| | Threshold Developer Profit | 12.00% Gross Sales Revenues | 664,000 | | | | |
| | Total Project Costs | | (\$4,478,000) | | | | |
| III. | Residual Land Value | 10 Units 21,780 Sf Land | <table border="0" style="width: 100%;"> <tr> <td style="width: 50%; text-align: center;">\$105,200 /Unit</td> <td style="width: 50%;"></td> </tr> <tr> <td style="text-align: center;">\$48 /Sf Land</td> <td style="text-align: right;">\$1,052,000</td> </tr> </table> | \$105,200 /Unit | | \$48 /Sf Land | \$1,052,000 |
| \$105,200 /Unit | | | | | | | |
| \$48 /Sf Land | \$1,052,000 | | | | | | |

APPENDIX E - EXHIBIT IV

**RESIDENTIAL AFFORDABLE HOUSING IMPACT FEE SCENARIO
10 ATTACHED TOWNHOME UNITS
TOWNHOME DEVELOPMENT PROTOTYPE
PLACENTIA, CALIFORNIA**

APPENDIX E - EXHIBIT IV - TABLE 1

**ESTIMATED CONSTRUCTION COSTS
RESIDENTIAL AFFORDABLE HOUSING IMPACT FEE SCENARIO
10 ATTACHED TOWNHOME UNITS
TOWNHOME DEVELOPMENT PROTOTYPE
PLACENTIA, CALIFORNIA**

| | | | |
|--|------------------------------|---------------------|--------------------|
| I. Direct Costs | | | |
| Off-Site Improvements | | | \$100,000 |
| On-Site Improvements | 10 Units | \$60,000 /Unit | 600,000 |
| Building Costs | 18,500 Sf GBA | \$85 /Sf GBA | 1,573,000 |
| Contractor Costs | 20.0% of Direct Costs | | 455,000 |
| Total Direct Costs | 18,500 Sf GBA | \$147 /Sf GBA | \$2,728,000 |
| II. Indirect Costs | | | |
| Architecture, Engineering & Consulting | 6.0% of Direct Costs | | \$164,000 |
| Public Permits & Fees | 10 Units | \$21,000 /Unit | 210,000 |
| Affordable Housing Impact Fee | 18,500 Livable SF | \$16.00 /Livable Sf | 296,000 |
| Taxes, Insurance, Legal & Accounting | 3.0% of Direct Costs | | 82,000 |
| Marketing | 10 Units | \$5,000 /Unit | 50,000 |
| Developer Fee | 3.0% of Gross Sales Revenue | | 177,000 |
| Contingency Allowance | 5.0% of Other Indirect Costs | | 49,000 |
| Total Indirect Costs | | | \$1,028,000 |
| III. Financing Costs | | | |
| Interest During Construction | 5.5% Interest | | \$317,000 |
| Financing Fees | 60% of Costs | 2.5 Points | 52,000 |
| Total Financing Costs | | | \$369,000 |
| IV. Total Construction Costs | 10 Units | \$412,500 /Unit | \$4,125,000 |
| | 18,500 Sf GBA | \$223 /Sf GBA | |

¹ Based on City's current fee schedule.

² Assumes a 5.50% interest rate; an 18-month construction period; a 5 month absorption period; and presales of 30% of the units.

APPENDIX E - EXHIBIT IV - TABLE 2

FINANCIALLY SUPPORTABLE AFFORDABLE HOUSING IMPACT FEE
RESIDENTIAL AFFORDABLE HOUSING IMPACT FEE SCENARIO
10 ATTACHED TOWNHOME UNITS
TOWNHOME DEVELOPMENT PROTOTYPE
PLACENTIA, CALIFORNIA

| | | | | |
|------|------------------------------|--------------------------|-----------------|--------------------|
| I. | Gross Sales Revenues | | | |
| | Three-bedroom Units | 10 Units | \$590,000 /Unit | \$5,900,000 |
| II. | Cost of Sales | | | |
| | Sales Commissions | 3.0% Gross Sales Revenue | | \$177,000 |
| | Closing Costs | 2.0% Gross Sales Revenue | | 118,000 |
| | Warranties | 10 Units | \$7,500 /Unit | 75,000 |
| | Total Cost of Sales | | | (\$370,000) |
| III. | Projected Net Revenue | | | \$5,530,000 |

APPENDIX E - EXHIBIT IV - TABLE 3

FINANCIALLY SUPPORTABLE AFFORDABLE HOUSING IMPACT FEE
 RESIDENTIAL AFFORDABLE HOUSING IMPACT FEE SCENARIO
 10 ATTACHED TOWNHOME UNITS
 TOWNHOME DEVELOPMENT PROTOTYPE
 PLACENTIA, CALIFORNIA

| | | | |
|------|--|---------------------------------------|----------------------|
| I. | Projected Net Revenue | See APPENDIX E - EXHIBIT IV - TABLE 2 | \$5,530,000 |
| II. | <u>Project Costs</u> | | |
| | Total Construction Costs | | \$4,125,000 |
| | Threshold Developer Profit | 12.00% Gross Sales Revenues | 664,000 |
| | Total Project Costs | | (\$4,789,000) |
| III. | <u>Residual Land Value</u> | 10 Units 21,780 Sf Land | \$741,000 |
| | | \$74,100 /Unit \$34 /Sf Land | |
| IV. | <u>Reduction in Land Value</u> | | |
| | Supportable Land Value without Impact Fee | | \$1,052,000 |
| | Supportable Land Value with Impact Fee | | 741,000 |
| | Reduction in Supportable Land Value | 30% Land Value Reduction | \$311,000 |
| V. | <u>Financially Supportable Affordable Housing Impact Fee</u> | | |
| | Fee Per Livable Square Foot | \$16.00 /Sf | |
| | Fee Per Unit | \$29,600 /Unit | |

APPENDIX E - EXHIBIT V

BASE IMPACT FEE SCENARIO
215 APARTMENT UNITS
APARTMENT PROTOTYPE
PLACENTIA, CALIFORNIA

APPENDIX E - EXHIBIT V - TABLE 1

ESTIMATED CONSTRUCTION COSTS
 BASE IMPACT FEE SCENARIO
 215 APARTMENT UNITS
 APARTMENT PROTOTYPE
 PLACENTIA, CALIFORNIA

| | | | | | |
|--|----------------|------------------------------|------------------------|---------------------|-------------|
| I. Direct Costs | | | | | |
| Off-Site Improvements | | | | \$200,000 | |
| On-Site Improvements | 128,502 | Sf Land | \$10 /Sf Land | 1,285,000 | |
| Parking Costs | 316 | Spaces | \$15,000 /Space | 4,733,000 | |
| Buiding Costs | 256,154 | Sf GBA | \$135 /Sf GBA | 34,581,000 | |
| Contractor Costs | | 20.0% of Construction Costs | | 8,160,000 | |
| Total Direct Costs | 256,154 | Sf GBA | \$191 /Sf GBA | \$48,959,000 | |
| II. Indirect Costs | | | | | |
| Architecture, Engineering & Consulting | | 6.0% of Direct Costs | | \$2,938,000 | |
| Public Permits & Fees | 1 | 215 Units | \$21,000 /Unit | 4,515,000 | |
| Affordable Housing Impact Fee | 193,450 | Livable SF | \$0 /Livable Sf | 0 | |
| Taxes, Insurance, Legal & Accounting | | 2.0% of Direct Costs | | 979,000 | |
| Marketing | | 215 Units | \$1,000 /Unit | 215,000 | |
| Developer Fee | | 3.0% of Total Direct Costs | | 1,469,000 | |
| Contingency Allowance | | 5.0% of Other Indirect Costs | | 506,000 | |
| Total Indirect Costs | | | | \$10,622,000 | |
| III. Financing Costs | | | | | |
| Land Carrying Costs | \$4,427,000 | Financed | 5.50% Interest | \$487,000 | |
| Interest During Construction | 2 | \$68,480,000 | Financed | 5.50% Interest | \$5,273,000 |
| Financing Fees | | | | | |
| Acquisition Loan | \$4,427,000 | Financed | 2.50 Points | 111,000 | |
| Construction Loan | \$68,480,000 | Financed | 2.50 Points | 1,712,000 | |
| Permanent Loan | 3 | \$52,655,000 | Financed | 2.50 Points | 1,316,000 |
| Total Financing Costs | | | | \$8,899,000 | |
| IV. Total Construction Costs | 215 | Units | \$318,500 /Unit | \$68,480,000 | |
| | 256,154 | Sf GBA | \$267 /Sf GBA | | |

¹ Based on City's current fee schedule.

² Assumes an 18-month construction period with a 60% average outstanding balance, and a 6-month absorption period with a 100% average

³ Based on a 4.75% capitalization rate and a 65% loan to value ratio.

APPENDIX E - EXHIBIT V - TABLE 2

STABILIZED NET OPERATING INCOME
 BASE IMPACT FEE SCENARIO
 215 APARTMENT UNITS
 APARTMENT PROTOTYPE
 PLACENTIA, CALIFORNIA

| | | | |
|---|------------------------------|--------------------|--------------------|
| I. Rental Revenue | | | |
| One-Bedroom Units | 100 Units | \$2,100 /Month | \$2,520,000 |
| Two-Bedroom Units | 115 Units | \$2,600 /Month | <u>3,588,000</u> |
| Gross Rental Income | | | \$6,108,000 |
| Laundry / Miscellaneous Income | 215 Units | \$10 /Unit/Month | <u>25,800</u> |
| Gross Residential Income | | | \$6,133,800 |
| Vacancy and Collection Allowance | 5% Gross Income | | <u>(306,700)</u> |
| Effective Gross Income | | | \$5,827,100 |
| II. Operating Expenses | | | |
| General Operating Expenses | 215 Units | \$4,000 /Unit/Year | \$860,000 |
| Management Fee | 3.50% Effective Gross Income | | 203,900 |
| Property Taxes | 215 Units | \$4,107 /Unit/Year | 883,000 |
| Operating & Capital Reserves | 215 Units | \$150 /Unit/Year | <u>32,300</u> |
| Total Operating Expenses | | | \$1,979,200 |
| III. Stabilized Net Operating Income | | | \$3,847,900 |

¹ Based on KMA market survey.

² Based on a 4.75% capitalization rate and a 1.09% property tax rate.

APPENDIX E - EXHIBIT V - TABLE 3

**RESIDUAL LAND VALUE CALCULATIONS
BASE IMPACT FEE SCENARIO
215 APARTMENT UNITS
APARTMENT PROTOTYPE
PLACENTIA, CALIFORNIA**

| | | | |
|---|--------------------------------------|----------------|---------------------|
| I. <u>Supportable Private Investment</u> | | | |
| Stabilized Net Operating Income | See APPENDIX E - EXHIBIT V - TABLE 2 | \$3,847,900 | |
| Capitalization Rate | | 4.75% | |
| Supportable Private Investment | | | \$81,008,000 |
| II. <u>Residual Land Value</u> | | | |
| Supportable Private Investment | | \$81,008,000 | |
| (Less) Developer Profit | 10% Project Value | (\$8,101,000) | |
| (Less) Total Construction Costs | | (\$68,480,000) | |
| III. <u>Residual Land Value</u> | 128,502 Sf Land | \$34 /Sf Land | \$4,427,000 |
| | 215 Units | \$20,600 /Unit | |

APPENDIX E - EXHIBIT VI

**RESIDENTIAL AFFORDABLE HOUSING IMPACT FEE SCENARIO
215 APARTMENT UNITS
APARTMENT PROTOTYPE
PLACENTIA, CALIFORNIA**

APPENDIX E - EXHIBIT VI - TABLE 1

ESTIMATED CONSTRUCTION COSTS
RESIDENTIAL AFFORDABLE HOUSING IMPACT FEE SCENARIO
215 APARTMENT UNITS
APARTMENT PROTOTYPE
PLACENTIA, CALIFORNIA

| | | | | | |
|--|----------------|------------------------------|------------------------|---------------------|-------------|
| I. Direct Costs | | | | | |
| Off-Site Improvements | | | | \$200,000 | |
| On-Site Improvements | 128,502 | Sf Land | \$10 /Sf Land | 1,285,000 | |
| Parking Costs | 316 | Spaces | \$15,000 /Space | 4,733,000 | |
| Buiding Costs | 256,154 | Sf GBA | \$135 /Sf GBA | 34,581,000 | |
| Contractor Costs | | 20.0% of Construction Costs | | 8,160,000 | |
| Total Direct Costs | 256,154 | Sf GBA | \$191 /Sf GBA | \$48,959,000 | |
| II. Indirect Costs | | | | | |
| Architecture, Engineering & Consulting | | 6.0% of Direct Costs | | \$2,938,000 | |
| Public Permits & Fees | 1 | 215 Units | \$21,000 /Unit | 4,515,000 | |
| Affordable Housing Impact Fee | 193,450 | Livable SF | \$6.70 /Livable Sf | 1,296,000 | |
| Taxes, Insurance, Legal & Accounting | | 2.0% of Direct Costs | | 979,000 | |
| Marketing | | 215 Units | \$1,000 /Unit | 215,000 | |
| Developer Fee | | 3.0% of Total Direct Costs | | 1,469,000 | |
| Contingency Allowance | | 5.0% of Other Indirect Costs | | 571,000 | |
| Total Indirect Costs | | | | \$11,983,000 | |
| III. Financing Costs | | | | | |
| Land Carrying Costs | \$3,110,000 | Financed | 5.50% Interest | \$342,000 | |
| Interest During Construction | 2 | \$69,797,000 | Financed | 5.50% Interest | \$5,374,000 |
| Financing Fees | | | | | |
| Acquisition Loan | \$3,110,000 | Financed | 2.50 Points | 78,000 | |
| Construction Loan | \$69,797,000 | Financed | 2.50 Points | 1,745,000 | |
| Permanent Loan | 3 | \$52,655,000 | Financed | 2.50 Points | 1,316,000 |
| Total Financing Costs | | | | \$8,855,000 | |
| IV. Total Construction Costs | 215 | Units | \$324,600 /Unit | \$69,797,000 | |
| | 256,154 | Sf GBA | \$272 /Sf GBA | | |

¹ Based on City's current fee schedule.

² Assumes an 18-month construction period with a 60% average outstanding balance, and a 6-month absorption period with a 100% average

³ Based on a 4.75% capitalization rate and a 65% loan to value ratio.

APPENDIX E - EXHIBIT VI - TABLE 2

STABILIZED NET OPERATING INCOME
 RESIDENTIAL AFFORDABLE HOUSING IMPACT FEE SCENARIO
 215 APARTMENT UNITS
 APARTMENT PROTOTYPE
 PLACENTIA, CALIFORNIA

| | | | |
|---|------------------------------|--------------------|--------------------|
| I. Rental Revenue | | | |
| One-Bedroom Units | 100 Units | \$2,100 /Month | \$2,520,000 |
| Two-Bedroom Units | 115 Units | \$2,600 /Month | <u>3,588,000</u> |
| Gross Rental Income | | | \$6,108,000 |
| Laundry / Miscellaneous Income | 215 Units | \$10 /Unit/Month | <u>25,800</u> |
| Gross Residential Income | | | \$6,133,800 |
| Vacancy and Collection Allowance | 5% Gross Income | | <u>(306,700)</u> |
| Effective Gross Income | | | \$5,827,100 |
| II. Operating Expenses | | | |
| General Operating Expenses | 215 Units | \$4,000 /Unit/Year | \$860,000 |
| Management Fee | 3.50% Effective Gross Income | | 203,900 |
| Property Taxes | 215 Units | \$4,107 /Unit/Year | 883,000 |
| Operating & Capital Reserves | 215 Units | \$150 /Unit/Year | <u>32,300</u> |
| Total Operating Expenses | | | \$1,979,200 |
| III. Stabilized Net Operating Income | | | \$3,847,900 |

¹ Based on KMA market survey.

² Based on a 4.75% capitalization rate and a 1.09% property tax rate.

APPENDIX E - EXHIBIT VI - TABLE 3

**FINANCIALLY SUPPORTABLE AFFORDABLE HOUSING IMPACT FEE
RESIDENTIAL AFFORDABLE HOUSING IMPACT FEE SCENARIO
215 APARTMENT UNITS
APARTMENT PROTOTYPE
PLACENTIA, CALIFORNIA**

| | | | |
|--|---------------------------------------|----------------|---------------------|
| I. <u>Supportable Private Investment</u> | | | |
| Stabilized Net Operating Income | See APPENDIX E - EXHIBIT VI - TABLE 2 | | \$3,847,900 |
| Capitalization Rate | | | 4.75% |
| Supportable Private Investment | | | \$81,008,000 |
| II. <u>Residual Land Value</u> | | | |
| Supportable Private Investment | | | \$81,008,000 |
| (Less) Developer Profit | 10% Project Value | | (8,101,000) |
| (Less) Total Construction Costs | | | (69,797,000) |
| III. <u>Residual Land Value</u> | 128,502 Sf Land | \$24 /Sf Land | \$3,110,000 |
| | 215 Units | \$14,500 /Unit | |
| IV. <u>Reduction in Land Value</u> | | | |
| Supportable Land Value without Impact Fee | | | \$4,427,000 |
| Supportable Land Value with Impact Fee | | | 3,110,000 |
| V, <u>Reduction in Supportable Land Value</u> | 30% Land Value Reduction | | \$1,317,000 |
| V. <u>Financially Supportable Affordable Housing Impact Fee</u> | | | |
| Fee Per Livable Square Foot | | \$6.70 /Sf | |
| Fee Per Unit | | \$6,000 /Unit | |

EXHIBIT B

CHAPTER 5.30

AFFORDABLE HOUSING FEES FOR RESIDENTIAL DEVELOPMENTS

Sections:

5.30.010 Purpose.

5.30.020 Definitions.

5.30.030 *Reserved.*

5.30.040 Residential affordable housing impact fees.

5.30.050 Exemptions.

5.30.060 Alternatives.

5.30.070 Compliance procedures.

5.30.080 Affordable housing unit standards.

5.30.090 Affordable owner-occupied units.

5.30.100 Affordable rental units.

5.30.110 Administrative relief.

5.30.120 Housing impact fee fund.

5.30.130 Enforcement.

5.30.010 Purpose.

The purpose of this chapter is to:

- A. Encourage the development and availability of housing affordable to a broad range of households with varying income levels within the city as mandated by state law, California Government Code Section 65580 et seq.
- B. Promote Housing Element Goal 2 to accommodate regional housing needs through a community wide variety of residential uses by size, type, tenure, affordability, and location.
- C. Implement the Housing Element by creating a mechanism to provide benefits to the community from new development in the form of affordable housing, thereby, helping to meet the housing needs of all socioeconomic segments of the community as provided in the Housing Element.
- D. Promote Housing Element goal to ensure the continued availability of affordable housing for very low, low, and moderate income households, seniors, and persons with disabilities, single-parent households, large families, and other special needs groups.
- E. Implement Housing Element to adopt permissible and reasonable impact fees for residential development based on impact fee nexus studies.
- F. Enhance the public welfare by imposing affordable housing impact fees for residential development projects whereby developers of residential development projects will help mitigate the impacts of their projects on the need for affordable housing by contributing to the supply of housing for households with very low, low, and moderate incomes.

5.30.020 Definitions.

As used in this chapter, the following terms shall have the following meanings:

- A. "Affordable housing agreement" means a written agreement between the city and the developer as provided in Section 5.30.070 of this chapter.
- B. "Housing impact fee fund" means a fund for the deposit of fees established under this chapter as provided in Section 5.30.120 of this chapter.

C. "Affordable housing plan" means a plan required for any residential development project which includes the provision of affordable housing units that demonstrates how the project complies with Section 5.30.070 of this chapter.

D. "Affordable housing unit" means a dwelling unit that shall be offered at an affordable rent or affordable ownership cost to very low, low and moderate income households.

E. "Affordable ownership cost" means the sales price of a for-sale affordable unit resulting in projected average monthly housing payments, during the first calendar year of a household's occupancy, including interest, principal, mortgage insurance, property taxes, homeowners insurance, homeowners' association dues, if any, and a reasonable allowance for utilities, property maintenance, and repairs, not exceeding the sales prices specified by Section 50052.5 of the California Health and Safety Code and California Code of Regulations Title 25, Sections 6910 through 6924.

F. "Affordable rent" means the total monthly housing expenses for a rental affordable unit not exceeding the rents specified by Section 50053 of the California Health and Safety Code and California Code of Regulations Title 25, Sections 6910 through 6924. As used in this chapter, "affordable rent" shall include the total of monthly payments by the tenant for all of the following: (1) use and occupancy of the affordable unit and land and all facilities associated with the affordable unit, including, but not limited to, parking, bicycle storage, storage lockers, and use of all common areas; (2) any additional separately charged fees or service charges assessed by the owner, other than security deposits; (3) an allowance for utilities paid by the tenant as established by the Orange County housing authority, including garbage collection, sewer, water, electricity, gas, and other heating, cooking, and refrigeration fuel, but not telephone service or cable TV; and (4) any other interest, taxes, fees or charges for use of the land or affordable unit or associated facilities and assessed by a public or private entity other than the owner, and paid by the tenant.

G. "Building permit" includes full structural building permits as well as partial permits such as foundation-only permits.

H. "City" means the city of Placentia.

I. "City Council" means the city council of the City of Placentia.

J. "City Administrator" means the city administrator of the City or designee.

K. "Decision-making body" means the city staff person or body authorized to approve or deny an application for a planning or building permit for a residential development project.

L. "Developer" means the person(s) or legal entity(ies), who also may be the property owner seeking real property development permits or approvals from the city or developing a particular project in the city.

M. "For-sale unit" means a residential dwelling unit that may be sold individually in conformance with the Subdivision Map Act. For-sale units also include units that are converted from rental units to for-sale units. "Household" means one person living alone or two or more persons sharing residency in one dwelling unit.

N. "Low income households" means households with incomes no greater than the maximum income for low income households, as published annually by the city for each household size, based on United States Department of Housing and Urban Development (HUD) and the California Department of Housing and Community Development (HCD) income limits for Orange County.

O. "Market-rate unit" means a new dwelling unit in a residential development project that is not an affordable unit.

P. "Median income" means the median income applicable to Orange County, as published annually by the city for each household size, based on median income data for Orange County published by the United States Department of Housing and Urban Development (HUD) and the California Department of Housing and Community Development (HCD).

Q. "Moderate income households" means households with incomes no greater than the maximum income for moderate income households, as published annually by the city for each household size, based on United States Department of Housing and Urban Development (HUD) and the California Department of Housing and Community Development (HCD) income limits for Orange County.

R. "Planning permit" means any discretionary approval of a residential development project, including, but not limited to, a general or specific plan adoption or amendment, rezoning, tentative map, conditional use permit, variances, or design review.

S. "Rental unit" means a dwelling unit that is intended to be offered for rent or lease and that cannot be sold individually in conformance with the Subdivision Map Act.

T.. "Residential affordable housing impact fee" means the fee paid by developers of residential development projects to help mitigate the impacts that such developments have on the demand for affordable housing in the city and to support affordable housing development and operation..

U. "Residential development project" means an application for a planning permit or building permit at one location to create one or more additional dwelling units, convert nonresidential uses to dwelling units, subdivide a parcel to create one or more separately transferable parcels intended for residential development, or implement a condominium conversion, including development constructed at one time and in phases. "One location" includes all adjacent parcels of land under common ownership or control, the property lines of which are contiguous at any point, or the property lines of which are separated only by a public or private street, road, or other public or private right-of-way, or separated only by the lands owned or controlled by the developer.

V. "Very low income households" means households with incomes no greater than the maximum income for very low income households, as published annually by the city for each household size, based on United States Department of Housing and Urban Development (HUD) and the California Department of Housing and Community Development (HCD) income limits for Orange County.

5.30.030 [Reserved]

5.30.040 Residential affordable housing impact fees.

A. Residential affordable housing impact fees are hereby established for all residential development projects. The amount of the residential affordable housing impact fees shall be established and adjusted from time to time by resolution of the city council. The impact fees shall not exceed the cost of mitigating the impact of residential development projects on the need for affordable housing in the city.

B. Payment of the impact fees shall be due at the issuance of the building permit for the development. The fees shall be calculated based on the fee schedule in effect at the time the building permit is issued.

C. For for-sale development projects that trigger an affordable unit requirement with a decimal fraction of less than one-half, the developer shall either build one additional affordable unit or pay an impact fee equal to the decimal fraction multiplied by the residential affordable housing impact fee for the for-sale residential project.

5.30.050 Exemptions.

The requirements of this chapter do not apply to:

A. Residential development projects of four or fewer new housing units, the creation of four or fewer parcels, provided that no more than four dwelling units are allowed; or accessory dwellings created pursuant to the Placentia Municipal Code.

B. Replacement construction that results in a net increase of four or fewer new housing units.

C. Residential developments that already have more deed-restricted units that are affordable to very low, low and moderate income households than this chapter requires, for the period required under this chapter.

D. Residential development projects which fall within one or more of the following categories:

1. Any structure proposed to repair or replace a building that was damaged or destroyed by fire or other calamity, so long as the square footage and use of the building remains the same, and construction of the replacement building begins within one year of the damage's occurrence.

3. Residential development projects to the extent they have received a vested right to proceed without payment of affordable housing impact fees pursuant to state law, including those that are the subject of development agreements currently in effect with the city, if such development agreements were approved prior to the effective date of the ordinance codified in this chapter and where such agreements expressly preclude the city from requiring payment of the affordable housing impact fee.

4. Residential development projects for which applications have been deemed complete prior to the effective date of this chapter.

5. Other uses that may be specified by resolution of the city council.

5.30.060 Alternatives.

A. Notwithstanding any contrary provisions of this chapter, the city may determine that alternatives to the requirements in Section 5.30.030 of this chapter as proposed by the developer in the affordable housing plan required by Section 5.30.070 of this chapter, provided that the city council makes the findings in Section 5.30.070(D), (E), or (F) as appropriate.

B. For-Sale Residential Projects. As an alternative to construction of affordable housing units on-site or payment of a residential affordable housing impact fee, if approved by the city council, developers of for-sale residential development projects may propose to mitigate affordable housing impacts of such housing through alternative means, including, but not limited to:

1. Provision of affordable units off site.
3. Dedication of land to the city suitable for construction of affordable units.
2. Purchase of existing units for conversion to affordable units.
3. Acquisition and rehabilitation of affordable units.
5. Increase in the total number of affordable housing bedrooms.
6. Provision of greater level of affordability.
7. Construction of second dwelling units.
8. Providing rental affordable units rather than for-sale affordable units.

C. Rental Residential Development Projects. As an alternative to payment of residential affordable housing impact fee, developers of rental residential development projects may propose to help mitigate the affordable housing impacts of such developments through an alternative mitigation program, including, but not limited to:

1. Construction of affordable housing units on site or through an alternative mitigation program, such as the provision of off-site affordable units, donation of land for the

construction of affordable units, or purchase of existing units for conversion to affordable units.

2. For rental residential developments proposing this alternative, eleven percent of the total development shall be restricted to occupancy by very low income households, or twenty percent of the total development shall be restricted to occupancy by low and moderate income households.

3. If a developer proposes to provide affordable rental units, then, to ensure compliance with the Costa-Hawkins Rental Housing Act (Chapter 2.7 of Title 5 of Part 4 of Division 3 of the Civil Code), the city may only approve such a proposal if, as required by Civil Code Sections 1954.52(b) and 1954.53(a)(2), the developer agrees in a contract with the city to limit rents in accordance with Section 12.260.070 of this chapter in consideration for a direct financial contribution from the city or a form of assistance specified in the State's Density Bonus Law (Chapter 4.3, commencing with Section 65915, of Division 1 of Title 7 of the Government Code). The developer may request that the city waive the residential affordable housing impact fee as a direct financial contribution to the rental residential development project.

D. Any affordable rental or for-sale units proposed as an alternative shall be subject to the requirements described in Section 5.30.080 of this chapter.

5.30.070 Compliance procedures.

A. General. Approval of an affordable housing plan and execution, recordation and implementation of an affordable housing agreement shall be conditions of any approval of a residential development project, which includes the provision of affordable housing units as provided in Section 5.30.030 or 5.30.060. No affordable housing plan is required if the developer proposes only to pay the residential affordable housing impact fee.

B. Affordable Housing Plan. No application for approval of a residential development project which includes the provision of affordable housing units may be deemed complete until an affordable housing plan containing all the elements identified below is submitted to the community development department. The affordable housing plan shall include:

1. The number, location, number of bedrooms and size of the proposed market rate and affordable housing units and the basis for calculating the number of affordable housing units;
 2. The city may approve an increase in the number of units per acre in a residential development if the increase is consistent with state density bonus law per Section 65915 of the State Government Code. If the applicant is proposing to apply for a density bonus, the affordable housing plan must include an analysis of the density bonus request;
 3. A site plan depicting the proposed location of the initial affordable housing units;
 4. A floor plan depicting the proposed location of the initial affordable housing units within a residential development;
 5. The income levels to which each affordable housing unit will be made affordable;
 6. The mechanisms that will be used to assure that the units remain affordable for the desired term, such as resale and rental restrictions, deeds of trust, and city's option to purchase and other documents;
 7. For a phased residential development proposing any change to the phasing requirements specified in Section 5.30.080(B), a phasing plan that provides for the timely development of affordable housing units in each proposed phase of development;
 8. The conceptual plan for initial sales or rental by developer of the affordable housing units;
 9. Any proposed alternative as provided in Section 5.30.060 along with information necessary to support the findings required in Section 5.30.070(E) for approval of such alternatives;
 10. The city administrator may request additional information as reasonably needed to assist with evaluation of the affordable housing plan under the standards of this chapter.
- C. The affordable housing plan shall be processed concurrently with all other permits required for the residential development project. Before approving the affordable housing plan, the city council shall find that the affordable housing plan conforms to this chapter. A condition shall be attached to the first approval of any residential development project to

require recordation of an affordable housing agreement, as described in this subsection, prior to the approval of any final or building permit for the residential development project.

D. Findings—All Alternatives. The city council may or conditionally approve an alternative contained in an affordable housing plan if the city council determines, based on substantial evidence, that the proposed alternative supports adopted Housing Element policies and goals and assists the city in meeting state housing requirements.

E. Findings—Alternative Proposing On-Site Affordable Units. The city council may approve or conditionally approve an affordable housing plan that proposes on-site construction of affordable units if the city council determines, based on substantial evidence, that:

1. The proposed affordable units comply with the standards in Section 5.30.080, including, without limitation, compliance with Section 5.30.080(B) requiring that the affordable units be made available for occupancy concurrently with the market-rate units; and
2. The affordable units will help mitigate the impact of the project on the need for affordable housing.

F. Findings—Alternative Proposing Off-Site Affordable Units. If a developer proposes off-site affordable housing units or any other alternative in the affordable housing plan, the city administrator may approve, conditionally approve or reject any alternative proposed by a developer subject to final approval by the city council in its discretion. Any approval or conditional approval shall be based on a finding that:

1. Financing or a viable financing plan, which may include public funding sources, is in place for the proposed affordable housing units;
2. The proposed location is suitable for the proposed affordable housing, is consistent with the Housing Element, General Plan, and Zoning Ordinance, and will not tend to cause residential segregation; and
3. The net cost of the alternative is at least equal to the net cost to provide affordable housing units;
4. The alternative does not detract from the city's program to meet its housing goals and obligations under California Housing Law (Government Code Section 65580 et seq.).

G. Affordable Housing Agreement. To ensure compliance with the approved affordable housing plan, an affordable housing agreement acceptable to the city administrator or designee shall be recorded against the residential development project prior to approval of any final, or issuance of any building permit, whichever occurs first. The affordable housing agreement shall specify the number, type, location, size, phasing, and terms of affordability of all affordable units, provisions for income certification and screening of potential purchasers or renters of units, and resale control mechanisms, including the financing of ongoing administrative and monitoring costs, consistent with the approved affordable housing plan, and subject to final approval by the city council.

H. The city administrator may adopt affordable housing guidelines consistent with this chapter and the Housing Element for the purpose of carrying out the administration of this chapter and may update those guidelines periodically as required.

5.30.080 Affordable housing unit standards.

A. All affordable units provided pursuant to Sections 5.30.030 and 5.30.060 shall be comparable to the overall quality of construction to market-rate units in the same housing development as follows:

1. The exterior appearance of the affordable units shall be compatible with that of market-rate units.
2. Interior finishes and amenities may not differ from those provided in the base model market rate units.
3. The number of bedrooms in the affordable units shall be comparable to the average number of bedrooms in the market-rate units, and the affordable units shall be reasonably dispersed within the residential development, with unit locations comparable to those of the market-rate units, subject to review and approval by the community development director.
4. The affordable units shall have the same amenities as the market rate units, including the same access to and enjoyment of common open space, parking, storage, and other facilities in the residential development, provided at an affordable rent as defined in Section 5.30.010 or at affordable ownership cost as defined in Section 5.30.010.

B. Affordable units provided pursuant to Sections 5.30.030 and 5.30.060 shall be made available for occupancy concurrently with the market-rate units. For the purposes of this subsection, “concurrently” means that the city may not issue building permits for more than fifty percent of the market-rate units until it has issued building permits for all of the affordable units, and the city may not approve any final inspections or certificates of occupancy for more than fifty percent of the market-rate units until it has issued final inspections or certificates of occupancy for all of the affordable units. However, the city council may modify the timing requirements for construction and occupancy of market-rate units to accommodate phasing schedules, model variations, or other factors, if the city council determines this will provide greater public benefit.

C. All affordable units provided pursuant to Sections 5.30.030 and 5.30.060 shall be subject to a resale restriction, deed of trust, and/or regulatory agreement recorded against the property for execution by the city administrator, in a form approved by the city attorney, to ensure the continued affordability of the affordable units.

1. Affordable housing units produced under this chapter shall be legally restricted to occupancy by households of the income levels for which the units were designated for a period of not less than fifty-five years for rental units and forty-five years for owner-occupied units.

2. To the extent permitted by state and federal law, preferences will be given to those households where at least one member in the household lives or works in Placentia or works for a school district serving the residents living in the city, except for those deemed ineligible due to conflict of interest noted below.

3. Conflict of Interest. The following individuals are ineligible to purchase or rent certain affordable housing units: (i) elected or appointed city officials (including their spouse and dependents) who participated in the approval process for a project that included the affordable housing units; (ii) the project applicant and its officers and employees (and their spouse and dependents); and (iii) the project owner and its officers and employees (and their spouse and dependents). However, employees of the project applicant and project owner may purchase or rent affordable housing units if the units were designed and intended to be occupied by employees of the applicant or owner, with approval of the city council. Officials, employees, or consultants of the city and members of city boards and commissions shall comply with all applicable laws, regulations, and policies relating to

conflicts of interest as to their eligibility to develop, construct, sell, rent, lease, occupy, or purchase an affordable unit.

4. Any household that occupies an affordable unit must occupy that unit as its principal residence, unless otherwise approved in writing for rental to a third party for a limited period of time due to household hardship, as determined by the city.

5. No household may begin occupancy of an affordable unit until the household has been determined to be eligible to occupy that unit by the community development director or designee. The city administrator or designee may from time to time adopt guidelines for determining household income and affordable housing cost, determining buyer eligibility, monitoring, and relevant administrative provisions.

5.30.090 Affordable owner-occupied units.

A. Sale to Eligible Households. Owner-occupied units will be offered to eligible households at a sales price set so that the eligible household will pay an affordable ownership cost. The developer shall certify each prospective purchaser's income to the city or city's designee and obtain approval of the household prior to close of escrow. The developer must obtain and review documents that demonstrate the prospective owner's total income and assets and submit such information on a form approved by the city.

B. Initial Sales Price. The initial sales price of the affordable housing unit shall be set by the city so that the eligible household will pay an affordable ownership cost. The city shall respond to a written request by developer and provide developer with a good-faith estimate of the initial sales price during pre-development.

C. Deed Restrictions. Deed restrictions provided by the city, recorded against title to the affordable housing unit, and secured by a deed of trust shall be required as condition of sale for all owner-occupied affordable housing units and will include, but are not limited to, the city's or its designee's option to purchase, resale restrictions, occupancy requirements, payment of penalty for any default, and procedures and policies regarding changes in title. Deed restrictions must be approved by the city attorney prior to close of escrow.

D. Administration. The developer or subsequent seller shall pay all administrative costs associated with the sale of the for sale affordable housing units, including for buyer review

and qualification, and the review and processing of documents associated with the transaction.

5.30.100 Affordable rental units.

A. Non-Discrimination. When selecting tenants, the owners of affordable housing units shall comply with all fair-housing laws, rules, regulations, and guidelines. The owner shall apply the same rental terms and conditions to tenants of affordable housing units as are applied to all other tenants, except as required to comply with this chapter or with other applicable government programs.

B. Annual Report. The owner shall submit an annual report summarizing the occupancy of each affordable housing unit for the year and demonstrating the income-eligibility of the tenant. The city administrator may require additional information to confirm household income and rental price of the unit if he or she deems necessary. The city council may establish and charge the owner or operator of the rental residential development an annual fee to cover the costs of this monitoring. The fee will be added to the Master Fee Schedule by city council resolution.

C. Periodic Audit. The city shall have the right to periodically audit the information supplied to the city for the annual report if deemed necessary to ensure compliance with this chapter. In addition, owners of affordable housing units shall cooperate with any audits conducted by the city, state agencies, federal agencies, or their designees.

D. Change in Income. If, after moving into an affordable rental housing unit, a tenant's household income exceeds the limit for that unit, the tenant household may remain in the unit as long as his or her household income does not exceed one hundred twenty percent of the income limit, but the tenant's rent shall be increased to thirty percent of monthly income upon expiration of the tenant's lease. Once the tenant's income exceeds one hundred twenty percent of the income limit, the tenant shall be given one year's notice to vacate the unit, or the next available market rate unit in the residential development shall be offered as an affordable housing unit. The owners of the residential development are responsible for notifying the city of such changes in income and documenting the process by which the existing tenant will be removed or the next available unit shall be offered as an affordable housing unit.

5.30.110 Administrative relief.

A. As part of an application for the first approval of a residential development project, a developer may request that the requirements of this chapter be waived or modified by the city council, based upon a showing that applying the requirements of this chapter would result in an unconstitutional taking of property or would result in any other unconstitutional result, or because there is no reasonable relationship between the impact of the development and the need for affordable housing. Concurrently:

1. Any request for a waiver or modification shall be submitted with the project application. The developer shall set forth in detail the factual and legal basis for the claim, including all supporting technical documentation.

2. Any request for a waiver or modification based on this section shall be reviewed and considered at the same time as the project application. The city council may from time to time establish by resolution a processing fee for review of any request for a waiver or modification.

B. The waiver or modification may be approved only to the extent necessary to avoid an unconstitutional result, based upon legal advice provided by or at the behest of the city attorney, after adoption of written findings, based on legal analysis and the evidence. If a waiver or modification is granted, any change in the project shall invalidate the waiver or modification, and a new application shall be required for a waiver or modification pursuant to this section.

5.30.120 Housing impact fee fund.

A. There is hereby established in the city of Placentia a separate "housing impact fee fund," pursuant to Section 66006 of the California Government Code. All affordable housing impact fees or other funds collected under this chapter shall be deposited into the city's housing impact fee fund.

B. The monies in the housing impact fee fund and all earnings from investment of the monies in the fund shall be expended exclusively to provide housing affordable to extremely low income, very low income, lower income, and moderate income households in the city, consistent with the goals and policies contained in the city's Housing Element

and the purposes for which the fees were collected, and for administration and compliance monitoring of the affordable housing program.

C. The city council may, from time to time, adopt guidelines for expenditure of monies in the housing impact fee fund.

5.30.130 Enforcement.

A. Payment of the residential affordable housing impact fee is the obligation of the developer for a residential development project. The city may institute any appropriate legal actions or proceedings necessary to ensure compliance herewith, including, but not limited to, actions to revoke, deny, or suspend any permit or development approval.

B. The city attorney shall be authorized to enforce the provisions of this chapter and all affordable housing agreements, regulatory agreements, and all other covenants or restrictions placed on affordable units, by civil action and any other proceeding or method permitted by law.

C. Failure of any official or agency to fulfill the requirements of this chapter shall not excuse any developer or owner from the requirements of this chapter. No permit, license, map, or other approval or entitlement for a residential development shall be issued, including without limitation a final inspection or certificate of occupancy, until all applicable requirements of this chapter have been satisfied.

D. The remedies provided for in this section shall be cumulative and not exclusive and shall not preclude the city from any other remedy or relief to which it otherwise would be entitled under law or equity.



Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: CHIEF OF POLICE

DATE: OCTOBER 17, 2017

SUBJECT: **AGREEMENT FOR PARKING CITATION PROCESSING AND COLLECTION SERVICES WITH TURBO DATA SYSTEMS, INC.**

FISCAL

IMPACT: EXPENSE: NOT TO EXCEED \$22,000 PER YEAR
BUDGETED: \$22,000 FISCAL YEAR 2017-18 OPERATING BUDGET
(GENERAL FUND)

SUMMARY:

Since 1988, the Police Department has been utilizing Turbo Data Systems, Inc. (Turbo) for parking citation processing and collection services. This has been a cost effective means of handling the processing of parking citations for the City of Placentia. This agreement continues the services provided by Turbo for the next five (5) years.

RECOMMENDATION:

It is recommended that the City Council take the following actions:

1. Approve the Professional Services Agreement with Turbo Data Systems, Inc. for Parking Citation Processing and Collection Services for a five (5) year term ending June 30, 2022 for an amount not-to-exceed \$22,000 per year; and
2. Authorize the City Administrator and/or his designee to execute all the necessary documents, in a form approved by the City Attorney.

DISCUSSION:

Turbo Data Systems, Inc. has provided the service of processing and collecting parking citations for over 30 years. The level of services provided to the Placentia Police Department (Department) has consistently been professional and of the highest quality. The Department continues to need the services provided which include, but are not limited to the following: Basic Processing, Notice Processing Services, Out of State Citation Processing, Administrative Adjudication Letters, Paperless Appeals and Online Web Payment System.

1.e.

October 17, 2017

FISCAL IMPACT:

Funding for the parking citation processing and collection services is included in the Fiscal Year 2017-18 Adopted Budget.

Prepared by:



Julie Kennicutt
Sr. Management Analyst

Reviewed and approved:



Darin Lenyi
Chief of Police

Reviewed and approved:



Shally Lin
Interim Finance Director

Reviewed and approved:



Damien R. Arrula
City Administrator

Attachments:

1. Agreement with Turbo Data Systems, Inc.

**CITY OF PLACENTIA
PROFESSIONAL SERVICES AGREEMENT
WITH
TURBO DATA SYSTEMS, INC**

THIS AGREEMENT is made and entered into this 1st day of July 2017, by and between the CITY OF PLACENTIA, a municipal corporation ("City"), and Turbo Data Systems, Inc., A California Corporation ("Consultant").

WITNESSETH:

A. WHEREAS, City proposes to utilize the services of Consultant as an independent contractor to process parking citations, as more fully described herein; and

B. WHEREAS, Consultant represents that it has that degree of specialized expertise contemplated within California Government Code Section 37103, and holds all necessary licenses to practice and perform the services herein contemplated; and

C. WHEREAS, City and Consultant desire to contract for the specific services described in Exhibit "A" (the "Project") and desire to set forth their rights, duties and liabilities in connection with the services to be performed; and

D. WHEREAS, no official or employee of City has a financial interest, within the provisions of Sections 1090-1092 of the California Government Code, in the subject matter of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, the parties hereby agree as follows:

1.0. SERVICES PROVIDED BY CONSULTANT

1.1. Scope of Services. Consultant shall provide the professional services described in the Consultant's Proposal ("Proposal"), attached hereto as Exhibit "A" and incorporated herein by this reference.

1.2. Professional Practices. All professional services to be provided by Consultant pursuant to this Agreement shall be provided by personnel experienced in their respective fields and in a manner consistent with the standards of care, diligence and skill ordinarily exercised by professional consultants in similar fields and circumstances in accordance with sound professional practices. Consultant also warrants that it is familiar with all laws that may affect its performance of this Agreement and shall advise City of any changes in any laws that may affect Consultant's performance of this Agreement. 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. Officers and employees shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this section.

1.3. Performance to Satisfaction of City. Consultant agrees to perform all the work to the complete satisfaction of the City and within the hereinafter specified. Evaluations of the work will be done by the City Administrator or his or her designee. If the quality of work is not satisfactory, City in its discretion has the right to:

- (a) Meet with Consultant to review the quality of the work and resolve the matters of concern;
- (b) Require Consultant to repeat the work at no additional fee until it is satisfactory; and/or
- (c) Terminate the Agreement as hereinafter set forth.

1.4. Warranty. Consultant warrants that it shall perform the services required by this Agreement in compliance with all applicable Federal and California employment laws, including, but not limited to, those laws related to minimum hours and wages; occupational health and safety; fair employment and employment practices; workers' compensation insurance and safety in employment; and all other Federal, State and local laws and ordinances applicable to the services required under this Agreement. Consultant shall indemnify and hold harmless City from and against all claims, demands, payments, suits, actions, proceedings, and judgments of every nature and description including attorneys' fees and costs, presented, brought, or recovered against City for, or on account of any liability under any of the above-mentioned laws, which may be incurred by reason of Consultant's performance under this Agreement.

1.5. Non-discrimination. In performing this Agreement, Consultant shall not engage in, nor permit its agents to engage in, discrimination in employment of persons because of their race, religion, color, national origin, ancestry, age, physical handicap, medical condition, marital status, sexual gender or sexual orientation, except as permitted pursuant to Section 12940 of the Government Code. Such actions shall include, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation and selection for training, including apprenticeship. Consultant agrees to post in conspicuous places, available to employees and applicants for employment, a notice setting forth provisions of this non-discrimination clause.

Consultant shall, in all solicitations and advertisements for employees placed by, or on behalf of Consultant shall state that all qualified applicants will receive consideration for employment without regard to age, race, color, religion, sex, marital status, national origin, or mental or physical disability. Consultant shall cause the paragraphs contained in this Section to be inserted in all subcontracts for any work covered by the Agreement, provided that the foregoing provisions shall not apply to subcontracts for standard commercial supplies or raw materials.

1.6. Non-Exclusive Agreement. Consultant acknowledges that City may enter into agreements with other consultants for services similar to the services that are subject to this Agreement or may have its own employees perform services similar to those services contemplated by this Agreement.

1.7. Delegation and Assignment. This is a personal service contract, and the duties set forth herein shall not be delegated or assigned to any person or entity without the prior written consent of City. Consultant may engage a subcontractor(s) as permitted by law and may employ other personnel to perform services contemplated by this Agreement at Consultant's sole cost and expense. All insurance requirements contained in this Agreement are independantly applicable to any and all subcontractors that Consultant may engage during the term of this Agreement.

1.8. Confidentiality. Employees of Consultant in the course of their duties may have access to financial, accounting, statistical, and personnel data of private individuals and employees of City. Consultant covenants that all data, documents, discussion, or other information developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Consultant without written authorization by City. City shall grant such authorization if disclosure is required by law. All City data shall be returned to City upon the termination of this Agreement. Consultant's covenant under this Section shall survive the termination of this Agreement.

2.0. COMPENSATION AND BILLING

2.1. Compensation. Consultant shall be paid in accordance with the fee schedule set forth in Exhibit "A". Consultant's total compensation shall not exceed Twenty-two thousand Dollars (\$22,000.00).

2.2. Additional Services. Consultant shall not receive compensation for any services provided outside the scope of services specified in the Consultant's Proposal or which is inconsistent with or in violation of the provisions of this Agreement unless the City or the Project Manager for this Project, prior to Consultant performing the additional services, approves such additional services in writing. It is specifically understood that oral requests and/or approvals of such additional services or additional compensation shall be barred and are unenforceable. Should the City request in writing additional services that increase the hereinabove described "SCOPE OF SERVICES", an additional fee based upon the Consultant's standard hourly rates shall be paid to the Consultant for such additional services. Such increase in additional fees shall be limited to 25% of the total contract sum or \$25,000 whichever is more. The City Engineer is authorized to approve a Change Order for such additional services.

2.3. Method of Billing. Consultant may submit invoices to the City for approval on a progress basis, but no more often than two times a month. Said invoice shall be based on the total of all Consultant's services which have been completed to City's sole satisfaction. City shall pay Consultant's invoice within thirty (30) days from the date City receives said invoice. Each invoice shall describe in detail, the services performed, the date of performance, and the associated time for completion. Any additional services approved and performed pursuant to this Agreement shall be designated as "Additional Services" and shall identify the number of the authorized change order, where applicable, on all invoices.

2.4. Records and Audits. Records of Consultant's services relating to this Agreement shall be maintained in accordance with generally recognized accounting principles and shall be made available to City or its Project Manager for inspection and/or audit at mutually convenient times for a period of three (3) years from the Effective Date.

3.0. TIME OF PERFORMANCE

3.1. Commencement and Completion of Work. The professional services to be performed pursuant to this Agreement shall commence within five (5) days from the Effective Date of this Agreement. Said services shall be performed in strict compliance with the Project Schedule approved by City as set forth in Exhibit "A."

3.2. Excusable Delays. Neither party shall be responsible for delays or lack of performance resulting from acts beyond the reasonable control of the party or parties. Such acts shall include, but not be limited to, acts of God, fire, strikes, material shortages, compliance

with laws or regulations, riots, acts of war, or any other conditions beyond the reasonable control of a party. If a delay beyond the control of the Consultant is encountered, a time extension may be mutually agreed upon in writing by the City and the Consultant. The Consultant shall present documentation satisfactory to the City to substantiate any request for a time extension.

4.0. TERM AND TERMINATION

4.1. Term. This Agreement shall commence on the Effective Date and continue for a period of five years, ending on June 30, 2022, unless previously terminated as provided herein or as otherwise agreed to in writing by the parties.

4.2. Notice of Termination. The City reserves and has the right and privilege of canceling, suspending or abandoning the execution of all or any part of the work contemplated by this Agreement, with or without cause, at any time, by providing at least fifteen (90) days prior written notice to Consultant. The termination of this Agreement shall be deemed effective upon receipt of the notice of termination. In the event of such termination, Consultant shall immediately stop rendering services under this Agreement unless directed otherwise by the City. If the City suspends, terminates or abandons a portion of this Agreement such suspension, termination or abandonment shall not make void or invalidate the remainder of this Agreement.

If the Consultant defaults in the performance of any of the terms or conditions of this Agreement, it shall have ten (10) days after service upon it of written notice of such default in which to cure the default by rendering a satisfactory performance. In the event that the Consultant fails to cure its default within such period of time, the City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

The City shall have the right, notwithstanding any other provisions of this Agreement, to terminate this Agreement, at its option and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement, immediately upon service of written notice of termination on the Consultant, if the latter should:

- a. Be adjudged a bankrupt;
- b. Become insolvent or have a receiver of its assets or property appointed because of insolvency;
- c. Make a general assignment for the benefit of creditors;
- d. Default in the performance of any obligation or payment of any indebtedness under this Agreement;
- e. Suffer any judgment against it to remain unsatisfied or unbonded of record for thirty (30) days or longer; or
- f. Institute or suffer to be instituted any procedures for reorganization or rearrangement of its affairs.

4.3. Compensation. In the event of termination, City shall pay Consultant for reasonable costs incurred and professional services satisfactorily performed up to and including

the date of City's written notice of termination within thirty-five (35) days after service of the notice of termination. Compensation for work in progress shall be prorated based on the percentage of work completed as of the effective date of termination in accordance with the fees set forth herein. In ascertaining the professional services actually rendered hereunder up to the effective date of termination of this Agreement, consideration shall be given to both completed work and work in progress, to complete and incomplete drawings, and to other documents pertaining to the services contemplated herein whether delivered to the City or in the possession of the Consultant. City shall not be liable for any claim of lost profits.

4.4. Documents. In the event of termination of this Agreement, all documents prepared by Consultant in its performance of this Agreement including, but not limited to, finished or unfinished design, development and construction documents, data studies, drawings, maps and reports, shall be delivered to the City within ten (10) days of delivery of termination notice to Consultant, at no cost to City. Any use of uncompleted documents without specific written authorization from Consultant shall be at City's sole risk and without liability or legal expense to Consultant.

5.0. INSURANCE

5.1. Minimum Scope and Limits of Insurance. Consultant shall obtain, maintain, and keep in full force and effect during the life of this Agreement all of the following minimum scope of insurance coverages with an insurance company admitted to do business in California, rated "A," Class X, or better in the most recent Best's Key Insurance Rating Guide, and approved by City:

- (a) Broad-form commercial general liability, in a form at least as broad as ISO form #CG 00 01 04 13, including premises-operations, products/completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury or bodily injury with a policy limit of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or shall be twice the required occurrence limit. If Consultant maintains higher limits than the specified minimum limits, City requires and shall be entitled to coverage for the high limits maintained by the Consultant.
- (b) Business automobile liability for owned vehicles, hired, and non-owned vehicles, with a policy limit of not less than One Million Dollars (\$1,000,000.00), combined single limits, each incident for bodily injury and property damage.
- (c) Workers' compensation insurance as required by the State of California and Employers Liability Insurance with a minimum limit of \$1,000,000 per accident for any employee or employees of Consultant. Consultant agrees to waive, and to obtain endorsements from its workers' compensation insurer waiving subrogation rights under its workers' compensation insurance policy against the City, its officers, agents, employees, and volunteers for losses arising from work performed by Consultant for the City and to require each of its subcontractors, if any, to do likewise under their workers' compensation insurance policies.

Before execution of this Agreement by the City, the Consultant shall file with the Public Works Director/City Engineer the following signed certification:

I am aware of, and will comply with, Section 3700 of the Labor Code, requiring every employer to be insured against liability of Workers' Compensation or to undertake self-insurance before commencing any of the work.

The Consultant shall also comply with Section 3800 of the Labor Code by securing, paying for and maintaining in full force and effect for the duration of this Agreement, complete Workers' Compensation Insurance, and shall furnish a Certificate of Insurance to the Public Works Director/City Engineer before execution of this Agreement by the City. The City, its officers and employees shall not be responsible for any claims in law or equity occasioned by failure of the consultant to comply with this section.

- (d) Professional errors and omissions ("E&O") liability insurance with policy limits of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence and aggregate. Architects' and engineers' coverage shall be endorsed to include contractual liability. If the policy is written as a "claims made" policy, the retro date shall be prior to the start of the contract work. Consultant shall obtain and maintain, said E&O liability insurance during the life of this Agreement and for three years after completion of the work hereunder.

Neither the CITY nor any of its elected or appointed officials, officers, agents, employees, or volunteers makes any representation that the types of insurance and the limits specified to be carried by Consultant under this Agreement are adequate to protect Consultant. If Consultant believes that any such insurance coverage is insufficient, Consultant shall provide, at its own expense, such additional insurance as Consultant deems adequate.

5.2. Endorsements. The commercial general liability insurance policy and business automobile liability policy shall contain or be endorsed to contain the following provisions:

- (a) Additional insureds: "The City of Placentia and its elected and appointed boards, officers, officials, agents, employees, and volunteers are additional insureds with respect to: liability arising out of activities performed by or on behalf of the Consultant pursuant to its contract with the City; products and completed operations of the Consultant; premises owned, occupied or used by the Consultant; automobiles owned, leased, hired, or borrowed by the Consultant."
- (b) Notice: "Consultant shall provide immediate written notice if (1) any of the required insurance policies is terminated; (2) the limits of any of the required policies are reduced; (3) or the deductible or self insured retention is increased. In the event of any cancellation or reduction in coverage or limits of any insurance, Consultant shall forthwith obtain and submit proof of substitute insurance. Should Consultant fail to

immediately procure other insurance, as specified, to substitute for any canceled policy, the City may procure such insurance at Consultant's sole cost and expense."

- (c) Other insurance: "The Consultant's insurance coverage shall be primary insurance as respects the City of Placentia, its officers, officials, agents, employees, and volunteers. Any other insurance maintained by the City of Placentia shall be excess and not contributing with the insurance provided by this policy."
- (d) Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to the City of Placentia, its officers, officials, agents, employees, and volunteers.
- (e) The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

5.3. Deductible or Self Insured Retention. If any of such policies provide for a deductible or self-insured retention to provide such coverage, the amount of such deductible or self-insured retention shall be approved in advance by City. No policy of insurance issued as to which the City is an additional insured shall contain a provision which requires that no insured except the named insured can satisfy any such deductible or self-insured retention.

5.4. Certificates of Insurance. Consultant shall provide to City certificates of insurance showing the insurance coverages and required endorsements described above, in a form and content approved by City, prior to performing any services under this Agreement. The certificates of insurance and endorsements shall be attached hereto as Exhibit "B" and incorporated herein by this reference.

5.5. Non-limiting. Nothing in this Section shall be construed as limiting in any way, the indemnification provision contained in this Agreement, or the extent to which Consultant may be held responsible for payments of damages to persons or property.

6.0. GENERAL PROVISIONS

6.1. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to any matter referenced herein and supersedes any and all other prior writings and oral negotiations. This Agreement may be modified only in writing, and signed by the parties in interest at the time of such modification. The terms of this Agreement shall prevail over any inconsistent provision in any other contract document appurtenant hereto, including exhibits to this Agreement.

6.2. Representatives. The City Administrator or his or her designee shall be the representative of City for purposes of this Agreement and may issue all consents, approvals, directives and agreements on behalf of the City, called for by this Agreement, except as otherwise expressly provided in this Agreement.

Consultant shall designate a representative for purposes of this Agreement who shall be authorized to issue all consents, approvals, directives and agreements on behalf of Consultant called for by this Agreement, except as otherwise expressly provided in this

Agreement.

6.3. Project Managers. City shall designate a Project Manager to work directly with Consultant in the performance of this Agreement. It shall be the Consultant's responsibility to assure that the Project Manager is kept informed of the progress of the performance of the services and the Consultant shall refer any decision, which must be made by City, to the Project Manager. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Project Manager.

Consultant shall designate a Project Manager who shall represent it and be its agent in all consultations with City during the term of this Agreement and who shall not be changed by Consultant without the express written approval by the City. Consultant or its Project Manager shall attend and assist in all coordination meetings called by City.

6.4. Notices. Any notices, documents, correspondence or other communications concerning this Agreement or the work hereunder may be provided by personal delivery, facsimile or if mailed, shall be addressed as set forth below and placed in a sealed envelope, postage prepaid, and deposited in the United States Postal Service. Such communication shall be deemed served or delivered: a) at the time of delivery if such communication is sent by personal delivery; b) at the time of transmission if such communication is sent by facsimile; and c) 72 hours after deposit in the U.S. Mail as reflected by the official U.S. postmark if such communication is sent through regular United States mail.

IF TO CONSULTANT:

Turbo Data Systems, Inc.
18302 Irvine Blvd., Suite 200
Tustin, CA 92780
Tel: 714-368-4808
Fax: 714-573-0101
Attn: Roberta J. Rosen, President

IF TO CITY:

City of Placentia
401 E. Chapman
Placentia, CA 92870
Tel: 714-993-8200
Fax: 714-524-3459
Attn: Julie Kennicutt

6.5. Attorneys' Fees. In the event that litigation is brought by any party in connection with this Agreement, the prevailing party shall be entitled to recover from the opposing party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the exercise of any of its rights or remedies hereunder or the enforcement of any of the terms, conditions, or provisions hereof.

6.6. Governing Law. This Agreement shall be governed by and construed under the laws of the State of California without giving effect to that body of laws pertaining to conflict of laws. In the event of any legal action to enforce or interpret this Agreement, the parties hereto agree that the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California. Consultant agrees to submit to the personal jurisdiction of such court in the event of such action.

6.7. Assignment. Consultant shall not voluntarily or by operation of law assign, transfer, sublet or encumber all or any part of Consultant's interest in this Agreement without City's prior written consent. Any attempted assignment, transfer, subletting or encumbrance shall be void and shall constitute a breach of this Agreement and cause for termination of this Agreement. Regardless of City's consent, no subletting or assignment shall release Consultant

of Consultant's obligation to perform all other obligations to be performed by Consultant hereunder for the term of this Agreement.

6.8. Indemnification and Hold Harmless. Consultant agrees to defend, indemnify, hold free and harmless the City, its elected and appointed officials, officers, agents and employees, at Consultant's sole expense, from and against any and all claims, demands, actions, suits or other legal proceedings brought against the City, its elected and appointed officials, officers, agents and employees arising out of the performance of the Consultant, its employees, and/or authorized subcontractors, of the work undertaken pursuant to this Agreement. The defense obligation provided for hereunder shall apply whenever any claim, action, complaint or suit asserts liability against the City, its elected and appointed officials, officers, agents and employees based upon the work performed by the Consultant, its employees, and/or authorized subcontractors under this Agreement, whether or not the Consultant, its employees, and/or authorized subcontractors are specifically named or otherwise asserted to be liable. Notwithstanding the foregoing, the Consultant shall not be liable for the defense or indemnification of the City for claims, actions, complaints or suits arising out of the sole active negligence or willful misconduct of the City. This provision shall supersede and replace all other indemnity provisions contained either in the City's specifications or Consultant's Proposal, which shall be of no force and effect.

6.9. Independent Contractor. Consultant is and shall be acting at all times as an independent contractor and not as an employee of City. Consultant shall have no power to incur any debt, obligation, or liability on behalf of City or otherwise act on behalf of City as an agent. Neither City nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not, at any time, or in any manner, represent that it or any of its or employees are in any manner agents or employees of City. Consultant shall secure, at its sole expense, and be responsible for any and all payment of Income Tax, Social Security, State Disability Insurance Compensation, Unemployment Compensation, and other payroll deductions for Consultant and its officers, agents, and employees, and all business licenses, if any are required, in connection with the services to be performed hereunder. Consultant shall indemnify and hold City harmless from any and all taxes, assessments, penalties, and interest asserted against City by reason of the independent contractor relationship created by this Agreement. Consultant further agrees to indemnify and hold City harmless from any failure of Consultant to comply with the applicable worker's compensation laws. City shall have the right to offset against the amount of any fees due to Consultant under this Agreement any amount due to City from Consultant as a result of Consultant's failure to promptly pay to City any reimbursement or indemnification arising under this paragraph.

6.10. PERS Eligibility Indemnification. In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby

agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

6.11. Cooperation. In the event any claim or action is brought against City relating to Consultant's performance or services rendered under this Agreement, Consultant shall render any reasonable assistance and cooperation which City might require.

6.12. Ownership of Documents. All findings, reports, documents, information and data including, but not limited to, computer tapes or discs, preliminary notes, working documents, files and tapes furnished or prepared by Consultant or any of its subcontractors in the course of performance of this Agreement, shall be and remain the sole property of City. Consultant agrees that any such documents or information shall not be made available to any individual or organization without the prior consent of City, but shall be made available to the City within ten (10) days of request or within ten (10) days of termination. Any use of such documents for other projects not contemplated by this Agreement, and any use of incomplete documents, shall be at the sole risk of City and without liability or legal exposure to Consultant. City shall indemnify and hold harmless Consultant from all claims, damages, losses, and expenses, including attorneys' fees, arising out of or resulting from City's use of such documents for other projects not contemplated by this Agreement or use of incomplete documents furnished by Consultant. Consultant shall deliver to City any findings, reports, documents, information, data, preliminary notes and working documents, in any form, including but not limited to, computer tapes, discs, files audio tapes or any other Project related items as requested by City or its authorized representative, at no additional cost to the City. Consultant or Consultant's agents shall execute such documents as may be necessary from time to time to confirm City's ownership of the copyright in such documents.

6.13. Public Records Act Disclosure. Consultant has been advised and is aware that this Agreement and all reports, documents, information and data, including, but not limited to, computer tapes, discs or files furnished or prepared by Consultant, or any of its subcontractors, pursuant to this Agreement and provided to City may be subject to public disclosure as required by the California Public Records Act (California Government Code Section 6250 *et seq.*). Exceptions to public disclosure may be those documents or information that qualify as trade secrets, as that term is defined in the California Government Code Section 6254.7, and of which Consultant informs City of such trade secret. The City will endeavor to maintain as confidential all information obtained by it that is designated as a trade secret. The City shall not, in any way, be liable or responsible for the disclosure of any trade secret including, without limitation, those records so marked if disclosure is deemed to be required by law or by order of the Court.

6.14. Conflict of Interest. Consultant and its officers, employees, associates and subconsultants, if any, will comply with all conflict of interest statutes of the State of California applicable to Consultant's services under this agreement, including, but not limited to, the Political Reform Act (Government Code Sections 81000, *et seq.*) and Government Code Section 1090. During the term of this Agreement, Consultant and its officers, employees, associates and subconsultants shall not, without the prior written approval of the City Representative, perform work for another person or entity for whom Consultant is not currently performing work that would require Consultant or one of its officers, employees, associates or subconsultants to abstain from a decision under this Agreement pursuant to a conflict of interest statute.

6.15. Responsibility for Errors. Consultant shall be responsible for its work and results under this Agreement. Consultant, when requested, shall furnish clarification and/or explanation as may be required by the City's representative, regarding any services rendered under this Agreement at no additional cost to City. In the event that an error or omission attributable to Consultant occurs, then Consultant shall, at no cost to City, provide all necessary design drawings, estimates and other Consultant professional services necessary to rectify and correct the matter to the sole satisfaction of City and to participate in any meeting required with regard to the correction.

6.16. Prohibited Employment. Consultant will not employ any regular employee of City while this Agreement is in effect.

6.17. Order of Precedence. In the event of an inconsistency in this Agreement and any of the attached Exhibits, the terms set forth in this Agreement shall prevail. If, and to the extent this Agreement incorporates by reference any provision of any document, such provision shall be deemed a part of this Agreement. Nevertheless, if there is any conflict among the terms and conditions of this Agreement and those of any such provision or provisions so incorporated by reference, the conflict shall be resolved by giving precedence in the following order, if applicable: This Agreement, the City's Request for Proposals, the Consultant's Proposal.

6.18. Costs. Each party shall bear its own costs and fees incurred in the preparation and negotiation of this Agreement and in the performance of its obligations hereunder except as expressly provided herein.

6.19. No Third Party Beneficiary Rights. This Agreement is entered into for the sole benefit of City and Consultant and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right in, under or to this Agreement.

6.20. Headings. Paragraphs and subparagraph headings contained in this Agreement are included solely for convenience and are not intended to modify, explain or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

6.21. Construction. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

6.22. Amendments. Only a writing executed by the parties hereto or their respective successors and assigns may amend this Agreement.

6.23. Waiver. The delay or failure of either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought. The waiver of any right or remedy in respect to any occurrence or event shall not be deemed a waiver of any right

or remedy in respect to any other occurrence or event, nor shall any waiver constitute a continuing waiver.

6.24. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable in any circumstance, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or of the offending provision in any other circumstance. Notwithstanding the foregoing, if the value of this Agreement, based upon the substantial benefit of the bargain for any party, is materially impaired, which determination made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations.

6.25. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

6.26. Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by doing so the parties hereto are formally bound to the provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their respective authorized officers, as of the date first above written.

CITY OF PLACENTIA,
A municipal corporation

Damien R. Arrula
City Administrator

Date: _____

ATTEST:

City Clerk and ex-officio Clerk
of the City of Placentia

CONSULTANT

Signature

Date: _____

Name and Title

Social Security or Taxpayer ID Number

APPROVED AS TO FORM:

City Attorney

Date: _____

APPROVED AS TO INSURANCE:

Risk Management

Date: _____

APPROVED AS TO CONTENT:

Julie Kennicutt
Project Manager

Date: _____

DEPARTMENTAL APPROVAL

Darin Lenyi
Chief of Police

Date: _____

EXHIBIT A
CONSULTANT'S PROPOSAL

SCOPE OF SERVICES

PARKING CITATION PROCESSING AND COLLECTION

TDS shall perform the following services in processing all parking citations:

- A. **Basic Processing** – TDS will enter manual citations and citation dispositions into Customer's database within 2 business days. The basic service includes database maintenance, daily system backups, toll-free phone number for the public, Interactive Voice Response System (IVRS) with customized recorded information and citation lookup capability, **pticket.com** web-based Inquiry System for the public with customized content, Customer Service Representatives (8:00 am – 5:00 pm, Monday through Friday, excluding holidays) to speak with the public regarding parking citation issues, ongoing Client support, and documentation and training for use of the TDS-provided online system. Citation fine amounts and penalties shall be in even dollar amounts.

Handheld Ticket Writer Interface - TDS will provide for automated import of electronic citations into Customers database within 1 business day. TDS will maintain and update the hot sheet or scofflaw files on a daily basis for Customer to upload into their handheld ticket writers. TDS will work with Customer to implement any changes required for handheld ticket writer equipment.

System and Document Storage - Citations paid or dismissed will be retained on the computer system for 3 years and then removed. Unpaid citations will be retained on the computer system for 5 years and then removed. Citation documents will be stored for 2 years from date of issue and then shredded. Payment documents will be stored for 2 years from date of issue and then shredded.

Online Reporting - Provide monthly reports online indicating the status of all citations, such reports to be available for Customer access no later than the thirtieth (30th) day of the following month.

DMV Interface for Registered Owner Name Retrieval - Attempt to obtain name and address of responsible party of cited vehicles for those citations that have not been cleared prior to their notice generation date.

DMV Interface for Placing Registration Holds - Transmit a Notice of Delinquency to the California DMV for vehicles with California license plates after a Notice of Violation has been mailed to the responsible party and TDS has not received notification that the citation has been cleared. This Notice of Delinquency will be transmitted to the California DMV within 2 business days after the date specified by the Customer to be the DMV Date.

DMV Interface for Releasing Registration Holds - Transmit a Notice to the California DMV that a Notice of Delinquency has been cleared within 2 business days after TDS has received notification of clearance.

DMV Interface for Monthly Payment File – Receive payment file from DMV as available (currently monthly) and update DMV transactions into Customers database, providing reporting for reconciliation purposes.

Collection and Payment Processing - TDS will provide the following collection and payment processing services for Customer:

- Provide P. O. Box where payments are mailed
- Courier pickup from P. O. Box daily
- Open all mail
- Verify payment amounts and record on computer system
- Use postmark date to establish payment date
- Respond to reasonable non-judicial public inquiries by phone or mail
- Return questionable mail to Customer for decision
- Make bank deposits to Customer bank account
- Verify amounts deposited, by citation number
- Provide toll-free number for citizen inquiries
- Provide reporting for bank statement reconciliation
- Provide monthly surcharge reporting (Paid Citation Distribution Report)

B. **Notice Processing** – Print the required Notice and mail to each responsible party whose name has been retrieved within 15 to 21 days after the citation has been issued. Includes second notices mailed for bounced checks, partial payments, name or address changes and other correspondence. The notice date shall be extended whenever there is an unusual delay in delivery of information or citations to TDS. All postage, notice forms and envelopes will be provided by TDS.

Additional Notices and Correspondence – Additional correspondence to violators will be mailed as required.

C. **Out of State Citations** - TDS shall process citations for non-California license plates by entering the citation information into the system database and reporting them along with all other citations on the database with the standard reports. If they become delinquent, requests for registered owner information will be sent to the appropriate out-of-state DMV. The Notice of Intent will be generated to the registered owner and the fine amount requested. TDS will incur all costs for out-of-state DMV fees and charges. TDS will receive payment from Customer based on the amount of revenues collected from out-of-state citations after the non-California name has been retrieved. This amount will be billed monthly for the prior months' receipts (as determined from our database and/or reports). Payments collected via credit card will also incur credit card fees if applicable.

D. **Administrative Adjudication Processing Service** - TDS will provide for the processing of requests for contesting citations, allowing for agency processing of initial reviews, tracking and monitoring all relevant

dates on an automated system, mailing timely notification to respondents regarding the status of their claims, and scheduling of administrative hearings. Hearing officers are to be provided by the Customer. All Administrative Adjudication information entered into the system is done in real time and is linked to existing database information to ensure proper tracking of relevant dates, mailing names and addresses and other pertinent information. Initial Review requests will be entered within 2 business days of receipt. Adjudication documents will be stored for 2 years from their activity date and then shredded.

- E. **Paperless Appeals and Scanning** - TDS will provide the ability through pticket.com to accept online appeals, accept uploaded documents from appellants and allow appellants to see appeal decisions. TDS will provide eAppealsPRO reviewing software, store all online appeals and uploaded documents, and scan all mailed-in appeals for use as online appeals. The eAppealsPRO reviewing software will provide search and sort capability for online appeals, and historical tracking of all online appeals and decisions.

- F. **Web Payment System - Payment by Credit Card** - Through the pticket.com web site, TDS will accept credit card payments via Visa, MasterCard and Discover. The system authorizes each transaction online. Customers are sent an email confirmation to confirm their charge. The pticket.com web payment system automatically updates the citation database with the payment immediately. Credit Card monies are paid to a Turbo Data Systems bank account and are reconciled daily. The merchant statement is balanced each month with a credit card postlog which shows in detail which citations were paid and for what amount. The postlog and the deposit slip are provided to the Customer each month showing that these funds have been deposited into their account. Should there be any charge backs to a merchant account, the funds are pulled directly from the Turbo Data master account and the citation will be reactivated, much like a bounced check. The violator will be sent a notice and the citation will proceed in the collections process. TDS will provide all services regarding reconciliation, reactivation of charge backs, etc. The Customer will not be involved in the daily processing.

- G. **Online System Access for Customers' Staff** - Access via the Internet includes online access 24 hours a day, 7 days a week for City personnel to inquire on Customer's database. This access includes citation inquiry (includes citation status, history status, administrative adjudication status (if using adjudication process), notes, etc.), the ability to enter and view notes, post dismissals/payments, view deposits made by TDS and view daily file transfers sent from the handheld ticket writer software and received at TDS' facility. TDS' technical staff will provide support.

- H. **ICS Delinquent Collection Service** – Outstanding citations (DMV No-Holds or DMV Transfer of Ownership Releases or Non-California plates) and any other citations deemed as delinquent citations by Customer are transferred into the ICS system on a weekly basis. Up to two collection letters will be mailed for each ICS account requesting payment. Payments are processed daily and deposited to the Customer's regular citation processing bank account. The TDS Customer Service Center will handle all ICS related calls through a special toll-free number dedicated to ICS accounts. Monthly reporting shows all accounts moved to the ICS system and all payments received due to ICS efforts.

- I. **Franchise Tax Board Offset Program** – TDS will combine citations by license number for total amount due, eliminate corporate names, retrieve SSN's by name from a 3rd party, combine accounts by SSN, mail required FTB letters in advance of placing accounts at FTB, process payments generated by the FTB process, receive phone calls generated by the FTB process, provide all systems and operational procedures required for the FTB process, and provide complete reporting and reconciliation for the FTB process. Customer will be required to complete required FTB paperwork and forms (with TDS' assistance), establish a SWIFT account with the FTB, and provide whatever assistance may be required to work with the FTB regarding the FTB process.

- J. **Bank Account Management** - TDS will open a trust account in the name of the Agency to receive parking deposits for all parking citation monies. TDS will handle any NSF checks from this account and reactivate the citations. TDS will process any required refund checks. TDS will send a monthly surcharge check to the county based on reporting. TDS will pay their own invoice monthly and write a check to the Agency monthly for the balance of the funds. TDS will reconcile the account monthly and provide documentation to Agency of reconciliation.

- K. **Handheld Ticketwriters** – ticketPRO Magic – TDS will provide ticketPRO Magic Units (phones and printers) and citations and envelopes as required at the pricing then in effect.

- L. **Support and Maintenance for Ticketwriters** – TDS will provide maintenance and support for the Automated Citation Issuance System and the Field Units and provide RemoteConnect Support for devices while in the field.

- M. **TP Magic Communications Package (Cellular)** – TDS will provide a 4G data plan with unlimited voice/text messaging for field units.

**AGREEMENT FOR PROCESSING
OF PARKING CITATIONS**

EXHIBIT "A"

| | | |
|--|---------------------------------|--|
| Basic Processing Services - | | |
| | Citations – per citation | \$1.41 |
| | Monthly Minimum | \$150.00 |
| Notice Processing Services | | included |
| Notices, other correspondence | | |
| Out of State Processing | | 50% of amt collected |
| Administrative Adjudication Letters | | \$2.24 per letter |
| Paperless Appeals (eAppeals and Scanning) | | included |
| ICS Delinquent Collections | | 35% of amt collected |
| Franchise Tax Board Collections (optional) | | \$2.50 per account 15% of amount collected |
| Bank Account Management (optional) | | \$75 per month plus bank fees \$5 per NSF or Refund Check |
| ticketPRO Magic ticketwriter Communications/Support | | \$60 per month per unit |

Fee Increases:

Postal Rate Increase Offset – Fees will increase immediately to offset the amount of any postal increase.

Annual CPI Increase – For each additional year that this agreement continues per paragraph 3, the cost per item shall be increased according to the CPI for the previous 12 month period.

EXHIBIT B
CERTIFICATES OF INSURANCE AND ENDORSEMENTS



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
10/12/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

| | | |
|--|---|------------------------------------|
| PRODUCER Alliant Insurance Services, Inc. 1301 Dove Street, Suite 200 Newport Beach CA 92660-2436 | CONTACT NAME: Jennifer Lopez PHONE (A/C, No, Ext): 949-660-5916 E-MAIL ADDRESS: jlopez@alliant.com | FAX (A/C, No): 949-809-1444 |
| | INSURER(S) AFFORDING COVERAGE | |
| INSURED TURBDAT-01 Turbo Data Systems, Inc. Innovative Collection Services 18302 Irvine Blvd., Ste 200 Tustin CA 92780 | INSURER A: Landmark American Insurance Company | NAIC # 33138 |
| | INSURER B: West American Insurance Company | NAIC # 44393 |
| | INSURER C: American Fire and Casualty Company | NAIC # 24066 |
| | INSURER D: State Compensation Insurance Fund o | NAIC # 35076 |
| | INSURER E: Twin City Fire Insurance Company | NAIC # 29459 |
| | INSURER F: Ohio Security Insurance Company | NAIC # 24082 |

COVERAGES **CERTIFICATE NUMBER: 268792320** **REVISION NUMBER:**

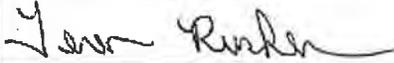
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATION MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSR LTR | TYPE OF INSURANCE | ADDL INSD | SUBR WVD | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS |
|----------|--|-----------|----------|-------------------------------|-------------------------|-------------------------|--|
| B | COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER: | Y | | BKW(18)56604610 | 7/1/2017 | 7/1/2018 | EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$500,000 MED EXP (Any one person) \$15,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COM/OP AGG \$2,000,000 Deductible \$0 |
| F | AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS | Y | | BAS (18) 56604610 | 7/1/2017 | 7/1/2018 | COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ |
| C | UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$0 | | | ESA (18) 56604610 | 7/1/2017 | 7/1/2018 | EACH OCCURRENCE \$10,000,000 AGGREGATE \$10,000,000 \$ |
| D | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below | Y | N/A | 9103640-17 | 7/1/2017 | 7/1/2018 | <input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000 |
| E | Crime /Employee Dishonesty Professional Liability Retro Date 09/10/13 | | | 72 KB 0296809 17 LHR832962 | 7/1/2017 9/10/2017 | 7/1/2018 9/10/2018 | Limit / Retention Per Claim & Aggregate \$1,000,000/\$5,000 E&O Deductible \$2,000,000 \$10,000 per claim |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Professional Liability: Claims Made & Reported Form
City of Placentia and its elected and appointed boards, officers, officials, agents, employees and volunteers are named as Additional Insureds as respects to General Liability and Auto Liability arising out of activities performed by the Named Insured pursuant to its contract with the City, in which coverage afforded by these policies to the Additional Insureds is primary and non-contributory as required by written contract per attached carrier endorsements. Waiver of Subrogation in favor of City of Placentia and its elected and appointed boards, officers, officials, agents, employees and volunteers is included for Workers Compensation per attached endorsement. Severability of Interest is included for See Attached...

CERTIFICATE HOLDER **CANCELLATION**

| | |
|--|---|
| City of Placentia 401 E Chapman Placentia CA 92870 | SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. |
| | AUTHORIZED REPRESENTATIVE  |



ADDITIONAL REMARKS SCHEDULE

| | | | |
|--|-----------|---|--|
| AGENCY Alliant Insurance Services, Inc. | | NAMED INSURED Turbo Data Systems, Inc. Innovative Collection Services 18302 Irvine Blvd., Ste 200 Tustin CA 92780 | |
| POLICY NUMBER | | EFFECTIVE DATE: | |
| CARRIER | NAIC CODE | | |

ADDITIONAL REMARKS

**THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: 25 FORM TITLE: CERTIFICATE OF LIABILITY INSURANCE**

General Liability and Auto Liability. 30 Days Notice of Cancellation is provided to the certificate holder for General Liability, Auto Liability and Workers Compensation coverage.

b. The last paragraph of subsection 2. Exclusions is replaced by the following:

Exclusions c. through n. do not apply to damage by fire, lightning, explosion, smoke or leakage from automatic fire protection systems to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III - Limits Of Insurance.

2. Paragraph 6. under Section III - Limits Of Insurance is replaced by the following:

6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to:

a. Any one premise:

(1) While rented to you; or

(2) While rented to you or temporarily occupied by you with permission of the owner for damage by fire, lightning, explosion, smoke or leakage from automatic protection systems; or

b. Contents that you rent or lease as part of a premises rental or lease agreement.

3. As regards coverage provided by this provision D. EXTENDED DAMAGE TO PROPERTY RENTED TO YOU (Tenant's Property Damage) - Paragraph 9.a. of Definitions is replaced with the following:

9.a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning, explosion, smoke, or leakage from automatic fire protection systems to premises while rented to you or temporarily occupied by you with the permission of the owner, or for damage to contents of such premises that are included in your premises rental or lease agreement, is not an "insured contract".

E. MEDICAL PAYMENTS EXTENSION

If Coverage C Medical Payments is not otherwise excluded, the Medical Payments provided by this policy are amended as follows:

Under Paragraph 1. Insuring Agreement of Section I - Coverage C - Medical Payments, Subparagraph (b) of Paragraph a. is replaced by the following:

(b) The expenses are incurred and reported within three years of the date of the accident; and

F. EXTENSION OF SUPPLEMENTARY PAYMENTS - COVERAGES A AND B

1. Under Supplementary Payments - Coverages A and B, Paragraph 1.b. is replaced by the following:

b. Up to \$3,000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

2. Paragraph 1.d. is replaced by the following:

d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$500 a day because of time off from work.

G. ADDITIONAL INSURED - BY CONTRACT, AGREEMENT OR PERMIT

1. Paragraph 2. under Section II - Who Is An Insured is amended to include as an insured any person or organization whom you have agreed to add as an additional insured in a written contract, written agreement or permit. Such person or organization is an additional insured but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused in whole or in part by:

a. Your acts or omissions, or the acts or omissions of those acting on your behalf, in the performance of your on going operations for the additional insured that are the subject of the written contract or written agreement provided that the "bodily injury" or "property damage" occurs, or the "personal and advertising injury" is committed, subsequent to the signing of such written contract or written agreement; or



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- b. Premises or facilities rented by you or used by you; or
- c. The maintenance, operation or use by you of equipment rented or leased to you by such person or organization; or
- d. Operations performed by you or on your behalf for which the state or political subdivision has issued a permit subject to the following additional provisions:
 - (1) This insurance does not apply to "bodily injury", "property damage", or "personal and advertising injury" arising out of the operations performed for the state or political subdivision;
 - (2) This insurance does not apply to "bodily injury" or "property damage" included within the "completed operations hazard".
 - (3) Insurance applies to premises you own, rent, or control but only with respect to the following hazards:
 - (a) The existence, maintenance, repair, construction, erection, or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoist away openings, sidewalk vaults, street banners, or decorations and similar exposures; or
 - (b) The construction, erection, or removal of elevators; or
 - (c) The ownership, maintenance, or use of any elevators covered by this insurance.

However:

- 1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
- 2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

With respect to Paragraph 1.a. above, a person's or organization's status as an additional insured under this endorsement ends when:

- (1) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
- (2) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

With respect to Paragraph 1.b. above, a person's or organization's status as an additional insured under this endorsement ends when their written contract or written agreement with you for such premises or facilities ends.

With respects to Paragraph 1.c. above, this insurance does not apply to any "occurrence" which takes place after the equipment rental or lease agreement has expired or you have returned such equipment to the lessor.

The insurance provided by this endorsement applies only if the written contract or written agreement is signed prior to the "bodily injury" or "property damage".

We have no duty to defend an additional insured under this endorsement until we receive written notice of a "suit" by the additional insured as required in Paragraph b. of Condition 2. **Duties In the Event Of Occurrence, Offense, Claim Or Suit** under **Section IV - Commercial General Liability Conditions**.

2. With respect to the insurance provided by this endorsement, the following are added to Paragraph 2. **Exclusions under Section I - Coverage A - Bodily Injury And Property Damage Liability:**

This insurance does not apply to:

- a. "Bodily injury" or "property damage" arising from the sole negligence of the additional insured.
- b. "Bodily injury" or "property damage" that occurs prior to you commencing operations at the location where such "bodily injury" or "property damage" occurs.
- c. "Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

(1) The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or

(2) Supervisory, inspection, architectural or engineering activities.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of, or the failure to render, any professional architectural, engineering or surveying services.

d. "Bodily injury" or "property damage" occurring after:

(1) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or

(2) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

e. Any person or organization specifically designated as an additional insured for ongoing operations by a separate **ADDITIONAL INSURED -OWNERS, LESSEES OR CONTRACTORS** endorsement issued by us and made a part of this policy.

3. With respect to the insurance afforded to these additional insureds, the following is added to **Section III - Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

- a. Required by the contract or agreement; or
- b. Available under the applicable Limits of Insurance shown in the Declarations; whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

H. PRIMARY AND NON-CONTRIBUTORY ADDITIONAL INSURED EXTENSION

This provision applies to any person or organization who qualifies as an additional insured under any form or endorsement under this policy.

Condition 4. **Other Insurance of SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS** is amended as follows:

a. The following is added to Paragraph a. **Primary Insurance:**

If an additional insured's policy has an Other Insurance provision making its policy excess, and you have agreed in a written contract or written agreement to provide the additional insured coverage on a primary and noncontributory basis, this policy shall be primary and we will not seek contribution from the additional insured's policy for damages we cover.



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b. The following is added to Paragraph b. Excess Insurance:

When a written contract or written agreement, other than a premises lease, facilities rental contract or agreement, an equipment rental or lease contract or agreement, or permit issued by a state or political subdivision between you and an additional insured does not require this insurance to be primary or primary and non-contributory, this insurance is excess over any other insurance for which the additional insured is designated as a Named Insured.

Regardless of the written agreement between you and an additional insured, this insurance is excess over any other insurance whether primary, excess, contingent or on any other basis for which the additional insured has been added as an additional insured on other policies.

I. ADDITIONAL INSUREDS - EXTENDED PROTECTION OF YOUR "LIMITS OF INSURANCE"

This provision applies to any person or organization who qualifies as an additional insured under any form or endorsement under this policy.

1. The following is added to Condition 2. Duties In The Event Of Occurrence, Offense, Claim or Suit:

An additional insured under this endorsement will as soon as practicable:

- a. Give written notice of an "occurrence" or an offense that may result in a claim or "suit" under this insurance to us;
 - b. Tender the defense and indemnity of any claim or "suit" to all insurers whom also have insurance available to the additional insured; and
 - c. Agree to make available any other insurance which the additional insured has for a loss we cover under this Coverage Part.
 - d. We have no duty to defend or indemnify an additional insured under this endorsement until we receive written notice of a "suit" by the additional insured.
2. The limits of insurance applicable to the additional insured are those specified in a written contract or written agreement or the limits of insurance as stated in the Declarations of this policy and defined in **Section III - Limits of Insurance** of this policy, whichever are less. These limits are inclusive of and not in addition to the limits of insurance available under this policy.

**J. WHO IS AN INSURED - INCIDENTAL MEDICAL ERRORS / MALPRACTICE
WHO IS AN INSURED - FELLOW EMPLOYEE EXTENSION - MANAGEMENT EMPLOYEES**

Paragraph 2.a.(1) of **Section II - Who Is An Insured** is replaced with the following:

(1) "Bodily injury" or "personal and advertising injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1) (a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1) (a) or (b) above; or
- (d) Arising out of his or her providing or failing to provide professional health care services. However, if you are not in the business of providing professional health care services or providing professional health care personnel to others, or if coverage for providing professional health care services is not otherwise excluded by separate endorsement, this provision (Paragraph (d)) does not apply.

Paragraphs (a) and (b) above do not apply to "bodily injury" or "personal and advertising injury" caused by an "employee" who is acting in a supervisory capacity for you. Supervisory capacity as used herein means the "employee's" job responsibilities assigned by you, includes the direct supervision of other "employees" of yours. However, none of these "employees" are insureds for "bodily injury" or "personal and

P. EXTENDED PROPERTY DAMAGE

Exclusion a. of COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY is replaced by the following:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

Q. WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US - WHEN REQUIRED IN A CONTRACT OR AGREEMENT WITH YOU

Under **Section IV - Commercial General Liability Conditions**, the following is added to **Condition 8. Transfer Of Rights Of Recovery Against Others To Us**:

We waive any right of recovery we may have against a person or organization because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard" provided:

1. You and that person or organization have agreed in writing in a contract or agreement that you waive such rights against that person or organization; and
2. The injury or damage occurs subsequent to the execution of the written contract or written agreement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESS AUTO COVERAGE ENHANCEMENT ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

With respect to coverage afforded by this endorsement, the provisions of the policy apply unless modified by the endorsement.

COVERAGE INDEX

| <u>SUBJECT</u> | <u>PROVISION NUMBER</u> |
|--|-------------------------|
| ADDITIONAL INSURED BY CONTRACT, AGREEMENT OR PERMIT | 3 |
| ACCIDENTAL AIRBAG DEPLOYMENT | 12 |
| AMENDED DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS | 19 |
| AMENDED FELLOW EMPLOYEE EXCLUSION | 5 |
| AUDIO, VISUAL AND DATA ELECTRONIC EQUIPMENT COVERAGE | 13 |
| BROAD FORM INSURED | 1 |
| BODILY INJURY REDEFINED | 22 |
| EMPLOYEES AS INSURED (including employee hired auto) | 2 |
| EXTENDED CANCELLATION CONDITION | 23 |
| EXTRA EXPENSE - BROADENED COVERAGE | 10 |
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| HIRED AUTO COVERAGE TERRITORY | 20 |
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| PERSONAL EFFECTS COVERAGE | 11 |
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| SUPPLEMENTARY PAYMENTS | 4 |
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| TWO OR MORE DEDUCTIBLES | 17 |
| UNINTENTIONAL FAILURE TO DISCLOSE HAZARDS | 18 |
| WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US | 20 |

SECTION II - LIABILITY COVERAGE is amended as follows:

1. BROAD FORM INSURED

SECTION II - LIABILITY COVERAGE, paragraph A.1. - WHO IS AN INSURED is amended to include the following as an insured:

d. Any legally incorporated entity of which you own more than 50 percent of the voting stock during the policy period. However, "insured" does not include any organization that:

- (1) Is a partnership or joint venture; or
- (2) Is an insured under any other automobile policy; or
- (3) Has exhausted its Limit of Insurance under any other automobile policy.

Paragraph d. (2) of this provision does not apply to a policy written to apply specifically in excess of this policy.

e. Any organization you newly acquire or form, other than a partnership or joint venture, of which you own more than 50 percent of the voting stock. This automatic coverage is afforded only for 180 days from the date of acquisition or formation. However, coverage under this provision does not apply:

- (1) If there is similar insurance or a self-insured retention plan available to that organization;



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- (2) If the Limits of Insurance of any other insurance policy have been exhausted; or
- (3) To "bodily injury" or "property damage" that occurred before you acquired or formed the organization.

2. EMPLOYEES AS INSURED

SECTION II - LIABILITY COVERAGE, paragraph A.1. - WHO IS AN INSURED is amended to include the following as an insured:

- f. Any "employee" of yours while using a covered "auto" you do not own, hire or borrow, but only for acts within the scope of their employment by you. Insurance provided by this endorsement is excess over any other insurance available to any "employee".
- g. An "employee" of yours while operating an "auto" hired or borrowed under a written contract or agreement in that "employee's" name, with your permission, while performing duties related to the conduct of your business and within the scope of their employment. Insurance provided by this endorsement is excess over any other insurance available to the "employee".

3. ADDITIONAL INSURED BY CONTRACT, AGREEMENT OR PERMIT

SECTION II - LIABILITY COVERAGE, paragraph A.1. - WHO IS AN INSURED is amended to include the following as an insured:

- h. Any person or organization with respect to the operation, maintenance or use of a covered "auto", provided that you and such person or organization have agreed in a written contract, agreement, or permit issued to you by governmental or public authority, to add such person, or organization, or governmental or public authority to this policy as an "insured".

However, such person or organization is an "insured":

- (1) Only with respect to the operation, maintenance or use of a covered "auto";
- (2) Only for "bodily injury" or "property damage" caused by an "accident" which takes place after you executed the written contract or agreement, or the permit has been issued to you; and
- (3) Only for the duration of that contract, agreement or permit

4. SUPPLEMENTARY PAYMENTS

SECTION II - LIABILITY COVERAGE, Coverage Extensions, 2.a. Supplementary Payments, paragraphs (2) and (4) are replaced by the following:

- (2) Up to \$3,000 for cost of bail bonds (including bonds for related traffic violations) required because of an "accident" we cover. We do not have to furnish these bonds.
- (4) All reasonable expenses incurred by the insured at our request, including actual loss of earnings up to \$500 a day because of time off from work.

5. AMENDED FELLOW EMPLOYEE EXCLUSION

In those jurisdictions where, by law, fellow employees are not entitled to the protection afforded to the employer by the workers compensation exclusivity rule, or similar protection, the following provision is added:

SECTION II - LIABILITY, exclusion B.5. FELLOW EMPLOYEE does not apply if the "bodily injury" results from the use of a covered "auto" you own or hire.

SECTION III - PHYSICAL DAMAGE COVERAGE is amended as follows:

6. HIRED AUTO PHYSICAL DAMAGE

Paragraph A.4. Coverage Extensions of SECTION III - PHYSICAL DAMAGE COVERAGE, is amended by adding the following:

If hired "autos" are covered "autos" for Liability Coverage, and if Comprehensive, Specified Causes of Loss or Collision coverage are provided under the Business Auto Coverage Form for any "auto" you own, then the Physical Damage coverages provided are extended to "autos":

- a. You hire, rent or borrow; or

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To the extent possible, notice to us should include:

- (1) How, when and where the "accident" or "loss" took place;
- (2) The "insureds" name and address; and
- (3) The names and addresses of any injured persons and witnesses.

20. WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

SECTION IV - BUSINESS AUTO CONDITIONS, paragraph A.5., Transfer of Rights of Recovery Against Others to Us, is amended by the addition of the following:

If the person or organization has waived those rights before an "accident" or "loss", our rights are waived also.

21. HIRED AUTO COVERAGE TERRITORY

SECTION IV - BUSINESS AUTO CONDITIONS, paragraph B.7., Policy Period, Coverage Territory, is amended by the addition of the following:

- f. For "autos" hired 30 days or less, the coverage territory is anywhere in the world, provided that the insured's responsibility to pay for damages is determined in a "suit", on the merits, in the United States, the territories and possessions of the United States of America, Puerto Rico or Canada or in a settlement we agree to.

This extension of coverage does not apply to an "auto" hired, leased, rented or borrowed with a driver.

SECTION V - DEFINITIONS is amended as follows:

22. BODILY INJURY REDEFINED

Under SECTION V - DEFINITIONS, definition C. is replaced by the following:

"Bodily injury" means physical injury, sickness or disease sustained by a person, including mental anguish, mental injury, shock, fright or death resulting from any of these at any time.

COMMON POLICY CONDITIONS

23. EXTENDED CANCELLATION CONDITION

COMMON POLICY CONDITIONS, paragraph A. - CANCELLATION condition applies except as follows:

If we cancel for any reason other than nonpayment of premium, we will mail to the first Named Insured written notice of cancellation at least 60 days before the effective date of cancellation. This provision does not apply in those states which require more than 60 days prior notice of cancellation.



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BT



ENDORSEMENT AGREEMENT
WAIVER OF SUBROGATION
BLANKET BASIS

9103640-17

RENEWAL
SP

HOME OFFICE
SAN FRANCISCO

EFFECTIVE JULY 1, 2017 AT 12.01 A.M.
AND EXPIRING JULY 1, 2018 AT 12.01 A.M.

PAGE 1 OF 1

ALL EFFECTIVE DATES ARE
AT 12:01 AM PACIFIC
STANDARD TIME OR THE
TIME INDICATED AT
PACIFIC STANDARD TIME

TURBO DATA SYSTEMS INC
18302 IRVINE BLVD STE 200
TUSTIN, CA 92780

WE HAVE THE RIGHT TO RECOVER OUR PAYMENTS FROM ANYONE
LIABLE FOR AN INJURY COVERED BY THIS POLICY. WE WILL
NOT ENFORCE OUR RIGHT AGAINST THE PERSON OR
ORGANIZATION NAMED IN THE SCHEDULE.

THIS AGREEMENT APPLIES ONLY TO THE EXTENT THAT YOU
PERFORM WORK UNDER A WRITTEN CONTRACT THAT REQUIRES YOU
TO OBTAIN THIS AGREEMENT FROM US.

THE ADDITIONAL PREMIUM FOR THIS ENDORSEMENT SHALL BE
2.00% OF THE TOTAL POLICY PREMIUM.

SCHEDULE

| <u>PERSON OR ORGANIZATION</u> | <u>JOB DESCRIPTION</u> |
|---|----------------------------------|
| ANY PERSON OR ORGANIZATION FOR WHOM THE NAMED INSURED HAS AGREED BY WRITTEN CONTRACT TO FURNISH THIS WAIVER | BLANKET WAIVER OF SUBROGATION |

NOTHING IN THIS ENDORSEMENT CONTAINED SHALL BE HELD TO VARY, ALTER, WAIVE
OR EXTEND ANY OF THE TERMS, CONDITIONS, AGREEMENTS, OR LIMITATIONS OF THIS
POLICY OTHER THAN AS STATED. NOTHING ELSEWHERE IN THIS POLICY SHALL BE
HELD TO VARY, ALTER, WAIVE OR LIMIT THE TERMS, CONDITIONS, AGREEMENTS OR
LIMITATIONS OF THIS ENDORSEMENT.

COUNTERSIGNED AND ISSUED AT SAN FRANCISCO:

AUTHORIZED REPRESENTATIVE

PRESIDENT AND CEO



ENDORSEMENT AGREEMENT
CERTIFICATE HOLDERS' NOTICE

9103640-17

NEW
SP

PAGE 1 OF 1

HOME OFFICE
SAN FRANCISCO

ALL EFFECTIVE DATES ARE
AT 12:01 AM PACIFIC
STANDARD TIME OR THE
TIME INDICATED AT
PACIFIC STANDARD TIME

EFFECTIVE JULY 1, 2017 AT 12.01 A.M.

TURBO DATA SYSTEMS INC

18302 IRVINE BLVD STE 200
TUSTIN, CA 92780

ANYTHING IN THIS POLICY TO THE CONTRARY NOTWITHSTANDING,
IT IS AGREED THAT THIS POLICY SHALL NOT BE CANCELLED UNTIL,

30 DAYS

AFTER WRITTEN NOTICE OF SUCH CANCELLATION HAS BEEN PLACED
IN THE MAIL BY STATE FUND TO CURRENT HOLDERS OF
CERTIFICATE OF WORKERS' COMPENSATION INSURANCE.

NOTHING IN THIS ENDORSEMENT CONTAINED SHALL BE HELD TO VARY, ALTER, WAIVE
OR EXTEND ANY OF THE TERMS, CONDITIONS, AGREEMENTS, OR LIMITATIONS OF THIS
POLICY OTHER THAN AS STATED. NOTHING ELSEWHERE IN THIS POLICY SHALL BE
HELD TO VARY, ALTER, WAIVE OR LIMIT THE TERMS, CONDITIONS, AGREEMENTS OR
LIMITATIONS OF THIS ENDORSEMENT.

COUNTERSIGNED AND ISSUED AT SAN FRANCISCO:

2065

AUTHORIZED REPRESENTATIVE

PRESIDENT AND CEO

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 20 48 02 99

DESIGNATED INSURED ENDORSEMENT

The endorsement modifies insurance provided under the following:

- BUSINESS AUTO COVERAGE FORM
- GARAGE COVERAGE FORM
- MOTOR CARRIER COVERAGE FORM
- TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement identifies person(s) or organization(s) who are "insureds" under the WHO IS AN INSURED provision of the Coverage Form. This endorsement does not alter coverage provided in the Coverage Form.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

| | |
|---|------------------------------------|
| Endorsement Effective | Policy Number BAS (18) 56604610 |
| Named Insured Turbo Data Systems, Inc. | Countersigned by |

(Authorized Representative)

SCHEDULE

Name of Person(s) or Organization(s)

City of Placentia and its elected and appointed boards, officers, officials, agents, employees and volunteers
 401 E Chapman
 Placentia, CA 92870

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

Each person or organization shown in the Schedule is an "insured" for LIABILITY COVERAGE, but only to the extent that person or organization qualifies as an "insured" under the WHO IS AN INSURED provision contained in SECTION II of the Coverage Form.



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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF CANCELLATION PROVISIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Any term or provision of the Cancellation Conditions of the policy or any endorsement amending or replacing such Conditions is amended by the following:

- A. If we cancel this policy for any reason other than nonpayment of premium, we will notify the person or organization shown in the Schedule below. In no event will the notice to the person or organization scheduled below exceed the notice to the first named insured.
- B. Our obligation to send notice to the person or organization listed in the Schedule below will terminate at the earlier of the current policy period expiration or when you no longer have a legal or contractual obligation to such person or organization to maintain insurance coverage under a policy which requires that such person or organization be notified in the event of cancellation.

SCHEDULE

- 1. **Name:**
City of Placentia and its elected and appointed boards, officers, officials, agents, employees and volunteers
- 2. **Address:**

401 E Chapman
Placentia, CA 92870
- 3. **Number of days advance notice:**
30

All other terms and conditions of this policy remain unchanged.



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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF CANCELLATION PROVISIONS

Any term or provision of the Cancellation Conditions of the policy or any endorsement amending or replacing such Conditions is amended by the following:

- A. If we cancel this policy for any reason other than nonpayment of premium, we will notify the person or organization shown in the Schedule below. In no event will the notice to the person or organization scheduled below exceed the notice to the first named insured.
- B. Our obligation to send notice to the person or organization listed in the Schedule below will terminate at the earlier of the current policy period expiration or when you no longer have a legal or contractual obligation to such person or organization to maintain insurance coverage under a policy which requires that such person or organization be notified in the event of cancellation.

SCHEDULE

1. Name or Person or Organization:

City of Placentia and its elected and appointed boards, officers, officials, agents, employees and volunteers

2. Mailing Address:

401 E Chapman
Placentia, CA 92870

3. Number Days Advance Notice:

30

All other terms and conditions of this policy remain unchanged



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of 112

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Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL
VIA: CITY ADMINISTRATOR
FROM: CHIEF OF POLICE
DATE: OCTOBER 17, 2017
SUBJECT: **AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT FOR OFFICIAL TOW SERVICES WITH ANAHEIM FULLERTON TOW**

FISCAL
IMPACT: EXPENSE: NONE
BUDGETED: \$32,500 ANNUALLY FOR VEHICLE TOWING ADMINISTRATIVE COST RECOVERY FEE

SUMMARY:

On November 1, 2014 the City entered into a contract with Anaheim Fullerton Tow Company for a period of three (3) years with the option to extend the contract for up to two (2) one-year periods. Term extensions are based upon the contractor's performance and at the discretion of the City. This action will approve the first one-year extension and authorize the City Administrator to approve and execute the option for a second and final one-year extension ending October 31, 2019.

RECOMMENDATION:

It is recommended that the City Council take the following actions:

1. Approve Amendment No. 1 to Professional Services Agreement for provision of Official Tow Services with Anaheim Fullerton Tow Company for a one (1) year term ending October 31, 2018; and
2. Authorize the City Administrator to approve an additional one (1) year extension at the end of the first extension with a term ending October 31, 2019; and
3. Authorize the City Administrator and/or his designee to execute all the necessary documents, in a form approved by the City Attorney.

DISCUSSION:

Placentia Municipal Code Section 6.76 provides for the establishment of an official tow service and for the issuance of a Certificate of Public Convenience and Necessity for such services. In 2014, the City issued a Request for Proposals/Statement of Qualifications (RFP/SOQ) and the

1.f.

October 17, 2017

City Council awarded an agreement and Certificate of Public Convenience and Necessity to Anaheim Fullerton Tow on October 7, 2014.

Anaheim Fullerton Tow Company (AFTC) is a family-owned company and has been in the towing business for over fifty (50) years. They have nineteen (19) tow vehicles in their inventory, including "special equipment" vehicles designed for large tractor-trailers, overturned commercial vehicles, and specialty vehicles. The services they have provided to the City were competent and professional by their staff. After doing business with AFTC for several years, the City would like to extend the agreement and continue with the business relationship.

FISCAL IMPACT:

Revenue: \$32,500.00 Annually for Vehicle Towing Administrative Cost Recovery Fee payable to City in quarterly payments of \$8,125.00 by Anaheim Fullerton Tow Company.

Prepared by:



Julie Kennicutt
Sr. Management Analyst

Reviewed and approved:



Darin Lenyi
Chief of Police

Reviewed and approved:



Shally Lin
Interim Finance Director

Reviewed and approved:



Damien R. Arrula
City Administrator

Attachment:

Amendment No. 1 with Anaheim Fullerton Tow

**AMENDMENT NO. 1 TO
PROFESSIONAL SERVICES AGREEMENT
PROVISION OF OFFICIAL TOW SERVICES WITH
ANAHEIM FULLERTON TOWING COMPANY**

This Amendment No. 1 ("Amendment") to Professional Services Agreement is made and entered into effective the 1st day of November, 2017, by and between the CITY OF PLACENTIA, a Charter City and Municipal Corporation ("CITY"), and ANAHEIM FULLERTON TOWING COMPANY, a California corporation (hereinafter "CONSULTANT"). CITY and CONSULTANT are sometimes hereinafter individually referred to as "Party" and or collectively referred to as the "Parties."

A. Recitals.

(i). CITY and CONSULTANT entered into a Professional Services Agreement ("Agreement") effective November 1, 2014 through which CONSULTANT has been providing professional services as more fully explained in the Scope of Services attached to the Agreement as Exhibit "A."

(ii). The Parties now seek to amend the Agreement to extend the term.

(iii). All legal prerequisites to the making of this Amendment have occurred.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein, the Parties agree as follows:

B. Amendment to Agreement.

1. Section 3, Paragraph 1 of the Agreement is hereby amended to read as follows:

This Agreement shall remain in effect for one (1) year from the effective date. This Agreement may be reviewed at the conclusion of that one (1) year period and extended for an additional one-year period by mutual written agreement of the Parties.

2. Except as specifically modified herein, all of the terms, conditions and provisions of the Agreement shall remain in full force and effect.

3. The Agreement, all amendments together with this Amendment No. 1 and all Exhibits attached thereto, constitutes the entire Agreement between the Parties and supersedes all prior negotiations, arrangements, representations, and understandings, if any, made by or between the Parties with respect to the subject matter hereof. No amendment or other modification of the Agreement, as modified by this Amendment No. 1 shall be binding unless executed in writing by both Parties hereto, or their respective successors, assigns, or grantees.

5. Each of the undersigned represents and warrants that he or she is duly authorized to execute and deliver this Amendment No. 1 and that such execution is binding upon the entity for which he or she is executing this document.

IN WITNESS WHEREOF, the Parties have caused Amendment No. 1 to the Consulting Services Agreement are to be executed as of the day and year first above written.

CONSULTANT

CITY OF PLACENTIA

By: _____
Mark Saehlenou
Owner

By: _____
Damien R. Arrula
City Administrator

ATTEST: _____
Patrick J. Melia,
City Clerk

APPROVED AS TO FORM:

By: _____
Christian L. Bettenhausen
City Attorney

ANAHEIM FULLERTON TOW COMPANY

1.0. SCOPE OF SERVICES.

1.1. OFFICIAL TOW SERVICE shall perform vehicle towing, impound, and storage services as directed by DEPARTMENT, in addition to such other services as required by this Agreement, and shall provide necessary storage facilities, tow services, labor, materials, equipment, machinery and tools. Specific services include, but are not limited to, towing of improperly parked vehicles, vehicles that obstruct or impede the flow of traffic or emergency lanes, walkways, and handicapped parking spaces, police impounds, seizure of evidence and motor vehicle accident response.

1.2. OFFICIAL TOW SERVICE shall comply with all State laws that regulate tow units and the impounding, towing, storage, selling or junking of vehicles.

1.3. OFFICIAL TOW SERVICE is hereby designated as an authorized tow service provider for CITY. All trucks, personnel, and equipment used by OFFICIAL TOW SERVICE in the performance of this Agreement shall be owned by or leased to OFFICIAL TOW SERVICE and shall be subject to all provisions herein set forth.

1.4. OFFICIAL TOW SERVICE acknowledges and agrees that this Agreement to provide tow services is non-exclusive. CITY intends to concurrently contract with at least one other tow service provider and shall utilize the services of each such tow service provider as CITY, in its sole discretion, deems appropriate.



Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: CHIEF OF POLICE

DATE: OCTOBER 17, 2017

SUBJECT: **AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT FOR OFFICIAL TOW SERVICES WITH HADLEY TOWING**

FISCAL
IMPACT: EXPENSE: NONE
BUDGETED: \$32,500 ANNUALLY FOR VEHICLE TOWING ADMINISTRATIVE COST RECOVERY FEE

SUMMARY:

On November 1, 2016 the City entered into a contract with Hadley Towing for a period of one (1) year with the option of extending the contract for up to two (2) one-year periods. Term extensions are based upon the contractor's performance and at the discretion of the City. This action will approve the first one-year extension and authorize the City Administrator to approve and execute the option for a second and final one-year extension ending October 31, 2019.

RECOMMENDATION:

It is recommended that the City Council take the following actions:

1. Approve Amendment No. 1 to Professional Services Agreement for provision of Official Tow Services with Hadley Towing for a one (1) year term ending October 31, 2018; and
2. Authorize the City Administrator to approve an additional one (1) year extension at the end of the first extension with a term ending October 31, 2019; and
3. Authorize the City Administrator and/or his designee to execute all the necessary documents, in a form approved by the City Attorney.

DISCUSSION:

Placentia Municipal Code Chapter 6.76 provides for the establishment of an official tow service and for the issuance of a Certificate of Public Convenience and Necessity for such services. In 2014, the City issued a Request for Proposals/Statement of Qualifications (RFQ/SOQ) and the City Council awarded an agreement and Certificate of Public Convenience and Necessity to Anaheim Fullerton Tow and A One Auto Body & Towing (A One) on October 7, 2014. In 2016 A One had ceased operations and was unable to fulfill the remainder of its contract with the City

1.g.
October 17, 2017

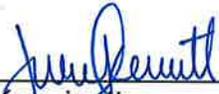
of Placentia. In an effort to maintain two (2) official tow services for optimum efficiency, Staff recommended awarding a Certificate of Public Convenience and Necessity and a contract to Hadley Tow, the third bidder in the 2014 RFP/SOQ process, to fulfill the remainder of the tow service term. Hadley Tow has been in the towing business for over sixty (60) years and is located at 1090 N. Parker Street in the City of Orange, which is less than five (5) miles from the Placentia Police Department.

The original three (3) year term ends on October 31, 2017. Two (2) additional one (1) year terms are allowable under the contract before another RFP/SOQ for official tow services is required. After doing business with Hadley Towing this past year, the City would like to extend the agreement and continue with the business relationship.

FISCAL IMPACT:

Revenue: \$32,500.00 Annually for Vehicle Towing Administrative Cost Recovery Fee payable to City in quarterly payments of \$8,125.00 by Hadley Towing.

Prepared by:



Julie Kennicutt
Sr. Management Analyst

Reviewed and approved:



Darin Lenyi
Chief of Police

Reviewed and approved:



Shally Lin
Interim Finance Director

Reviewed and approved:



Damien R. Arrula
City Administrator

Attachment:

Amendment No. 1 with Hadley Towing

**AMENDMENT NO. 1 TO
PROFESSIONAL SERVICES AGREEMENT
PROVISION OF OFFICIAL TOW SERVICES WITH
HADLEY TOWING**

This Amendment No. 1 (“Amendment”) to Professional Services Agreement is made and entered into effective the 1st day of November, 2017, by and between the CITY OF PLACENTIA, a Charter City and Municipal Corporation (“CITY”), and HADLEY TOWING, a California corporation (hereinafter “CONSULTANT”). CITY and CONSULTANT are sometimes hereinafter individually referred to as “Party” and or collectively referred to as the “Parties.”

A. Recitals.

(i). CITY and CONSULTANT entered into a Professional Services Agreement (“Agreement”) effective November 1, 2016 through which CONSULTANT has been providing professional services as more fully explained in the Scope of Services attached to the Agreement as Exhibit “A.”

(ii). The Parties now seek to amend the Agreement to extend the term.

(iii). All legal prerequisites to the making of this Amendment have occurred.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein, the Parties agree as follows:

B. Amendment to Agreement.

1. Section 3, Paragraph 1 of the Agreement is hereby amended to read as follows:

This Agreement shall remain in effect for one (1) year from the effective date. This Agreement may be reviewed at the conclusion of that one (1) year period and extended for an additional one-year period by mutual written agreement of the Parties.

2. Except as specifically modified herein, all of the terms, conditions and provisions of the Agreement shall remain in full force and effect.

3. The Agreement, all amendments together with this Amendment No. 1 and all Exhibits attached thereto, constitutes the entire Agreement between the Parties and supersedes all prior negotiations, arrangements, representations, and understandings, if any, made by or between the Parties with respect to the subject matter hereof. No amendment or other modification of the Agreement, as modified by this Amendment No. 1 shall be binding unless executed in writing by both Parties hereto, or their respective successors, assigns, or grantees.

5. Each of the undersigned represents and warrants that he or she is duly authorized to execute and deliver this Amendment No. 1 and that such execution is binding upon the entity for which he or she is executing this document.

IN WITNESS WHEREOF, the Parties have caused Amendment No. 1 to the Consulting Services Agreement are to be executed as of the day and year first above written.

CONSULTANT

CITY OF PLACENTIA

By: _____
Mark Hassan
President

By: _____
Damien R. Arrula
City Administrator

ATTEST: _____
Patrick J. Melia,
City Clerk

APPROVED AS TO FORM:

By: _____
Christian L. Bettenhausen
City Attorney

HADLEY TOWING

1.0. SCOPE OF SERVICES.

1.1. OFFICIAL TOW SERVICE shall perform vehicle towing, impound, and storage services as directed by DEPARTMENT, in addition to such other services as required by this Agreement, and shall provide necessary storage facilities, tow services, labor, materials, equipment, machinery and tools. Specific services include, but are not limited to, towing of improperly parked vehicles, vehicles that obstruct or impede the flow of traffic or emergency lanes, walkways, and handicapped parking spaces, police impounds, seizure of evidence and motor vehicle accident response.

1.2. OFFICIAL TOW SERVICE shall comply with all State laws that regulate tow units and the impounding, towing, storage, selling or junking of vehicles.

1.3. OFFICIAL TOW SERVICE is hereby designated as an authorized tow service provider for CITY. All trucks, personnel, and equipment used by OFFICIAL TOW SERVICE in the performance of this Agreement shall be owned by or leased to OFFICIAL TOW SERVICE and shall be subject to all provisions herein set forth.

1.4. OFFICIAL TOW SERVICE acknowledges and agrees that this Agreement to provide tow services is non-exclusive. CITY intends to concurrently contract with at least one other tow service provider and shall utilize the services of each such tow service provider as CITY, in its sole discretion, deems appropriate.



Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: DIRECTOR OF ADMINISTRATIVE SERVICES

DATE: OCTOBER 17, 2017

SUBJECT: **AWARD OF CONTRACT TO NATIONAL DEMOGRAPHICS CORPORATION TO PROVIDE DISTRICT ELECTION CONSULTING SERVICES**

FISCAL
IMPACT: EXPENSE: NOT-TO-EXCEED \$35,000
BUDGETED: \$45,000 FISCAL YEAR 2017-18 BUDGET

SUMMARY:

At the City's General Municipal Election held November 8, 2016, a measure was placed on the ballot asking the voters of Placentia whether to amend the City Charter to require the City Council establish five equal, geographically based districts from which Councilmembers will be elected by the residents of those districts to serve four year terms. The charter amendment was approved by 59% of the voters.

On June 6, 2017 the City awarded a contract to Compass Demographics, Inc. to provide district election consulting services. Upon further assessment of the City's needs, current staffing levels, and in order to ensure greater transparency while facilitating the districting process, Staff is recommending approval of a contract with National Demographics Corporation (NDC) to create district boundaries for a district-based election. The NDC scope of work includes creating and hosting a project information website, and facilitating public forums for community input.

RECOMMENDATION:

It is recommended that the City Council take the following actions:

1. Approve a Professional Services Agreement with National Demographics Corporation to provide district election consulting services for a not-to-exceed amount of \$35,000; and
2. Authorize the City Administrator and/or his designee to execute all necessary documents, in a form approved by the City Attorney.

DISCUSSION:

In December 2015 the City received a demand letter from the Mexican American Legal Defense Education Fund (MALDEF) alleging the City's "at-large" election system violates the California Voting Rights Act (CVRA). After analyzing other cities' losses under similar threats, the City

1.h.
October 17, 2017

entered into a settlement agreement with Joseph V. Aguirre in February 2016, which was subsequently amended. The terms of the settlement agreement are that City Council will place a Charter Amendment Measure on a Statewide General Election Ballot on or before July 1, 2017, asking voters of Placentia whether the Placentia City Charter should be amended to change from an at-large method of election to a by-district method of election with the actual district lines being established by Ordinance and requiring by-district elections for the November 2018 City Council elections and thereafter.

On November 8, 2016 voters approved charter amendment Measure NN thus changing Placentia to a by-district method of election. The settlement agreement also states that upon adoption of the Charter Amendment Measure by the voters, Placentia shall contract with a demographer to design one or more electoral maps to create at least one (1) electoral district in which Latinos constitute a majority of the citizen voting age population according to the most recently available estimates from the Census Bureau's American Community Survey. The final district map plans shall be adopted and submitted to the Orange County Registrar of Voters by the deadline for use in the November 2018 Election.

On June 6, 2017 the City awarded a contract to Compass Demographics, Inc. to provide district election consulting services. Upon further assessment of the City's needs, current staffing levels, and in order to ensure greater transparency while facilitating the districting process, Staff is recommending approval of a contract with National Demographics Corporation (NDC) to create district boundaries for a district-based election. The NDC scope of work includes creating and hosting a project information website, and facilitating public forums for community input.

The process for developing the electoral district map will include, at a minimum, two (2) public hearings on a proposal to establish the district boundaries prior to a public hearing at which the City Council votes to approve the electoral district map.

FISCAL IMPACT:

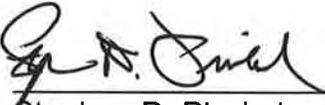
The proposed agreement is for a not-to-exceed amount of \$35,000. Funding for this project has been accounted for in the Fiscal Year 2017-18 budget.

Prepared by:



Rosanna Ramirez
Deputy Director of Administrative Services/
Chief Deputy City Clerk

Reviewed and approved:



Stephen D. Pischel
Director of Administrative Services

Reviewed and approved:



Damien R. Arrula
City Administrator

Attachment:
Professional Services Agreement

**CITY OF PLACENTIA
PROFESSIONAL SERVICES AGREEMENT
WITH
NATIONAL DEMOGRAPHICS CORPORATION**

THIS AGREEMENT is made and entered into this 17th day of October, 2017 ("Effective Date"), by and between the CITY OF PLACENTIA, a municipal corporation ("City"), and NATIONAL DEMOGRAPHICS CORPORATION, a California Corporation ("Consultant").

WITNESSETH:

A. WHEREAS, City proposes to utilize the services of Consultant as an independent contractor to develop a district system for the election of City Council Members in the City of Placentia, as more fully described herein; and

B. WHEREAS, Consultant represents that it has that degree of specialized expertise contemplated within California Government Code Section 37103, and holds all necessary licenses to practice and perform the services herein contemplated; and

C. WHEREAS, City and Consultant desire to contract for the specific services described in Exhibit "A" (the "Project") and desire to set forth their rights, duties and liabilities in connection with the services to be performed; and

D. WHEREAS, no official or employee of City has a financial interest, within the provisions of Sections 1090-1092 of the California Government Code, in the subject matter of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, the parties hereby agree as follows:

1.0. SERVICES PROVIDED BY CONSULTANT

1.1. Scope of Services. Consultant shall provide the professional services described in Consultant's Proposal ("Proposal"), attached hereto as Exhibit "A" and incorporated herein by this reference.

1.2. Professional Practices. All professional services to be provided by Consultant pursuant to this Agreement shall be provided by personnel experienced in their respective fields and in a manner consistent with the standards of care, diligence and skill ordinarily exercised by professional consultants in similar fields and circumstances in accordance with sound professional practices. Consultant also warrants that it is familiar with all laws that may affect its performance of this Agreement and shall advise City of any changes in any laws that may affect Consultant's performance of this Agreement. 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. Officers and employees shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this section.

1.3. Performance to Satisfaction of City. Consultant agrees to perform all the work to the complete satisfaction of the City and within the hereinafter specified. Evaluations of the work will be done by the City Administrator or his or her designee. If the quality of work is not satisfactory, City in its discretion has the right to:

- (a) Meet with Consultant to review the quality of the work and resolve the matters of concern;
- (b) Require Consultant to repeat the work at no additional fee until it is satisfactory; and/or
- (c) Terminate the Agreement as hereinafter set forth.

1.4. Warranty. Consultant warrants that it shall perform the services required by this Agreement in compliance with all applicable Federal and California employment laws, including, but not limited to, those laws related to minimum hours and wages; occupational health and safety; fair employment and employment practices; workers' compensation insurance and safety in employment; and all other Federal, State and local laws and ordinances applicable to the services required under this Agreement. Consultant shall indemnify and hold harmless City from and against all claims, demands, payments, suits, actions, proceedings, and judgments of every nature and description including attorneys' fees and costs, presented, brought, or recovered against City for, or on account of any liability under any of the above-mentioned laws, which may be incurred by reason of Consultant's performance under this Agreement.

1.5. Non-discrimination. In performing this Agreement, Consultant shall not engage in, nor permit its agents to engage in, discrimination in employment of persons because of their race, religion, color, national origin, ancestry, age, physical handicap, medical condition, marital status, sexual gender or sexual orientation, except as permitted pursuant to Section 12940 of the Government Code. Such actions shall include, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation and selection for training, including apprenticeship. Consultant agrees to post in conspicuous places, available to employees and applicants for employment, a notice setting forth provisions of this non-discrimination clause.

Consultant shall, in all solicitations and advertisements for employees placed by, or on behalf of Consultant shall state that all qualified applicants will receive consideration for employment without regard to age, race, color, religion, sex, marital status, national origin, or mental or physical disability. Consultant shall cause the paragraphs contained in this Section to be inserted in all subcontracts for any work covered by the Agreement, provided that the foregoing provisions shall not apply to subcontracts for standard commercial supplies or raw materials.

1.6. Non-Exclusive Agreement. Consultant acknowledges that City may enter into agreements with other consultants for services similar to the services that are subject to this Agreement or may have its own employees perform services similar to those services contemplated by this Agreement.

1.7. Delegation and Assignment. This is a personal service contract, and the duties set forth herein shall not be delegated or assigned to any person or entity without the prior written consent of City. Consultant may engage a subcontractor(s) as permitted by law and may employ other personnel to perform services contemplated by this Agreement at Consultant's sole cost and expense. All insurance requirements contained in this Agreement are independantly applicable to any and all subcontractors that Consultant may engage during the term of this Agreement.

1.8. Confidentiality. Employees of Consultant in the course of their duties may have access to financial, accounting, statistical, and personnel data of private individuals and employees of City. Consultant covenants that all data, documents, discussion, or other

information developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Consultant without written authorization by City. City shall grant such authorization if disclosure is required by law. All City data shall be returned to City upon the termination of this Agreement. Consultant's covenant under this Section shall survive the termination of this Agreement.

2.0. COMPENSATION AND BILLING

2.1. Compensation. Consultant shall be paid in accordance with the fee schedule set forth in Exhibit "A." Consultant's total compensation shall not exceed Thirty Five Thousand Dollars (\$35,000.00).

2.2. Additional Services. Consultant shall not receive compensation for any services provided outside the scope of services specified in the Consultant's Proposal or which is inconsistent with or in violation of the provisions of this Agreement unless the City or the Project Manager for this Project, prior to Consultant performing the additional services, approves such additional services in writing. It is specifically understood that oral requests and/or approvals of such additional services or additional compensation shall be barred and are unenforceable. Should the City request in writing additional services that increase the hereinabove described "SCOPE OF SERVICES", an additional fee based upon the Consultant's standard hourly rates shall be paid to the Consultant for such additional services. Such increase in additional fees shall be limited to 25% of the total contract sum or \$25,000 whichever is more. The City Engineer is authorized to approve a Change Order for such additional services.

2.3. Method of Billing. Consultant may submit invoices to the City for approval on a progress basis, but no more often than two times a month. Said invoice shall be based on the total of all Consultant's services which have been completed to City's sole satisfaction. City shall pay Consultant's invoice within forty-five (45) days from the date City receives said invoice. Each invoice shall describe in detail, the services performed, the date of performance, and the associated time for completion. Any additional services approved and performed pursuant to this Agreement shall be designated as "Additional Services" and shall identify the number of the authorized change order, where applicable, on all invoices.

2.4. Records and Audits. Records of Consultant's services relating to this Agreement shall be maintained in accordance with generally recognized accounting principles and shall be made available to City or its Project Manager for inspection and/or audit at mutually convenient times for a period of three (3) years from the Effective Date.

3.0. TIME OF PERFORMANCE

3.1. Commencement and Completion of Work. The professional services to be performed pursuant to this Agreement shall commence within five (5) days from the Effective Date of this Agreement. Said services shall be performed in strict compliance with the Project Schedule approved by City as set forth in Exhibit "A." The Project Schedule may be amended by mutual agreement of the parties. Failure to commence work in a timely manner and/or diligently pursue work to completion may be grounds for termination of this Agreement.

3.2. Excusable Delays. Neither party shall be responsible for delays or lack of performance resulting from acts beyond the reasonable control of the party or parties. Such acts shall include, but not be limited to, acts of God, fire, strikes, material shortages, compliance with laws or regulations, riots, acts of war, or any other conditions beyond the reasonable control of a party. If a delay beyond the control of the Consultant is encountered, a time extension may be mutually agreed upon in writing by the City and the Consultant. The

Consultant shall present documentation satisfactory to the City to substantiate any request for a time extension.

4.0. TERM AND TERMINATION

4.1. Term. This Agreement shall commence on the Effective Date and continue for a period of 12 months, ending on October 17, 2018, unless previously terminated as provided herein or as otherwise agreed to in writing by the parties.

4.2. Notice of Termination. The City reserves and has the right and privilege of canceling, suspending or abandoning the execution of all or any part of the work contemplated by this Agreement, with or without cause, at any time, by providing at least fifteen (15) days prior written notice to Consultant. The termination of this Agreement shall be deemed effective upon receipt of the notice of termination. In the event of such termination, Consultant shall immediately stop rendering services under this Agreement unless directed otherwise by the City. If the City suspends, terminates or abandons a portion of this Agreement such suspension, termination or abandonment shall not make void or invalidate the remainder of this Agreement.

If the Consultant defaults in the performance of any of the terms or conditions of this Agreement, it shall have ten (10) days after service upon it of written notice of such default in which to cure the default by rendering a satisfactory performance. In the event that the Consultant fails to cure its default within such period of time, the City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

The City shall have the right, notwithstanding any other provisions of this Agreement, to terminate this Agreement, at its option and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement, immediately upon service of written notice of termination on the Consultant, if the latter should:

- a. Be adjudged a bankrupt;
- b. Become insolvent or have a receiver of its assets or property appointed because of insolvency;
- c. Make a general assignment for the benefit of creditors;
- d. Default in the performance of any obligation or payment of any indebtedness under this Agreement;
- e. Suffer any judgment against it to remain unsatisfied or unbonded of record for thirty (30) days or longer; or
- f. Institute or suffer to be instituted any procedures for reorganization or rearrangement of its affairs.

4.3. Compensation. In the event of termination, City shall pay Consultant for reasonable costs incurred and professional services satisfactorily performed up to and including the date of City's written notice of termination within thirty-five (35) days after service of the notice of termination. Compensation for work in progress shall be prorated based on the percentage of work completed as of the effective date of termination in accordance with the fees set forth herein. In ascertaining the professional services actually rendered hereunder up to the effective date of termination of this Agreement, consideration shall be given to both completed

work and work in progress, to complete and incomplete drawings, and to other documents pertaining to the services contemplated herein whether delivered to the City or in the possession of the Consultant. City shall not be liable for any claim of lost profits.

4.4. Documents. In the event of termination of this Agreement, all documents prepared by Consultant in its performance of this Agreement including, but not limited to, finished or unfinished design, development and construction documents, data studies, drawings, maps and reports, shall be delivered to the City within ten (10) days of delivery of termination notice to Consultant, at no cost to City. Any use of uncompleted documents without specific written authorization from Consultant shall be at City's sole risk and without liability or legal expense to Consultant.

5.0. INSURANCE

5.1. Minimum Scope and Limits of Insurance. Consultant shall obtain, maintain, and keep in full force and effect during the life of this Agreement all of the following minimum scope of insurance coverages with an insurance company admitted to do business in California, rated "A," Class X, or better in the most recent Best's Key Insurance Rating Guide, and approved by City:

- (a) Broad-form commercial general liability, in a form at least as broad as ISO form #CG 00 01 04 13, including premises-operations, products/completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury or bodily injury with a policy limit of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or shall be twice the required occurrence limit.
- (b) Business automobile liability for owned vehicles, hired, and non-owned vehicles, with a policy limit of not less than One Million Dollars (\$1,000,000.00), combined single limits, each incident for bodily injury and property damage.
- (c) Workers' compensation insurance as required by the State of California and Employers Liability Insurance with a minimum limit of \$1,000,000 per accident. Consultant agrees to waive, and to obtain endorsements from its workers' compensation insurer waiving subrogation rights under its workers' compensation insurance policy against the City, its officers, agents, employees, and volunteers for losses arising from work performed by Consultant for the City and to require each of its subcontractors, if any, to do likewise under their workers' compensation insurance policies.

Before execution of this Agreement by the City, the Consultant shall file with the Public Works Director/City Engineer the following signed certification:

I am aware of, and will comply with, Section 3700 of the Labor Code, requiring every employer to be insured against liability of Workers' Compensation or to undertake self-insurance before commencing any of the work.

The Consultant shall also comply with Section 3800 of the Labor Code by securing, paying for and maintaining in full force and effect for the duration of this Agreement, complete Workers' Compensation Insurance, and shall furnish a Certificate of Insurance to the Public Works Director/City Engineer before execution of this Agreement by the City. The City, its officers and employees shall not be responsible for any claims in law or equity occasioned by failure of the consultant to comply with this section.

- (d) Professional errors and omissions ("E&O") liability insurance with policy limits of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence and aggregate. Architects' and engineers' coverage shall be endorsed to include contractual liability. If the policy is written as a "claims made" policy, the retro date shall be prior to the start of the contract work. Consultant shall obtain and maintain, said E&O liability insurance during the life of this Agreement and for three years after completion of the work hereunder.

Neither the CITY nor any of its elected or appointed officials, officers, agents, employees, or volunteers makes any representation that the types of insurance and the limits specified to be carried by Consultant under this Agreement are adequate to protect Consultant. If Consultant believes that any such insurance coverage is insufficient, Consultant shall provide, at its own expense, such additional insurance as Consultant deems adequate.

5.2. Endorsements. The commercial general liability insurance policy and business automobile liability policy shall contain or be endorsed to contain the following provisions:

- (a) Additional insureds: "The City of Placentia and its elected and appointed boards, officers, officials, agents, employees, and volunteers are additional insureds with respect to: liability arising out of activities performed by or on behalf of the Consultant pursuant to its contract with the City; products and completed operations of the Consultant; premises owned, occupied or used by the Consultant; automobiles owned, leased, hired, or borrowed by the Consultant."
- (b) Notice: "Consultant shall provide immediate written notice if (1) any of the required insurance policies is terminated; (2) the limits of any of the required policies are reduced; (3) or the deductible or self insured retention is increased. In the event of any cancellation or reduction in coverage or limits of any insurance, Consultant shall forthwith obtain and submit proof of substitute insurance. Should Consultant fail to immediately procure other insurance, as specified, to substitute for any canceled policy, the City may procure such insurance at Consultant's sole cost and expense."
- (c) Other insurance: "The Consultant's insurance coverage shall be primary insurance as respects the City of Placentia, its officers, officials, agents, employees, and volunteers. Any other insurance maintained by the City of Placentia shall be excess and not contributing with the insurance provided by this policy."
- (d) Any failure to comply with the reporting provisions of the policies shall not

affect coverage provided to the City of Placentia, its officers, officials, agents, employees, and volunteers.

- (e) The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

5.3. Deductible or Self Insured Retention. If any of such policies provide for a deductible or self-insured retention to provide such coverage, the amount of such deductible or self-insured retention shall be approved in advance by City. No policy of insurance issued as to which the City is an additional insured shall contain a provision which requires that no insured except the named insured can satisfy any such deductible or self-insured retention.

5.4. Certificates of Insurance. Consultant shall provide to City certificates of insurance showing the insurance coverages and required endorsements described above, in a form and content approved by City, prior to performing any services under this Agreement. The certificates of insurance shall be attached hereto as Exhibit "B" and incorporated herein by this reference.

5.5. Non-limiting. Nothing in this Section shall be construed as limiting in any way, the indemnification provision contained in this Agreement, or the extent to which Consultant may be held responsible for payments of damages to persons or property.

6.0. GENERAL PROVISIONS

6.1. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to any matter referenced herein and supersedes any and all other prior writings and oral negotiations. This Agreement may be modified only in writing, and signed by the parties in interest at the time of such modification. The terms of this Agreement shall prevail over any inconsistent provision in any other contract document appurtenant hereto, including exhibits to this Agreement.

6.2. Representatives. The City Administrator or his or her designee shall be the representative of City for purposes of this Agreement and may issue all consents, approvals, directives and agreements on behalf of the City, called for by this Agreement, except as otherwise expressly provided in this Agreement.

Consultant shall designate a representative for purposes of this Agreement who shall be authorized to issue all consents, approvals, directives and agreements on behalf of Consultant called for by this Agreement, except as otherwise expressly provided in this Agreement.

6.3. Project Managers. City shall designate a Project Manager to work directly with Consultant in the performance of this Agreement. It shall be the Consultant's responsibility to assure that the Project Manager is kept informed of the progress of the performance of the services and the Consultant shall refer any decision, which must be made by City, to the Project Manager. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Project Manager.

Consultant shall designate a Project Manager who shall represent it and be its agent in all consultations with City during the term of this Agreement and who shall not be changed by Consultant without the express written approval by the City. Consultant or its Project Manager shall attend and assist in all coordination meetings called by City.

6.4. Notices. Any notices, documents, correspondence or other communications concerning this Agreement or the work hereunder may be provided by personal delivery, facsimile or if mailed, shall be addressed as set forth below and placed in a sealed envelope, postage prepaid, and deposited in the United States Postal Service. Such communication shall be deemed served or delivered: a) at the time of delivery if such communication is sent by personal delivery; b) at the time of transmission if such communication is sent by facsimile; and c) 72 hours after deposit in the U.S. Mail as reflected by the official U.S. postmark if such communication is sent through regular United States mail.

IF TO CONSULTANT:

National Demographics Corporation
P.O. Box 5271
Glendale, CA 91221
Tel: (818) 254-1221

Attn: Douglas Johnson

IF TO CITY:

City of Placentia
401 E. Chapman
Placentia, CA 92870
Tel: 714-993-8141

Attn: Stephen D. Pischel

6.5. Attorneys' Fees. In the event that litigation is brought by any party in connection with this Agreement, the prevailing party shall be entitled to recover from the opposing party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the exercise of any of its rights or remedies hereunder or the enforcement of any of the terms, conditions, or provisions hereof.

6.6. Governing Law. This Agreement shall be governed by and construed under the laws of the State of California without giving effect to that body of laws pertaining to conflict of laws. In the event of any legal action to enforce or interpret this Agreement, the parties hereto agree that the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California. Consultant agrees to submit to the personal jurisdiction of such court in the event of such action.

6.7. Assignment. Consultant shall not voluntarily or by operation of law assign, transfer, sublet or encumber all or any part of Consultant's interest in this Agreement without City's prior written consent. Any attempted assignment, transfer, subletting or encumbrance shall be void and shall constitute a breach of this Agreement and cause for termination of this Agreement. Regardless of City's consent, no subletting or assignment shall release Consultant of Consultant's obligation to perform all other obligations to be performed by Consultant hereunder for the term of this Agreement.

6.8. Indemnification and Hold Harmless. Consultant agrees to defend, indemnify, hold free and harmless the City, its elected and appointed officials, officers, agents and employees, at Consultant's sole expense, from and against any and all claims, demands, actions, suits or other legal proceedings brought against the City, its elected and appointed officials, officers, agents and employees arising out of the performance of the Consultant, its employees, and/or authorized subcontractors, of the work undertaken pursuant to this Agreement. The defense obligation provided for hereunder shall apply without any advance showing of negligence or wrongdoing by the Consultant, its employees, and/or authorized subcontractors, but shall be required whenever any claim, action, complaint, or suit asserts as its basis the negligence, errors, omissions or misconduct of the Consultant, its employees, and/or authorized subcontractors, and/or whenever any claim, action, complaint or suit asserts liability against the City, its elected and appointed officials, officers, agents and employees

based upon the work performed by the Consultant, its employees, and/or authorized subcontractors under this Agreement, whether or not the Consultant, its employees, and/or authorized subcontractors are specifically named or otherwise asserted to be liable. Notwithstanding the foregoing, the Consultant shall not be liable for the defense or indemnification of the City for claims, actions, complaints or suits arising out of the sole active negligence or willful misconduct of the City. This provision shall supersede and replace all other indemnity provisions contained either in the City's specifications or Consultant's Proposal, which shall be of no force and effect.

6.9. Independent Contractor. Consultant is and shall be acting at all times as an independent contractor and not as an employee of City. Consultant shall have no power to incur any debt, obligation, or liability on behalf of City or otherwise act on behalf of City as an agent. Neither City nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not, at any time, or in any manner, represent that it or any of its or employees are in any manner agents or employees of City. Consultant shall secure, at its sole expense, and be responsible for any and all payment of Income Tax, Social Security, State Disability Insurance Compensation, Unemployment Compensation, and other payroll deductions for Consultant and its officers, agents, and employees, and all business licenses, if any are required, in connection with the services to be performed hereunder. Consultant shall indemnify and hold City harmless from any and all taxes, assessments, penalties, and interest asserted against City by reason of the independent contractor relationship created by this Agreement. Consultant further agrees to indemnify and hold City harmless from any failure of Consultant to comply with the applicable worker's compensation laws. City shall have the right to offset against the amount of any fees due to Consultant under this Agreement any amount due to City from Consultant as a result of Consultant's failure to promptly pay to City any reimbursement or indemnification arising under this paragraph.

6.10. PERS Eligibility Indemnification. In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

6.11. Cooperation. In the event any claim or action is brought against City relating to Consultant's performance or services rendered under this Agreement, Consultant shall render any reasonable assistance and cooperation which City might require.

6.12. Ownership of Documents. All findings, reports, documents, information and data including, but not limited to, computer tapes or discs, preliminary notes, working documents, files and tapes furnished or prepared by Consultant or any of its subcontractors in the course of performance of this Agreement, shall be and remain the sole property of City. Consultant

agrees that any such documents or information shall not be made available to any individual or organization without the prior consent of City, but shall be made available to the City within ten (10) days of request or within ten (10) days of termination. Any use of such documents for other projects not contemplated by this Agreement, and any use of incomplete documents, shall be at the sole risk of City and without liability or legal exposure to Consultant. City shall indemnify and hold harmless Consultant from all claims, damages, losses, and expenses, including attorneys' fees, arising out of or resulting from City's use of such documents for other projects not contemplated by this Agreement or use of incomplete documents furnished by Consultant. Consultant shall deliver to City any findings, reports, documents, information, data, preliminary notes and working documents, in any form, including but not limited to, computer tapes, discs, files audio tapes or any other Project related items as requested by City or its authorized representative, at no additional cost to the City. Consultant or Consultant's agents shall execute such documents as may be necessary from time to time to confirm City's ownership of the copyright in such documents.

6.13. Public Records Act Disclosure. Consultant has been advised and is aware that this Agreement and all reports, documents, information and data, including, but not limited to, computer tapes, discs or files furnished or prepared by Consultant, or any of its subcontractors, pursuant to this Agreement and provided to City may be subject to public disclosure as required by the California Public Records Act (California Government Code Section 6250 *et seq.*). Exceptions to public disclosure may be those documents or information that qualify as trade secrets, as that term is defined in the California Government Code Section 6254.7, and of which Consultant informs City of such trade secret. The City will endeavor to maintain as confidential all information obtained by it that is designated as a trade secret. The City shall not, in any way, be liable or responsible for the disclosure of any trade secret including, without limitation, those records so marked if disclosure is deemed to be required by law or by order of the Court.

6.14. Conflict of Interest. Consultant and its officers, employees, associates and subconsultants, if any, will comply with all conflict of interest statutes of the State of California applicable to Consultant's services under this agreement, including, but not limited to, the Political Reform Act (Government Code Sections 81000, *et seq.*) and Government Code Section 1090. During the term of this Agreement, Consultant and its officers, employees, associates and subconsultants shall not, without the prior written approval of the City Representative, perform work for another person or entity for whom Consultant is not currently performing work that would require Consultant or one of its officers, employees, associates or subconsultants to abstain from a decision under this Agreement pursuant to a conflict of interest statute.

6.15. Responsibility for Errors. Consultant shall be responsible for its work and results under this Agreement. Consultant, when requested, shall furnish clarification and/or explanation as may be required by the City's representative, regarding any services rendered under this Agreement at no additional cost to City. In the event that an error or omission attributable to Consultant occurs, then Consultant shall, at no cost to City, provide all necessary design drawings, estimates and other Consultant professional services necessary to rectify and correct the matter to the sole satisfaction of City and to participate in any meeting required with regard to the correction.

6.16. Prohibited Employment. Consultant will not employ any regular employee of City while this Agreement is in effect.

6.17. Order of Precedence. In the event of an inconsistency in this Agreement and any of the attached Exhibits, the terms set forth in this Agreement shall prevail. If, and to the extent this Agreement incorporates by reference any provision of any document, such provision

shall be deemed a part of this Agreement. Nevertheless, if there is any conflict among the terms and conditions of this Agreement and those of any such provision or provisions so incorporated by reference, the conflict shall be resolved by giving precedence in the following order, if applicable: This Agreement, the City's Request for Proposals, the Consultant's Proposal.

6.18. Costs. Each party shall bear its own costs and fees incurred in the preparation and negotiation of this Agreement and in the performance of its obligations hereunder except as expressly provided herein.

6.19. No Third Party Beneficiary Rights. This Agreement is entered into for the sole benefit of City and Consultant and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right in, under or to this Agreement.

6.20. Headings. Paragraphs and subparagraph headings contained in this Agreement are included solely for convenience and are not intended to modify, explain or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

6.21. Construction. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

6.22. Amendments. Only a writing executed by the parties hereto or their respective successors and assigns may amend this Agreement.

6.23. Waiver. The delay or failure of either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought. The waiver of any right or remedy in respect to any occurrence or event shall not be deemed a waiver of any right or remedy in respect to any other occurrence or event, nor shall any waiver constitute a continuing waiver.

6.24. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable in any circumstance, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or of the offending provision in any other circumstance. Notwithstanding the foregoing, if the value of this Agreement, based upon the substantial benefit of the bargain for any party, is materially impaired, which determination made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations.

6.25. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

6.26. Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by doing so the parties hereto are formally bound to the provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their respective authorized officers, as of the date first above written.

CITY OF PLACENTIA,
A municipal corporation

City Administrator

Date: _____

ATTEST:

City Clerk and ex-officio Clerk
of the City of Placentia

CONSULTANT

Signature

Date: _____

Name and Title

Social Security or Taxpayer ID Number

APPROVED AS TO FORM:

City Attorney

Date: _____

APPROVED AS TO INSURANCE:

Risk Management

Date: _____

APPROVED AS TO CONTENT:

Project Manager

Date: _____

DEPARTMENTAL APPROVAL:

Name, Title

Date: _____

EXHIBIT A

CONSULTANT'S PROPOSAL



National Demographics Corporation

**A Proposal to the
City of Placentia
for Demographic Services**

By National Demographics Corporation
Douglas Johnson, President

April 11, 2017



National Demographics Corporation

April 11, 2017

Ms. Kimberly Hall Barlow
City Attorney, City of Placentia
c/o Jones & Mayer
3777 N. Harbor Boulevard
Fullerton, California 92835

Dear Ms. Barlow,

Thank you for the opportunity to provide this proposal to the City of Placentia. As you know, NDC has 37 years of experience districting and redistricting local jurisdictions, together with unmatched experience working with jurisdictions facing California Voting Rights Act (CVRA) concerns, and extensive demographic, legal and academic history with Orange County. Based in Glendale, NDC has worked on CVRA analysis and districting efforts for your nearby jurisdictions of Anaheim, Fullerton, Buena Park, Chino Hills, Chino, Corona, and Rancho Santiago Community College District, among others. This is a topic and region we know well, and we welcome the opportunity to bring the firm's expertise and skills to assist the City.

For each project, there are certain required basic elements, and there are several options that the City can include or leave out at its option. NDC carefully tailors each project to the needs and goals of the individual client partner. NDC welcomes the opportunity to work with the City to encourage public participation in the districting process, and NDC offers a number of tools developed specifically for public engagement in this effort. And we offer templates and samples for every step of the project: analysis and staff reports; outreach materials; web pages and even resolution and ordinance templates.

The attached proposal consists of a brief introduction; specific proposed project elements and options; timeline and cost information; conclusion; and signature section. An appendix provides additional information on NDC, including company history; methodology; technical approach; and references.

NDC looks forward to working with you on this effort. Please call or email if you have any questions, concerns, or requests regarding this proposal.

Sincerely,

Douglas Johnson
President



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National Demographics Corporation

About National Demographics Corporation:

Brief Company History

NDC has served hundreds of local governments over the past 36 years. Founded in 1979, NDC has performed work in all regions of the country, serving clients as varied as the States of Mississippi, Arizona, Florida and Illinois, Clark County Nevada, American Waterworks, California's Franchise Tax Board, the San Diego Unified School District, the Foundation for California, and the Arizona cities of Glendale, Mesa, Peoria, Phoenix, Mesa and Surprise. In the Central Valley, NDC has worked with clients in and around Hanford, Dinuba, Tulare, Kings County, Coalinga, Corcoran, Reedley, Lemoore, and Fresno, among others.

The company is especially well known for its work in local and state government. Since 2002, NDC has established a reputation as the state's leading demographic expert on the California Voting Rights Act (CVRA), having performed demographic assessments of potential CVRA liability for over 250 jurisdictions.

No company has been responsible for addressing the electoral demographic needs of more local governments, as NDC has districted and/or redistricted well over 150 local school districts, cities, water districts, county boards, and other local districts. Nationally recognized as a pioneer in good government districting and redistricting, NDC is especially experienced in working with local jurisdictions in California, Arizona and Nevada.

This background gives us unmatched expertise in the issues, questions, and decisions jurisdictions face in any discussion regarding the California and Federal Voting Rights Act and related election system choices.

NDC and the California Voting Rights Act

NDC has performed analysis of potential demographic liability under the California Voting Rights Act (CVRA) for over 200 jurisdictions in California. For those jurisdictions sued under CVRA (none of which were NDC clients prior to the filing of the lawsuit), all but one hired NDC to assist in evaluating their demographics, voting history, legal situation, and options. This includes Madera Unified, Modesto, the City of Madera, Visalia, Compton, the City of Escondido, Palmdale, Santa Clarita Community College District, Glendale Community College District, ABC Unified, and Anaheim. Only Compton Community College faced a lawsuit without the assistance of NDC, as their case was a 'friendly' lawsuit where the settlement was pre-arranged with the plaintiffs prior to the filing of the case.

No other firm even comes close to NDC's experience with this still-new law, and many of the jurisdictions listed above came to NDC after discovering the demographers they initially hired either did not sufficiently understand California and Federal Voting Rights law and the related demographics to help, or the demographers so badly handled the project that their own demographers' work directly resulted in the jurisdiction being sued.

NDC's expertise in both Voting Rights demographics and in the drawing of election districts is widely recognized. NDC's personnel are responsible for numerous books and articles on the subject, and President Douglas Johnson has been a speaker on the CVRA at conferences



National Demographics Corporation

of the California School Board Association, the California Latino School Board Member Association, the California League of Cities, and other state and national conferences.

NDC's Districting Process

The following information is provided for information and for use if a jurisdiction decides to move to by-district elections. If the client decides not to move to by-district elections, the work would end with the demographic analysis described above.

Technical Expertise

NDC's personnel are nationally recognized as leaders in the districting field, and are responsible for numerous books and articles on the subject. NDC possesses all the hardware and software necessary to the districting and redistricting needs of any jurisdiction, and its personnel have extensive experience in performing graphics districting and redistricting work as well as in developing databases for districting use.

The technical demands of a districting effort are high, and NDC is the undisputed leader in this area. But far more important than technical expertise are the interpersonal understanding and experience working with all parties in the process, including the public.

Public Involvement

NDC pioneered the "transparent districting" approach which involves the public at every stage of the process. The company invented the "public participation kit" for public participation in districting efforts, which many of the firm's competitors now attempt to duplicate. Perhaps NDC's most valuable service is the firm's experience transforming often-contentious and passionate debates on this difficult subject into thoughtful, constructive discussions focused on the options and outcomes rather than individual personalities or positions. NDC also has considerable experience working with translators in public forums and providing materials in English and Spanish.

Minority Group Outreach/Partnerships

U.S. Supreme Court decisions are constantly changing the rules regarding districting, "race-based districting," and the establishment of districts focused on the electoral power of "protected classes." It is crucial that the consultant work with the racial, ethnic, and other community groups at the beginning of the process to welcome their ideas and develop the appropriate expectations regarding minority representation prospects. No NDC local districting or redistricting plans has ever been challenged in Court or by the Department of Justice.

Openness

Any change in election systems can have momentous implications for the distribution of political power in a jurisdiction and for access by groups and individuals to the governance process. Not surprisingly, such changes often attract much public attention, sometimes generate intense controversy, and may draw charges of manipulation and abuse of power. Indeed, disputes over the form and substance of the process may often result in stalemate or



National Demographics Corporation

legal challenge. It is crucial, therefore, that the jurisdiction establish, at the beginning, a process that is not only fair, but that is seen to be fair, to all contending groups and individuals.

Media Outreach

The firm's work has been widely praised in the media, and NDC has worked extensively on background, off the record, and on the record with all types of press including radio, television, newspaper, and new media.

Local Leadership

NDC views its role as an advisor and technical resource. The firm advises its clients, but every project remains the client's project. NDC offers guidance based on its experience and expertise, but ultimately the decisions are made by the jurisdiction itself. NDC welcomes the chance to assist this project under the guidance and direction of the jurisdiction's elected leadership, key staff members, and the entire community.

Impeccable References

All of NDC's former clients – without exception – can be contacted for references. The firm has no embarrassing projects. All NDC's local districting and redistricting plans have been accepted into law with a minimum of controversy. A list of references is included with this proposal.

Each of these elements of NDC's methodology is incorporated into the proposed project process below.

Proposed Scope of Work

Each level of work is a discrete and separate part of this proposal. As each level is complete, NDC will consult with the client on the decision whether to proceed with the next level, skip to a later stage of review, or to decide the review is complete. NDC will only proceed from one level to the next on direction from the client. The client can end the project after any level is complete, or the client can choose to skip levels as it wishes.

To provide the flexibility to meet the needs of the client if it decides to move to by-district elections, NDC offers a full menu of districting options:

Basic Districting Project Elements

Includes all of the services listed below:.....\$19,000

- Project Setup and coordination:
 - Development of redistricting database including Census and California Statewide Database data;
 - Incorporation of any Geographic Information System (GIS) data that the City wishes to include and provides (often including school locations; school attendance areas; important local landmarks; or local neighborhood boundaries);



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- Initial discussion with key staff and/or Council members about demographics, communities of interest, schedule and criteria;
- Any phone- or web-conference calls to discuss the project's progress or answer any Council, staff or media questions that may arise;
- Plan Development:
 - Creating of 2 to 4 initial draft maps for Council and public consideration;
 - Analysis and preparation for Council consideration of all whole or partial plans submitted by the public;
 - Conversion of all maps and reports to web-friendly versions for online posting;
 - Online posting of all maps to an interactive website for detailed Council and public review;
 - Any requested additional maps and/or map revisions requested;
- Plan Presentation:
 - Presentations at Council meetings and/or public forums by phone- or web-conference (or in person for the "in person presentation" fee listed under "optional elements" below);
- Work with the County Registrar of Voters to implement the final adopted plan.

Optional Districting Project Elements

Selected at the client's discretion:

- In-person presentation at additional Council meetings, facilitation of public forum(s), and/or any other requested meetings;.....\$2,000
- Preparation and processing of paper, PDF and Excel-based "public participation kits" (paper kits that allow the public to draw and submit their own plans).....\$3,500
- Creation, hosting, and updating of an NDC-managed project information website (if the client does not wish to manage a project website as part of its existing website).....\$4,000
- Hosting, managing and processing submitted plans for an online interactive system that allows public to draw and submit proposed districting plans through a standard web browser.....\$12,000
- Spanish translation of project-related materials.....\$125 per page

Stated prices include all travel, printing (except public participation kits and any large-plot maps), and other anticipated expenses.

Timeline: timeline will be established in consultation with the client, but typically takes four to nine months.

Other Potential Project-Related Expenses:

The only anticipated additional districting expenses would be any site or staff costs for conducting the community forums; and the cost of printing or copying paper copies of the "Public Participation Kit." In NDC's experience, most public participants will download and print the Kits in their own homes or offices.



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Sample Districting/Redistricting References

Mr. Scott Ochoa, City Manager, City of Glendale, 613 E. Broadway Ave., Glendale, CA 91206. 818-548-2000. Email: sochoa@ci.glendale.ca.us

Mr. Oliver Chi, City Manager, City of Monrovia, 415 South Ivy Avenue, Monrovia, CA 91016. 626-932-5585. Email: ochi@ci.monrovia.ca.us

Mr. Steve Carrigan, City Manager, City of Los Banos, 520 J Street, Los Banos, CA 93635. Phone: 209-827-7000 Email: steve.carrigan@losbanos.org

Mr. Roy Wasden, City Manager, City of Turlock, 156 S Broadway, Turlock, CA 95380. Phone: (209) 668-5540 ext 1101. Email: RWasden@turlock.ca.us

Mr. Devin Reif, Strategic Planning, City of Oakland, 250 Frank H. Ogawa Plaza, Suite 3315, Oakland, CA 94612. Phone: 510-238-3550 Email: DReiff@oaklandnet.com

Mr. David Silberman, Deputy County Counsel, San Mateo County, 400 County Center, 6th Floor, Redwood City, CA 94063-1662. Phone: 650-363-4749 Email: dsilberman@smcgov.org

Ms. Sharon Spivak, Deputy City Attorney, City of San Diego, Civic Center Plaza, 1200 Third Ave., #1620, San Diego, CA 92101. Phone: 619.533.5889. Email: sspivak@sandiego.gov

Judge Hugh Rose (retired), Chairman, City of Modesto Districting Commission. 508 King Richard Lane, Modesto, CA 95350. Phone (209) 522-0719. Email: hhrose@hotmail.com.

Ms. Kathy Bennett, City Clerk, City of Menifee, 29714 Haun Road, Menifee, CA 92586. Phone: (951) 672-6777. Email: kbennet@cityofmenifee.us.

Ms. Kristine Murray, City Councilmember, City of Anaheim, 2401 East Katella Avenue, Suite 300, Anaheim, California 92806. Phone: (714) 940-6347 Email: kmurray@willdan.com

Mr. Michael E. Smith, Partner, Lozano Smith, 7404 North Spalding Ave., Fresno, CA 93720, (559)431-5600, MSmith@lozanosmith.com.

Ms. Marguerite Leoni, Partner, Nielsen, Merksamer, Parrinello, Gross & Leoni, 2350 Kerner Boulevard, Suite 250, San Rafael, CA 94901, (415)634-6840, mleoni@nmgovlaw.com (or ask for Mr. Chris Skinnell)

Ms. Lucinda Aja, City Clerk, City of Buckeye, Arizona. 100 N Apache Rd, Suite A, Buckeye, AZ 85326. Phone (623) 349-6007. Fax (623) 349-6098. EMail: laja@buckeyeaz.gov.

Additional Analysis

NDC is happy to assist with any additional analysis that the client requests at our standard hourly rates:

Principal (Dr. Douglas Johnson)\$200 per hour
Vice President (Justin Levitt).....\$125 per hour



National Demographics Corporation

Senior Analyst.....\$75 per hour
Analyst / Clerical.....\$50 per hour

Dr. Johnson is also available for deposition and/or testimony work if needed, at \$250 per hour.

Requested Payment terms:

NDC requests that one-half payment be made at project start and one-half at the conclusion.

Conclusion

Since its founding NDC has been the preeminent company in the nation devoted to local election systems. To summarize:

- NDC, founded in 1979, has a demonstrated record of financial solvency.
- NDC's hardware and software resources were specially designed and acquired for districting and redistricting purposes.
- NDC's highly respected personnel have impeccable credentials in each aspect of the districting and redistricting processes.
- NDC's suggested approach has been tested in many jurisdictions.
- Any NDC client can be contacted for testimonials and reference.
- NDC has more experience in the field of municipal political election systems than any other company of which NDC is aware.
- NDC has demonstrated experience over many years in working with the press and media on local election system issues.
- NDC possesses fully up-to-date and highly effective geographic retrieval systems with applications specifically designed for districting and redistricting.
- Neither the Justice Department nor any Court has ever rejected any local government districting or redistricting plan submitted by NDC.

It should be clear that NDC has all of the resources of experience, technical expertise, and legal/political know-how to assist the City in its current effort. NDC looks forward to the opportunity to work with the City on this project.



National Demographics Corporation

Proposal Acceptance

The terms of this proposal are available for 45 calendar days from its delivery to you. In most situations, NDC is open to extending that period of time to meet any particular needs of your jurisdiction.

NDC prides ourselves on tailoring each project to the needs and goals of each individual client. NDC is open to any feedback, concerns, requests, or changes regarding this proposal. If, however, it is acceptable in its current form, then NDC welcomes the opportunity to begin work as soon as possible.

If your jurisdiction has specific contract and/or letter of agreement language you prefer to use, please provide it and ignore the signature block below. If you prefer, simply sign two copies of this proposal in the signature block below and return them to NDC. Once signed by NDC, one copy will be returned to you. Thank you.

For National Demographics Corporation

For the City of Placentia

Douglas Johnson, President

Date

Date



National Demographics Corporation

Clients moved or moving from at-large to by-district elections

Counties

San Mateo

Cities

Apple Valley

Anaheim

Banning

Bellflower

Buckeye

Buena Park

Ceres

Chino

Compton

Corona

Eastvale

El Cajon

Escondido

Firebaugh

Fowler

Fullerton

Glendale (AZ)

Hemet

Hesperia

Highland

King City

Los Banos

Madera

Menifee

Merced

Mesa (AZ)

Modesto

Moreno Valley

Palmdale

Parlier

Pasadena

Peoria (AZ)

Rancho Cucamonga

Redlands

Reedley

Riverbank

San Marcos

Sanger

Santa Barbara

Surprise

Tulare

Turlock

Victorville

Visalia

Whittier

Wildomar

Yucaipa

Community College Districts

Antelope Valley

Cuesta

Glendale

Grossmont-Cuyamaca

MiraCosta

Rancho Santiago

San Diego

Santa Clarita

Sierra

Southwestern

Water, Irrigation & Conservation Districts

Fresno Irrigation

Imperial Irrigation District

Mojave Water Agency

Palmdale Water

Rowland Water

Alta Irrigation

San Bernardino Water

Santa Clara Valley Water

Upper San Gabriel Valley

Western Municipal Water

Winton Water

Other Special Districts

Jurupa Community Service District

Kings River Conservation District

Tulare Health Care District

Westside Community Health Care District

School Districts

Alpine Union

Alpine Union Elementary

Alta Vista

Bakersfield City Schools

Bonsall Union

Elementary

Borrego Springs Unified

Buena Park Elementary

Burton Elementary

Cajon Valley Union

Cajon Valley Union

Elementary

Calistoga Joint Unified

Capistrano Unified

Capistrano Unified

School District

Cardiff Elementary

Carlsbad Unified

Caruthers

Cayucas

Centinela Valley

Central Unified

Centralia Elementary

Chula Vista Elementary



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Clients moved or moving from at-large to by-district elections

| | | |
|-------------------------|-----------------------|--------------------------|
| Clay Elementary | Kings River | Rancho Santa Fe |
| Clovis Unified | Kingsburg Elementary | Elementary |
| Coalinga-Huron | Kingsburg High | Richland School District |
| Coronado Unified | La Mesa-Spring Valley | Riverbank |
| Dehesa Elementary | Lake Elsinore | Riverdale Unified |
| Del Mar Union | Lakeside Union | Salida Union |
| Elementary | Elementary | San Dieguito Union High |
| Dinuba Unified | Lakeside Union School | San Marcos Unified |
| Eastern Sierra Unified | Lancaster Elementary | San Pasqual Union |
| Eastside Union | Lawndale Elementary | Elementary |
| Elementary | Lemon Grove | San Ysidro Elementary |
| Encinitas Union | Elementary | Santee Elementary |
| Elementary | Lindsay Unified | Selma Unified |
| Escalon Unified | Lucia Mar | Solana Beach Elementary |
| Escondido Union | Madera Unified | South Bay Union |
| Elementary | Magnolia Elementary | Spencer Valley |
| Escondido Union High | Merced Union High | Elementary |
| Exeter Elementary | School District | Strathmore Elementary |
| Exeter High | Modesto City Schools | Sundale Union |
| Exeter Unified | Modoc Unified | Elementary |
| Fallbrook Union | Monson Soltana | Sweetwater Union High |
| Elementary | Morgan Hill Unified | Tulare City Elementary |
| Fallbrook Union High | Mountain Empire | Tulare City High |
| Firebaugh-Las Deltas | Unified | Tulelake |
| Unified | Napa Valley Unified | Turlock Unified |
| Fresno Unified | National Elementary | Twin Rivers Unified |
| Fullerton Union High | Newhall Elementary | Vallecitos Elementary |
| Glendale Unified | Newman Crows Landing | Valley Center Pauma |
| Greenfield | Oak Grove Elementary | Unified |
| Grossmont Union High | School District | Visalia Unified |
| Hughson Unified | Oceanside Unified | Vista Unified |
| Jamul-Dulzura Union | Pacific Union | Walnut Valley Water |
| Elementary | Panama Buena Vista | Warner Unified |
| Julian Union Elementary | Pasadena Unified | Washington Union |
| Julian Union High | Pixley Union | Waterford Union |
| Kerman Unified | Pleasant View | Whittier Union High |
| Kern High | Pomona Unified | Woodlake Union |
| Keyes Union | Porterville | |
| Kings Canyon Unified | Poway Unified | |
| School District | Ramona Unified | |

Douglas Mark Johnson

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Glendale, CA 91221
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office: (909) 624-1442
fax: (818) 254-1221

Employment

President, National Demographics Corporation, 2006 – present.
Senior Analyst, National Demographics Corporation, 2001 – 2006.
Fellow, Rose Institute of State and Local Government, 2001 – present.
Project Manager and Senior Manager at three internet startup companies, 1999 - 2001.
U.S. Representative Stephen Horn, Legislative Director and System Manager. 1993 – 1997.
Coro Foundation, Fellowship in Public Affairs. 1992 – 1993.
Rose Institute for State and Local Government, Student Manager. 1989 – 1992.

Education

Claremont Graduate University, Ph.D. in Political Science, 2015. Dissertation: “Independent Redistricting Commissions: Hopes and Lessons Learned.”
UCLA Anderson Graduate School of Management, MBA, 1999.
Claremont McKenna College, BA in Government (Political Science), 1992.

Academic Honors

Graduated Cum Laude from Claremont McKenna College.
Phi Beta Kappa. Philip Roland Prize for Excellence in Public Policy.

Publications and Articles

Christian Science Monitor “Let the public help draw voting districts,” October 25, 2013.
New York Times, “The Case for Open Primaries,” February 19, 2009.
Los Angeles Times Opinion Articles:
“A neighbor’s help on redistricting” June 24, 2007.
“A Trojan horse primary for the GOP” February 25, 2007.
“Where a porn palace stood” (article on redevelopment), July 30, 2006.
Fresno Bee Opinion Article: “The Poison Handshake” June 15, 2004.
Redistricting in America. Rose Institute of State and Local Government, 2010.
Restoring the Competitive Edge: California's Need for Redistricting Reform and the Likely Impact of Proposition 77. Rose Institute of State and Local Government, 2005.
“Competitive Districts in California” Rose Institute of State and Local Government, 2005.
Latinos and Redistricting: “Californios For Fair Representation” and California Redistricting in the 1980s. Rose Institute of State and Local Government, 1991.

Speaker or Panelist

California School Board Association Annual Education Conference panelist: “The California Voting Rights Act: What Board Members Must Know.” December 4, 2015.
Associated Cities of California – Orange County, Keynote Speaker, Newly Elected Officials’ Reception and Dinner, “The California Voting Rights Act,” January 29, 2015.
California League of Cities, City Manager Department, 2015 Department Meeting: “Opportunity to Engage Residents: The California Voting Rights Act.” January 29, 2015.
California League of Cities, City Clerk Department, 2014 Annual Meeting: “Whose Line Is It Anyway: Making the transition from at-large to by-district elections.” September 3, 2014.
National Conference of State Legislatures, Redistricting and Elections Standing Committee: 2007 Spring Forum, “The Arizona Independent Redistricting Commissions’ experiences with the first-ever independent redistricting.”
National Conference of State Legislatures, Redistricting and Elections Standing Committee: 2008 Spring Forum, “Communities of Interest In Redistricting: A Practical Guide.”

Douglas Mark Johnson

- National Conference of State Legislatures, Redistricting and Elections Standing Committee: 2009 Fall Forum, "The Key to Successful Redistricting."
- National Conference of State Legislatures, Redistricting and Elections Standing Committee: 2010 Spring Forum, "Communities of Interest in Redistricting: A key to drawing 2011 plans (and for their defense)."
- National Conference of State Legislatures, Redistricting and Elections Standing Committee: 2011 Winter Forum, "Citizen Voting Age Data from a line-drawer's viewpoint."
- Luncheon Keynote Speaker, Santa Barbara's Channel Cities Club, "California's next experiment: independent, public redistricting," January 18, 2011.
- Annual Conference, Arizona League of Cities and Towns, Presenter at "Redistricting Law and the Voting Rights Act: What It Means for Your City or Town in 2011," August 25, 2010.
- Redistricting, The 2010 Census, and Your Budget, Sponsored by the Rose Institute of State and Local Government, California League of Cities, October 15, 2009.
- Arizona Election Law 2010 Continuing Legal Education Conference, "Communities of interest and technology in redistricting," sponsored by the Arizona State Bar Association, March 2010
- California's New Independent Redistricting Commission, sponsored by the Irvine Foundation and the California Redistricting Collaborative, December 15, 2009
- Tribal Association of Sovereign Indian Nations (TASIN) Legislative Day 2009, "The 2010 Census and 2011 Redistricting in California," December 2, 2009.
- California School Board Association, "Litigation Issues and the California Voting Rights Act," December 4, 2009.
- California Latino School Boards Association, "Introduction to the California Voting Rights Act," August 20, 2009.
- Building a National Reform Movement, Salt Lake City, Utah, 2006, conference on redistricting reform hosted by the League of Women Voters, Campaign Legal Center, and The Council for Excellence in Government
- Texas Tech University, "A Symposium on Redistricting," May, 2006
- California League of Cities, "Introduction to the California Voting Rights Act."
- Voices of Reform, a project of the Commonwealth Club of San Francisco: multiple forums on redistricting and / or term limits, 2006 – 2007
- Classroom speaker at Pepperdine University, the University of La Verne, Pomona College and Claremont McKenna College



National Demographics Corporation

Resume of Justin Levitt

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fax: (818) 254-1221

Employment

Vice-President, National Demographics Corporation, 2012 – present.
Senior Analyst, National Demographics Corporation, 2003 – 2011.
Instructor in Political Science, University of California, San Diego, 2012 – present.
Graduate Research Fellow, Center for US-Mexico Studies, 2010 – present.
Graduate Research Fellow, University of California, San Diego, 2008 – 2010 and 2013 - 2014.
Jesse M. Unruh California Assembly Fellow. 2006 – 2007.
Rose Institute for State and Local Government, Student Manager. 2005 – 2006.

Education

University of California, San Diego, Ph.D. candidate in Political Science, ongoing (MA 2010).
Claremont McKenna College, BA in Philosophy, Politics and Economics (PPE), 2006.

Academic Honors

California Studies Fellow, University of California, San Diego, 2007 – 2009
Graduated Cum Laude from Claremont McKenna College.

Publications and Conference Presentations

Settle, Jamie, Robert Bond, and Justin Levitt. 2011. "The Social Origins of Adult Political Behavior." *American Politics Research*: 39 (2). 239-263

Miller, Kenneth and Justin Levitt. 2007. "The San Joaquin Valley." In The New Political Geography of California. Eds. Frederick Douzet, Thad Kousser, and Kenneth Miller. Berkeley: Institute of Government Studies.

"The Political Geography of Tradeoffs in Redistricting" Paper presented at the State Politics and Policy Conference, Iowa City, IA, 2013

"Getting What You Want: A Bargaining Approach to Fair Division in Redistricting." Paper presented at the "Challenging Urban Borders : the geopolitics of immigration and segregation" workshop, Berkeley, CA, 2013 and the State Politics and Policy Conference, Houston, TX, 2012

"An Atlas of Public Health in Mexico" (with Alberto Diaz Cayeros). Paper presented at the Hewlett Foundation Conference on Public Health, Mexico City, DF. 2012

"Remoteness and the Territoriality of Public Health" (with Alberto Diaz Cayeros). Paper presented at the American Political Science Association conference, Seattle, WA. 2011

"Initiatives as revealed preferences" Paper presented at the American Political Science Association conference, Seattle, WA. 2011

"No Se Puede: Latino Political Incorporation in Phoenix." Paper Presented at the New Political Geography of California conference, Berkeley, CA., 2009

"Political Change in the Central Valley". Paper Presented at the Western Political Science Association conference, Las Vegas, NV.,2007



Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: DIRECTOR OF ADMINISTRATIVE SERVICES

DATE: OCTOBER 17, 2017

SUBJECT: **RESOLUTION CONFIRMING THE UNIFORM ALLOWANCE REPORTED TO CALPERS FOR ALL ELIGIBLE EMPLOYEES IN THE FULL-TIME MISCELLANEOUS AND SAFETY CATEGORIES**

FISCAL
IMPACT: NONE

SUMMARY:

The California Public Employees Retirement System (CalPERS) has recently completed a routine audit of the City of Placentia. During the course of this audit, some minor items have been discovered which require City Council action to "clean up" language and memorialize CalPERS reporting requirements. These actions are required by CalPERS and the California Public Employee Retirement Law (PERL).

RECOMMENDATION:

It is recommended that the City Council take the following action:

1. Adopt Resolution No. R-2017-XX, a Resolution of the City Council of the City of Placentia retroactively approving and affirming the Uniform Language reporting requirements for CalPERS for the City of Placentia and the Placentia Police Officers Association (PPOA), Placentia Police Management Association (PPMA) and Placentia City Employees Association (PCEA).

DISCUSSION:

The California Public Employees Retirement System (CalPERS) routinely conducts audits of all member entities to determine whether the entity has complied with applicable sections of the California Government Code, California Public Employees' Pension Reform Act of 2013 (PEPRA), California Code of Regulations (CCR), California Public Employee Retirement Law (PERL), and the City's contract with CalPERS. Recently the City of Placentia was audited by CalPERS for the pay periods July 1, 2013 through June 30, 2014. Through the course of the audit, items that needed correction were noted as well as recommendations to bring the City into compliance with all applicable laws and policies. Staff has been working collaboratively with CalPERS representatives to address the audit results. Items previously resolved include the update of

1.i.

October 17, 2017

management and mid-management salary schedules and clarification in the reporting of employee compensation and retirement contribution percentages by City and employees.

The uniform allowance is the final audit item that needs to be addressed. Certain employees in the miscellaneous and safety categories are provided City-issued uniforms. The City is required to report to CalPERS the uniform "allowance" for all employees hired prior to January 1, 2013. The reportable allowance for these employees is in an amount not-to-exceed \$300 per year. The uniform allowance for these employees is currently being reported properly to CalPERS; however formal approval by City Council resolution is required. City Council approval of the attached resolution will meet this CalPERS requirement and thereby closeout this audit item.

Submitted by:



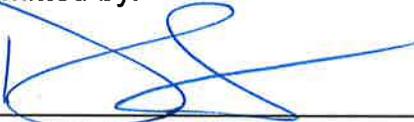
Stephen D. Pischel
Director of Administrative Services

Reviewed and approved:



Shally Lin
Interim Finance Director

Submitted by:



Damien R. Arrula
City Administrator

Attachment:

Resolution

RESOLUTION NO. R-2017-63

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLACENTIA
RETROACTIVELY APPROVING AND AFFIRMING THE UNIFORM LANGUAGE
REPORTING REQUIREMENTS FOR CALPERS FOR
THE CITY OF PLACENTIA AND
THE PLACENTIA POLICE OFFICERS ASSOCIATION (PPOA),
PLACENTIA POLICE MANAGEMENT ASSOCIATION (PPMA) AND
PLACENTIA CITY EMPLOYEES ASSOCIATION (PCEA)**

WHEREAS, CalPERS performed a Public Agency Review in 2016 and concluded that The Agency's written labor policies for the police employees and miscellaneous employees containing the provision for uniforms did not meet all the requirement of CCR 571(b)(1)(B). Specifically, the policies did not indicate the provisions for uniforms. CCR Section 571 requires that the written labor policy or agreement contain the conditions for payment, including, but not limited to, eligibility for, and amount of, the special compensation.

WHEREAS, CalPERS recommended that the City adopt uniform language with the PPOA, PPMA and PCEA units that clearly states the current practice for the Uniform allowance; and

WHEREAS, the City recently established language to report uniform allowance for the PPOA, PPMA and PCEA bargaining units.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the City Council of the City of Placentia hereby:

1. Retroactively approve and affirm a reported practice as stated in this resolution effective July 1, 2008 with the Placentia Police Officers Association, Placentia Police Management Association and Placentia City Employees Association (Attachment "A")

The foregoing Resolution was introduced at a regular meeting of the City Council of the City of Placentia held on October 17, 2017. The motion was passed by the following vote:

PASSED, ADOPTED AND ADOPTED this 17TH day of October, 2017.

Craig S. Green, Mayor

ATTEST:

Patrick J. Melia, City Clerk

STATE OF CALIFORNIA
COUNTY OF ORANGE

I, Patrick J. Melia, City Clerk of the City of Placentia, do hereby certify that the foregoing Resolution was introduced and adopted at a regular meeting of the City Council of the City of Placentia, held on the 17th day of October 2017, by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:

Patrick J. Melia, City Clerk

APPROVED AS TO FORM:

Christian L. Bettenhausen, City Attorney

City of Placentia
And
Placentia Police Officers Association (PPOA),
Placentia Police Management Association (PPMA)
Placentia City Employees Association (PCEA)

UNIFORM LANGUAGE FOR PPOA, PPMA AND PCEA

The City will purchase uniforms for all regular, full-time uniformed members of the following associations PPOA, PPMA, and PCEA. A uniform allowance shall be reported to Cal-PERS in the amount not to exceed \$300 per calendar year per employee. Uniform allowance is not considered pension reportable compensation for "new members" hired after January 1, 2013, pursuant to the Public Employee Pension Reform Act of 2013. (PEPRA).



Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: INTERIM FINANCE DIRECTOR

DATE: OCTOBER 17, 2017

SUBJECT: **PROFESSIONAL SERVICES AGREEMENT WITH OPENGOV, INC. FOR BUDGET BUILDER SOFTWARE**

FISCAL
IMPACT: THREE YEAR PROJECT TOTAL \$127,235
EXPENDITURE: FISCAL YEAR 2017-2018 \$ 47,545
BUDGETED: FISCAL YEAR 2017-2018 \$ 57,000 (IT BUDGET)

SUMMARY:

The City is currently using Microsoft Excel spreadsheets in preparing the annual budget. Staff has found that the City's financial management software, Superior, is limited in the reports that can be generated and is cumbersome for casual users to negotiate. It is difficult for city departments to extract data into anything other than simple list reports. Furthermore there is no graphical or trend analysis built into the Superior software, which supports the City's budget operations. All analysis of the report data must be performed by Staff, which can be very time consuming. In addition, the City's budget data is only available to Staff that have login access to the Superior system; it is not publicly available in any format except the City's published budget, annual financial reports, and cash disbursement reports.

OpenGov software is a web-based management reporting platform that will provide financial and non-general ledger information to both internal and external users. It provides an intuitive, user-friendly software program that can be used by Staff for budget building, maintenance and generating trend analysis reports with minimal training as well as a public interface for the City's website, which will make the City's budget more transparent and accessible. This action with approve a three (3) year agreement with OpenGov, Inc. for web-based financial software.

RECOMMENDATION:

It is recommended that the City Council take the following actions:

1. Approve the Professional Services Agreement with OpenGov, Inc. for a three (3) year term ending October 3, 2020 for web-based financial software; and
2. Authorize the City Administrator to execute the necessary documents, in a form approved by the City Attorney.

3.a.

October 17, 2017

DISCUSSION:

The City is currently using Microsoft Excel spreadsheets in preparing the annual budget. Staff has found that the City's financial management software, Superior, is limited in the reports that can be generated and is cumbersome for casual users to negotiate. It is difficult for city departments to extract data into anything other than simple list reports. Furthermore there is no graphical or trend analysis built into the Superior software, which supports the City's budget operations. All analysis of the report data must be performed by Staff, which can be very time consuming. In addition, the City's budget data is only available to Staff that have login access to the Superior system; it is not publicly available in any format except the City's published budget, annual financial reports, and cash disbursement reports.

OpenGov software is a web-based management reporting platform that will provide financial and non-general ledger information to both internal and external users. It provides an intuitive, user-friendly software program that can be used by Staff for budget building, maintenance and generating trend analysis reports with minimal training as well as a public interface for the City's website, which will make the City's budget more transparent and accessible.

Over 1,500 municipal clients around the nation are currently using OpenGov to make government finances more transparent, measure performance outcomes across departments, build civic engagement, increase community trust, and streamline their budgeting and management reporting processes. The software makes it easy for users to see financial data in both a graphical/visual format as well as raw numbers, enabling simple analysis of trends over time as well as side by side comparisons. OpenGov is a software partner of Superior, the City's current and soon to be enhanced accounting system and both software programs are compatible with each other through an interface that is part of the OpenGov program. Both programs communicate with each other providing "real time" data. This feature will enhance Finance Department operations as the Department will not need to enter budget data into both the budget building document (OpenGov) and the accounting system (Superior) due to the fact that the two programs have the ability to import and export data across to each other.

Use of the OpenGov platform will increase the City's ability to access, analyze and share financial (including budgetary) and performance data. It will provide additional transparency and could lead to increased trust and civic engagement, as well as streamline internal report creation and sharing.

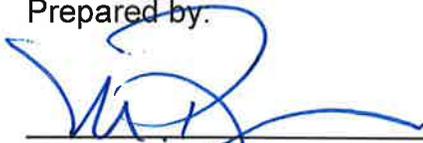
ALTERNATIVE OPTIONS:

The City could continue to use Microsoft Excel worksheets to prepare the budget and provide very limited access by the other City Departments and the public. This process is cumbersome, less efficient, and more prone to human error, which can create significant challenges in delivery and management of a multi-million dollar budget.

FISCAL IMPACT:

The fiscal impact during Fiscal Year (FY) 2017-18 will be \$47,545. \$57,000 is available in the FY 2017-18 IT budget for financial accounting software purposes. Therefore, there will be sufficient funds to cover the cost of OpenGov for the first Fiscal Year. The remaining two (2) years of the agreement will be built into the FY 2018-19 and 2019-20 budgets, respectively with a cost of \$39,845 each FY.

Prepared by:



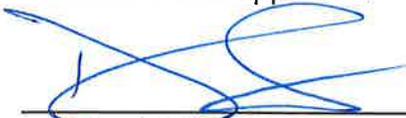
Matt Reynolds
Senior Management Analyst

Reviewed and approved:



Shally Lin
Interim Finance Director

Reviewed and approved:



Damien R. Arrula
City Administrator

Attachment:

OpenGov Cost Proposal, terms and conditions Agreement

**CITY OF PLACENTIA
PROFESSIONAL SERVICES AGREEMENT
WITH
OPENGOV, INC.**

THIS AGREEMENT is made and entered into this 17th day of October, 2017 ("Effective Date"), by and between the CITY OF PLACENTIA, a municipal corporation ("City"), and OPENGOV, INC, a Delaware corporation with offices at 955 Charter Road, Redwood City, California 94063 ("Consultant" or "OpenGov").

WITNESSETH:

A. WHEREAS, City proposes to license Consultant's proprietary software-as-a-service described at Exhibit A (the "Software Services").

B. WHEREAS, City proposes to utilize the services of Consultant as an independent contractor to provide professional services related to the software-as-a-service for budgeting, reporting and transparency, as more fully described herein; and

C. WHEREAS, Consultant represents that it has that degree of specialized expertise contemplated within California Government Code Section 37103, and holds all necessary licenses to practice and perform the services herein contemplated; and

D. WHEREAS, City and Consultant desire to contract for the specific services described in Exhibit "A" (the "Project") and desire to set forth their rights, duties and liabilities in connection with the services to be performed; and

E. WHEREAS, no official or employee of City has a financial interest, within the provisions of Sections 1090-1092 of the California Government Code, in the subject matter of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, the parties hereby agree as follows:

1.0. SERVICES PROVIDED BY CONSULTANT

1.1. Scope of Services. Consultant shall provide the professional services described in the Consultant's Proposal ("Proposal"), attached hereto as Exhibit "A" and incorporated herein by this reference (the "Professional Services" or the "Services").

1.2. Professional Practices. All Software Services and Professional Services to be provided by Consultant pursuant to this Agreement shall be provided by personnel experienced in their respective fields and in a manner consistent with the standards of care, diligence and skill ordinarily exercised by professional consultants in similar fields and circumstances in accordance with sound professional practices. Consultant also warrants that it is familiar with all laws that may affect its performance of this Agreement and shall advise City, at City's request, of any changes in any laws that may affect Consultant's performance of this Agreement. 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. Officers and employees shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this section.

1.3. Performance to Satisfaction of City. Consultant agrees to perform all the Services within the hereinafter specified requirements. Evaluations of the work will be done by the City Administrator or his or her designee. If the quality of Services are not consistent with the herein specified requirements,

City in its discretion has the right to:

- (a) Meet with Consultant to review the quality of the work and resolve the matters of concern; or
- (b) Require Consultant to repeat the Services at no additional fee until it is satisfactory..

1.4. Warranty; Indemnity. Consultant warrants that it shall perform the Services required by this Agreement in compliance with all applicable Federal and California employment laws, including, but not limited to, those laws related to minimum hours and wages; occupational health and safety; fair employment and employment practices; workers' compensation insurance and safety in employment; and all other Federal, State and local laws and ordinances applicable to the Services required under this Agreement. Consultant shall indemnify and hold harmless City from and against all claims, demands, payments, suits, actions, proceedings, and judgments of every nature and description including attorneys' fees and costs, presented, brought, or recovered against City by a third party alleging Consultant has violated any of the above-mentioned laws, which may be incurred by reason of Consultant's performance under this Agreement.

1.5. Non-discrimination. In performing this Agreement, Consultant shall not engage in, nor permit its agents to engage in, discrimination in employment of persons because of their race, religion, color, national origin, ancestry, age, physical handicap, medical condition, marital status, sexual gender or sexual orientation, except as permitted pursuant to Section 12940 of the Government Code. Such actions shall include, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation and selection for training, including apprenticeship. Consultant agrees to post in conspicuous places, available to employees and applicants for employment, a notice setting forth provisions of this non-discrimination clause.

Consultant shall, in all solicitations and advertisements for employees placed by, or on behalf of Consultant shall state that all qualified applicants will receive consideration for employment without regard to age, race, color, religion, sex, marital status, national origin, or mental or physical disability. Consultant shall cause the paragraphs contained in this Section to be inserted in all subcontracts for any work covered by the Agreement, provided that the foregoing provisions shall not apply to subcontracts for standard commercial supplies or raw materials.

1.6. Non-Exclusive Agreement. Consultant acknowledges that City may enter into agreements with other consultants for services similar to the services that are subject to this Agreement or may have its own employees perform services similar to those services contemplated by this Agreement.

1.7. Delegation and Assignment. This is a personal service contract for the Professional Services, and the duties set forth herein shall not be delegated to any person or entity without the prior written consent of City. This Agreement shall not be assigned to any third party without the prior written consent of City; provided however that either party may assign this Agreement to a successor to all or substantially all of its business or assets. Consultant may engage a subcontractor(s) as permitted by law and may employ other personnel to perform Services contemplated by this Agreement at Consultant's sole cost and expense. All insurance requirements contained in this Agreement are independently applicable to any and all subcontractors that Consultant may engage during the term of this Agreement.

3. 1.8. Confidentiality. Employees of Consultant in the course of their duties may have access to financial, accounting, statistical, and personnel data of private individuals and employees of

OpenGov, Inc.

City. Each party (the "Receiving Party") agrees not to disclose (except as permitted herein) any Confidential Information of the other party (the "Disclosing Party") without the Disclosing Party's prior written consent. "Confidential Information" means all confidential business, technical, and financial information of the disclosing party that is marked as "Confidential" or an equivalent designation or that should reasonably be understood to be confidential given the nature of the information and/or the circumstances surrounding the disclosure (including the terms of the applicable Software Agreement). OpenGov's Confidential Information includes, without limitation, the software underlying the Software Services and all documentation relating to the Software Services. "Confidential Information" does not include "Public Data," which is data that the City has previously released or would be required to release according to applicable federal, state, or local public records laws. The Receiving Party agrees: (i) to use and disclose the Confidential Information only in connection with this Agreement; and (ii) to protect such Confidential Information using the measures that Receiving Party employs with respect to its own Confidential Information of a similar nature, but in no event with less than reasonable care. Notwithstanding the foregoing, Confidential Information does not include information that: (i) has become publicly known through no breach by the receiving party; (ii) was rightfully received by the receiving party from a third party without restriction on use or disclosure; or (iii) is independently developed by the Receiving Party without access to such Confidential Information. Notwithstanding the above, the Receiving Party may disclose Confidential Information to the extent required by law or court order, provided that prior written notice of such required disclosure and an opportunity to oppose or limit disclosure is given to the Disclosing Party. All City data shall be returned to City upon the termination of this Agreement. Consultant's covenant under this Section shall survive the termination of this Agreement.

1.9 Software Services. See Exhibit C for additional terms and conditions which apply to the Software Services.

2.0. COMPENSATION AND BILLING

2.1. Compensation. Consultant shall be paid in accordance with the fee schedule set forth in Exhibit "A". Consultant's total compensation for the Software Services and Professional Services ("Fees") shall not exceed one hundred and twenty seven thousand, two hundred and thirty five Dollars (\$127,235.00).

2.2. Additional Services. Consultant shall not receive compensation for any services provided outside the scope of services specified in the Consultant's Proposal or which is inconsistent with or in violation of the provisions of this Agreement unless the City or the Project Manager for this Project, prior to Consultant performing the additional services, approves such additional services in writing. It is specifically understood that oral requests and/or approvals of such additional services or additional compensation shall be barred and are unenforceable. Should the City request in writing additional Professional Services that increase the hereinabove described "SCOPE OF SERVICES", an additional fee based upon the Consultant's standard hourly rates shall be paid to the Consultant for such additional services. Such increase in additional fees shall be limited to 25% of the total contract sum or \$25,000 whichever is more. The City Engineer is authorized to approve a Change Order for such additional services.

2.3. Method of Billing. Consultant shall invoice City for the Fees annually in advance, commencing on the Effective Date. City shall pay Consultant's invoice within forty-five (45) days from the date City receives said invoice. Each invoice shall describe in detail, the Software Services and Professional Services performed, the date of performance, and the associated time for completion. Any additional services approved and performed pursuant to this Agreement shall be designated as "Additional Services" and shall identify the number of the authorized change order, where applicable, on all invoices. All Fees under this Agreement are exclusive of any applicable sales, value-added, use or other taxes

OpenGov, Inc.

("Sales Taxes"). City is solely responsible for any and all Sales Taxes, not including taxes based solely on OpenGov's net income. If any Sales Taxes related to the Fees under this Agreement are found at any time to be payable, the amount may be billed by OpenGov to, and shall be paid by, City. If City fails to pay any Sales Taxes, then City will be liable for any related penalties or interest, and will indemnify OpenGov for any liability or expense incurred in connection with such Sales Taxes.

2.4. Records and Audits. Records of Consultant's Services relating to this Agreement shall be maintained in accordance with generally recognized accounting principles and shall be made available to City or its Project Manager for inspection and/or audit at mutually convenient times for a period of three (3) years from the Effective Date.

3.0. TIME OF PERFORMANCE

3.1. Commencement and Completion of Work. The Professional Services to be performed pursuant to this Agreement shall commence within five (5) days from the Effective Date of this Agreement. Said Services shall be performed in strict compliance with the Project Schedule approved by City as set forth in Exhibit "A."

3.2. Excusable Delays. Neither party shall be responsible for delays or lack of performance resulting from acts beyond the reasonable control of the party or parties. Such acts shall include, but not be limited to, acts of God, fire, strikes, material shortages, compliance with laws or regulations, riots, acts of war, or any other conditions beyond the reasonable control of a party. If a delay beyond the control of the Consultant is encountered, a time extension may be mutually agreed upon in writing by the City and the Consultant. The Consultant shall present documentation satisfactory to the City to substantiate any request for a time extension.

4.0. TERM AND TERMINATION

4.1. Term. This Agreement shall commence on the Effective Date and continue for a period of 36 months, ending on October 3, 2020, unless previously terminated as provided herein or as otherwise agreed to in writing by the parties.

4.2. Notice of Termination.

If either party defaults in the performance of any of the terms or conditions of this Agreement, the other party shall have thirty (30) days (ten (10) days in the case of non-payment) after service upon it of written notice of such default in which to cure the default by rendering a satisfactory performance. In the event that the defaulting party fails to cure its default within such period of time, the non-breaching party shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

The City shall have the right, notwithstanding any other provisions of this Agreement, to terminate this Agreement, at its option and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement, immediately upon service of written notice of termination on the Consultant, if the latter should:

- a. Be adjudged a bankrupt;
- b. Become insolvent or have a receiver of its assets or property appointed because

OpenGov, Inc

of insolvency;

- c. Make a general assignment for the benefit of creditors;
- d. Default in the performance of any obligation or payment of any indebtedness under this Agreement;
- e. Suffer any judgment against it to remain unsatisfied or unbonded of record for thirty (30) days or longer; or
- f. Institute or suffer to be instituted any procedures for reorganization or rearrangement of its affairs.

4.3. Compensation. In the event of termination due to the breach of Consultant, City shall pay Consultant for reasonable costs incurred and Professional Services satisfactorily performed up to and including the date of City's written notice of termination within thirty-five (35) days after service of the notice of termination. Compensation for work in progress shall be prorated based on the percentage of work completed as of the effective date of termination in accordance with the fees set forth herein. In ascertaining the Professional Services actually rendered hereunder up to the effective date of termination of this Agreement, consideration shall be given to both completed work and work in progress, to complete and incomplete drawings, and to other documents pertaining to the services contemplated herein whether delivered to the City or in the possession of the Consultant. City shall not be liable for any claim of lost profits.

4.4. Documents. In the event of termination of this Agreement, all documents prepared by Consultant in its performance of this Agreement including, but not limited to, finished or unfinished design, development and construction documents, data studies, drawings, maps and reports, shall be delivered to the City within ten (10) days of delivery of termination notice to Consultant, at no cost to City. Any use of uncompleted documents without specific written authorization from Consultant shall be at City's sole risk and without liability or legal expense to Consultant.

5.0. INSURANCE

5.1. Minimum Scope and Limits of Insurance. Consultant shall obtain, maintain, and keep in full force and effect during the life of this Agreement all of the following minimum scope of insurance coverages with an insurance company admitted to do business in California, rated A- VII or better in the most recent Best's Key Insurance Rating Guide, and approved by City:

- (a) Broad-form commercial general liability, in a form at least as broad as ISO from #CG 00 01 04 13, including premises-operations, products/completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury or bodily injury with a policy limit of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or shall be twice the required occurrence limit. If Consultant maintains higher limits than the specified minimum limits, City requires and shall be entitled to coverage for the high limits maintained by the Consultant.
- (b) Business automobile liability for owned vehicles, hired, and non-owned vehicles, with a policy limit of not less than One Million Dollars (\$1,000,000.00), combined single limits, each incident for bodily injury and property damage.
- (c) Workers' compensation insurance as required by the State of California and

OpenGov, Inc.

Employers Liability Insurance with a minimum limit of \$1,000,000 per accident for any employee or employees of Consultant. Consultant agrees to waive, and to obtain endorsements from its workers' compensation insurer waiving subrogation rights under its workers' compensation insurance policy against the City, its officers, agents, employees, and volunteers for losses arising from work performed by Consultant for the City and to require each of its subcontractors, if any, to do likewise under their workers' compensation insurance policies.

Before execution of this Agreement by the City, the Consultant shall file with the Public Works Director/City Engineer the following signed certification:

I am aware of, and will comply with, Section 3700 of the Labor Code, requiring every employer to be insured against liability of Workers' Compensation or to undertake self-insurance before commencing any of the work.

The Consultant shall also comply with Section 3800 of the Labor Code by securing, paying for and maintaining in full force and effect for the duration of this Agreement, complete Workers' Compensation Insurance, and shall furnish a Certificate of Insurance to the Public Works Director/City Engineer before execution of this Agreement by the City. The City, its officers and employees shall not be responsible for any claims in law or equity occasioned by failure of the consultant to comply with this section.

- (d) Professional errors and omissions ("E&O") liability insurance with policy limits of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence and aggregate. If the policy is written as a "claims made" policy, the retro date shall be prior to the start of the contract work. Consultant shall obtain and maintain, said E&O liability insurance during the life of this Agreement and for three years after completion of the work hereunder.

Neither the CITY nor any of its elected or appointed officials, officers, agents, employees, or volunteers makes any representation that the types of insurance and the limits specified to be carried by Consultant under this Agreement are adequate to protect Consultant. If Consultant believes that any such insurance coverage is insufficient, Consultant shall provide, at its own expense, such additional insurance as Consultant deems adequate.

5.2. Endorsements. The commercial general liability insurance policy and business automobile liability policy shall contain or be endorsed to contain the following provisions:

- (a) Additional insureds: "The City of Placentia and its elected and appointed boards, officers, officials, agents, employees, and volunteers are additional insureds with respect to: liability arising out of activities performed by or on behalf of the Consultant pursuant to its contract with the City; products and completed operations of the Consultant; premises owned, occupied or used by the Consultant; automobiles owned, leased, hired, or borrowed by the Consultant."
- (b) Notice: "Consultant shall provide immediate written notice if (1) any of the required insurance policies is terminated; (2) the limits of any of the required policies are reduced; (3) or the deductible or self insured retention is increased. In the event of any cancellation or reduction in coverage or limits of any insurance, Consultant shall forthwith obtain and submit proof of substitute insurance.

OpenGov, Inc.

Should Consultant fail to immediately procure other insurance, as specified, to substitute for any canceled policy, the City may procure such insurance at Consultant's sole cost and expense."

- (c) Other insurance: "The Consultant's insurance coverage shall be primary insurance as respects the City of Placentia, its officers, officials, agents, employees, and volunteers. Any other insurance maintained by the City of Placentia shall be excess and not contributing with the insurance provided by this policy."
- (d) Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to the City of Placentia, its officers, officials, agents, employees, and volunteers.
- (e) The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

5.3. Deductible or Self Insured Retention. If any of such policies provide for a deductible or self-insured retention to provide such coverage, the amount of such deductible or self-insured retention shall be approved in advance by City. No policy of insurance issued as to which the City is an additional insured shall contain a provision which requires that no insured except the named insured can satisfy any such deductible or self-insured retention.

5.4. Certificates of Insurance. Consultant shall provide to City certificates of insurance showing the insurance coverages and required endorsements described above, in a form and content approved by City, prior to performing any services under this Agreement. The certificates of insurance and endorsements shall be attached hereto as Exhibit "B" and incorporated herein by this reference.

5.5. Non-limiting. Nothing in this Section shall be construed as limiting in any way, the indemnification provision contained in this Agreement, or the extent to which Consultant may be held responsible for payments of damages to persons or property.

6.0. GENERAL PROVISIONS

6.1. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to any matter referenced herein and supersedes any and all other prior writings and oral negotiations. This Agreement may be modified only in writing, and signed by the parties in interest at the time of such modification. The terms of this Agreement shall prevail over any inconsistent provision in any other contract document appurtenant hereto, including exhibits to this Agreement.

6.2. Representatives. The City Administrator or his or her designee shall be the representative of City for purposes of this Agreement and may issue all consents, approvals, directives and agreements on behalf of the City, called for by this Agreement, except as otherwise expressly provided in this Agreement.

Consultant shall designate a representative for purposes of this Agreement who shall be authorized to issue all consents, approvals, directives and agreements on behalf of Consultant called for by this Agreement, except as otherwise expressly provided in this Agreement.

6.3. Project Managers. City shall designate a Project Manager to work directly with Consultant in the performance of this Agreement. It shall be the Consultant's responsibility to assure that the Project Manager is kept informed of the progress of the performance of the services and the

OpenGov, Inc.

Consultant shall refer any decision, which must be made by City, to the Project Manager. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Project Manager.

Consultant shall designate a Project Manager who shall represent it and be its agent in all consultations with City during the term of this Agreement and who shall not be changed by Consultant without the express written approval by the City. Consultant or its Project Manager shall attend and assist in all coordination meetings called by City.

6.4. Notices. Any notices, documents, correspondence or other communications concerning this Agreement or the work hereunder may be provided by personal delivery, or if mailed, shall be addressed as set forth below and placed in a sealed envelope, postage prepaid, and deposited in the United States Postal Service. Such communication shall be deemed served or delivered: a) at the time of delivery if such communication is sent by personal delivery; b) at the time of transmission if such communication is sent by facsimile; and c) 72 hours after deposit in the U.S. Mail as reflected by the official U.S. postmark if such communication is sent through regular United States mail.

IF TO CONSULTANT:

OpenGov, Inc.
955 Charter Street
Redwood City, CA
Tel: 650-422-3795

Attn: Head of Finance

IF TO CITY:

City of Placentia
401 E. Chapman
Placentia, CA 92870
Tel: _____

Attn: _____

6.5. Attorneys' Fees. In the event that litigation is brought by any party in connection with this Agreement, the prevailing party shall be entitled to recover from the opposing party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the exercise of any of its rights or remedies hereunder or the enforcement of any of the terms, conditions, or provisions hereof.

6.6. Governing Law. This Agreement shall be governed by and construed under the laws of the State of California without giving effect to that body of laws pertaining to conflict of laws. In the event of any legal action to enforce or interpret this Agreement, the parties hereto agree that the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California. Consultant agrees to submit to the personal jurisdiction of such court in the event of such action.

6.7. Assignment. Consultant shall not voluntarily or by operation of law assign, transfer, sublet or encumber all or any part of Consultant's interest in this Agreement without City's prior written consent, provided however that either party may assign this Agreement to a successor to all or substantially all of its business or assets. Any attempted assignment, transfer, subletting or encumbrance shall be void and shall constitute a breach of this Agreement and cause for termination of this Agreement. Regardless of City's consent, no subletting or assignment shall release Consultant of Consultant's obligation to perform all other obligations to be performed by Consultant hereunder for the term of this Agreement.

6.8. Indemnification and Hold Harmless. Consultant agrees to defend, indemnify, hold free and harmless the City, its elected and appointed officials, officers, agents and employees, at Consultant's sole expense, from and against any and all third party claims, demands, actions, suits or other legal proceedings brought against the City, its elected and appointed officials, officers, agents and employees that arises from injury, disability or death to any person due to the gross negligence or willful misconduct of Consultant, its directors, officers and employees. The defense obligation provided for

OpenGov, Inc.

hereunder shall apply whenever any claim, action, complaint or suit asserts liability against the City, its elected and appointed officials, officers, agents and employees based upon the work performed by the Consultant, its employees, and/or authorized subcontractors under this Agreement, whether or not the Consultant, its employees, and/or authorized subcontractors. Notwithstanding the foregoing, the Consultant shall not be liable for the defense or indemnification of the City for claims, actions, complaints or suits arising out of: (a) the breach of this Agreement by City, (b) the sole active negligence of City or (c) willful misconduct of the City. This provision shall supersede and replace all other indemnity provisions contained either in the City's specifications or Consultant's Proposal, which shall be of no force and effect.

6.9. Independent Contractor. Consultant is and shall be acting at all times as an independent contractor and not as an employee of City. Consultant shall have no power to incur any debt, obligation, or liability on behalf of City or otherwise act on behalf of City as an agent. Neither City nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not, at any time, or in any manner, represent that it or any of its or employees are in any manner agents or employees of City. Consultant shall secure, at its sole expense, and be responsible for any and all payment of Income Tax, Social Security, State Disability Insurance Compensation, Unemployment Compensation, and other payroll deductions for Consultant and its officers, agents, and employees, and all business licenses, if any are required, in connection with the services to be performed hereunder. Consultant shall indemnify and hold City harmless from any and all taxes, assessments, penalties, and interest asserted against City by reason of the independent contractor relationship created by this Agreement. Consultant further agrees to indemnify and hold City harmless from any failure of Consultant to comply with the applicable worker's compensation laws. City shall have the right to offset against the amount of any fees due to Consultant under this Agreement any amount due to City from Consultant as a result of Consultant's failure to promptly pay to City any reimbursement or indemnification arising under this paragraph.

6.10. PERS Eligibility Indemnification. In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

6.11. Cooperation. In the event any claim or action is brought against City relating to Consultant's performance or services rendered under this Agreement, Consultant shall render any reasonable assistance and cooperation which City might require, at the expense of City.

6.12. Ownership of Documents. Excluding Consultant's pre-existing materials in Consultant's possession prior to the Effective Date, all findings, reports, documents, information and data including, but not limited to, computer tapes or discs, preliminary notes, working documents, files and tapes prepared under this Agreement exclusively for the City by Consultant or any of its subcontractors in the course of performance of this Agreement, shall be and remain the sole property of City. Consultant agrees that any such documents or information shall not be made available to any individual or organization without the prior consent of City, but shall be made available to the City within ten (10)

OpenGov, Inc.

days of request or within ten (10) days of termination. Any use of such documents for other projects not contemplated by this Agreement, and any use of incomplete documents, shall be at the sole risk of City and without liability or legal exposure to Consultant. City shall indemnify and hold harmless Consultant from all claims, damages, losses, and expenses, including attorneys' fees, arising out of or resulting from City's use of such documents for other projects not contemplated by this Agreement or use of incomplete documents furnished by Consultant. Consultant shall deliver to City any findings, reports, documents, information, data, preliminary notes and working documents, in any form, including but not limited to, computer tapes, discs, files audio tapes or any other Project related items as requested by City or its authorized representative, at no additional cost to the City. Consultant or Consultant's agents shall execute such documents as may be necessary from time to time to confirm City's ownership of the copyright in such documents.

6.13. Public Records Act Disclosure. Consultant has been advised and is aware that this Agreement and all reports, documents, information and data, including, but not limited to, computer tapes, discs or files furnished or prepared by Consultant, or any of its subcontractors, pursuant to this Agreement and provided to City may be subject to public disclosure as required by the California Public Records Act (California Government Code Section 6250 *et seq.*). Exceptions to public disclosure may be those documents or information that qualify as trade secrets, as that term is defined in the California Government Code Section 6254.7, and of which Consultant informs City of such trade secret. The City will endeavor to maintain as confidential all information obtained by it that is designated as a trade secret. The City shall not, in any way, be liable or responsible for the disclosure of any trade secret including, without limitation, those records so marked if disclosure is deemed to be required by law or by order of the Court.

6.14. Conflict of Interest. Consultant and its officers, employees, associates and subconsultants, if any, will comply with all conflict of interest statutes of the State of California applicable to Consultant's services under this agreement, including, but not limited to, the Political Reform Act (Government Code Sections 81000, *et seq.*) and Government Code Section 1090. During the term of this Agreement, Consultant and its officers, employees, associates and subconsultants shall not, without the prior written approval of the City Representative, perform work for another person or entity for whom Consultant is not currently performing work that would require Consultant or one of its officers, employees, associates or subconsultants to abstain from a decision under this Agreement pursuant to a conflict of interest statute.

6.15. Responsibility for Errors. Consultant shall be responsible for its work and results under this Agreement. Consultant, when requested, shall furnish clarification and/or explanation as may be required by the City's representative, regarding any services rendered under this Agreement at no additional cost to City. In the event that an error or omission attributable to Consultant occurs, then Consultant shall, at no cost to City, provide all necessary design drawings, estimates and other Consultant Professional Services necessary to rectify and correct the matter to the sole satisfaction of City and to participate in any meeting required with regard to the correction.

6.16. Prohibited Employment. Consultant will not employ any regular employee of City while this Agreement is in effect.

6.17. Order of Precedence. In the event of an inconsistency in this Agreement and any of the attached Exhibits, the terms set forth in this Agreement shall prevail. If, and to the extent this Agreement incorporates by reference any provision of any document, such provision shall be deemed a part of this Agreement. Nevertheless, if there is any conflict among the terms and conditions of this Agreement and those of any such provision or provisions so incorporated by reference, the conflict shall be resolved by giving precedence in the following order, if applicable: This Agreement, the City's Request for Proposals, the Consultant's Proposal.

6.18. Costs. Each party shall bear its own costs and fees incurred in the preparation and negotiation of this Agreement and in the performance of its obligations hereunder except as expressly provided herein.

6.19. No Third Party Beneficiary Rights. This Agreement is entered into for the sole benefit of City and Consultant and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right in, under or to this Agreement.

6.20. Headings. Paragraphs and subparagraph headings contained in this Agreement are included solely for convenience and are not intended to modify, explain or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

6.21. Construction. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

6.22A LIMITATION OF LIABILITY. NEITHER PARTY, NOR ITS SUPPLIERS, OFFICERS, AFFILIATES, REPRESENTATIVES, CONTRACTORS AND EMPLOYEES, SHALL BE RESPONSIBLE OR LIABLE WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT OR RELATED TERMS AND CONDITIONS UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY, OR OTHER THEORY: (A) FOR ERROR OR INTERRUPTION OF USE OR FOR LOSS OR INACCURACY OF DATA OR COST OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES OR LOSS OF BUSINESS; (B) FOR ANY INDIRECT, EXEMPLARY, PUNITIVE, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES; OR (C) FOR ANY MATTER BEYOND SUCH PARTY'S REASONABLE CONTROL, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE. IN NO EVENT SHALL EITHER PARTY'S AGGREGATE, CUMULATIVE LIABILITY FOR ANY CLAIMS ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT EXCEED THE FEES PAID BY CITY TO OPENGOV (OR, IN THE CASE OF CITY, PAYABLE) FOR THE SOFTWARE SERVICES UNDER THIS AGREEMENT IN THE 12 MONTHS PRIOR TO THE ACT THAT GAVE RISE TO THE LIABILITY.

6.22. Amendments. Only a writing executed by the parties hereto or their respective successors and assigns may amend this Agreement.

6.23. Waiver. The delay or failure of either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought. The waiver of any right or remedy in respect to any occurrence or event shall not be deemed a waiver of any right or remedy in respect to any other occurrence or event, nor shall any waiver constitute a continuing waiver.

6.24. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable in any circumstance, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or of the offending provision in any other circumstance. Notwithstanding the foregoing, if the value of this Agreement, based upon the substantial benefit of the bargain for any party, is materially impaired, which determination made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations.

6.25. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

6.26. Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by doing so the parties hereto are formally bound to the provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their respective authorized officers, as of the date first above written.

CITY OF PLACENTIA,
A municipal corporation

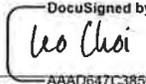
Mayor

Date: _____

ATTEST:

City Clerk and ex-officio Clerk
of the City of Placentia

CONSULTANT

DocuSigned by:

AAAD647C385C4DB
Signature

Date: 10/10/2017

Leo Choi Sr. Director Finance

Name and Title

30-0717374

Social Security or Taxpayer ID Number

APPROVED AS TO FORM:

City Attorney

Date: _____

APPROVED AS TO INSURANCE:

Risk Management

Date: _____

APPROVED AS TO CONTENT:

Project Manager

Date: _____

DEPARTMENTAL APPROVAL

Name, Title

Date: _____

EXHIBIT A
CONSULTANT'S PROPOSAL



Add-On Quote

Quote Prepared By:

Jim Nelson
 1000 Business Center Dr
 Lake Mary, FL 32746
 Phone: (407) 304-3866 Fax:
 Email: james.nelson@superior.com

Quote Prepared For:

Shally Lin, Interim Finance Director
 City of Placentia
 401 East Chapman Ave.
 Placentia, CA 92870
 (714) 993-8229

| Quote | Date | Valid Until |
|------------|------------|-------------|
| Q-00029452 | 10/09/2017 | 11/30/2017 |

Third Party Annual Subscription Fees

| Product Code | Product Name | Quantity | Ext Price |
|----------------|-----------------------|----------|--------------------|
| OG-MISC | OpenGov Miscellaneous | 1 | 39,845.00 |
| Totals: | | | \$39,845.00 |

Professional Services

Services

| Product Code | Product Name | Proj Mgmt | Installation | Tech Svcs | Training | Impl Svcs | Consulting | Development | Total Services |
|--------------|---|-----------|--------------|-----------|----------|-----------|------------|-------------|----------------|
| GTDC-PA | Government Transparency Data Connector - PA | 480.00 | 175.00 | - | - | - | 2,250.00 | - | 2,905.00 |
| Ext Price: | | 480.00 | 175.00 | - | - | - | 2,250.00 | - | 2,905.00 |

Third Party

| Product Code | Product Name | Proj Mgmt | Installation | Tech Svcs | Training | Impl Svcs | Consulting | Development | Total Services |
|----------------|-----------------------|-----------|--------------|-----------|----------|-------------------|------------|-------------|-------------------|
| OG-MISC | OpenGov Miscellaneous | - | - | - | - | 7,700.00 | - | - | 7,700.00 |
| Ext Price: | | - | - | - | - | 7,700.00 | - | - | 7,700.00 |
| Totals: | | - | - | - | - | \$7,700.00 | - | - | \$7,700.00 |

Product & Services

| | |
|--|--------------------|
| Professional Services: | \$2,905.00 |
| Third Party Annual Subscription Fees: | \$39,845.00 |
| Third Party Professional Services: | \$7,700.00 |
| Subtotal: | \$50,450.00 |

Discounts

| | |
|--|------------|
| Professional Services Discount: | \$2,905.00 |
|--|------------|

Product & Services Totals

| | |
|--|--------------------|
| Net Third Party Annual Subscription Fees: | \$39,845.00 |
| Net Third Party Professional Services: | \$7,700.00 |
| Total: | \$47,545.00 |

Product Notes

Comments:

The annual subscription fees of \$39,845 per year are locked for 3 years.

GTDC- PA: Services include configuration of Data Connector and Automation of data refresh. All services are fixed fee.

OG-MISC: Implementation performed by OpenGov. OpenGov includes training and software updates at no additional cost.

OpenGov to perform implementation for the OpenGov products. OpenGov includes training and software updates at no additional cost.

Payment terms as follows, unless otherwise notated below for Special Payment Terms by Product:

License, Project Planning, Project Management, Third Party Product Software and Hardware Fees are due upon execution of this Quote. Third Party Product Implementation Services fees are due 50% on execution of this Quote and 50% due upon invoice, upon completion. Unless otherwise provided, all other Professional Services and Travel & Living expenses are due monthly, as such services are delivered. Additional services, if requested, will be invoiced at then-current rates. Any shipping charges shown are estimated only and actual shipping charges will be due upon invoice, upon delivery.

Annual Subscription Fee(s): Initial annual subscription fees are due 100% on the Execution Date. The initial annual subscription term for any subscription product(s) listed above shall commence on the Execution Date of this Agreement and extend for a period of one (1) year. Thereafter, the subscription terms shall automatically renew for successive one (1) year terms, unless either party gives the other party written notice of non-renewal at least sixty (60) days prior to expiration of the then-current term. The then-current fee will be specified by Superior in an annual invoice to Customer thirty (30) days prior to the expiration of then-current annual period.

Superior Application Annual Support (Maintenance): Customer is committed to the initial term of Maintenance for which the support fee is included in the License fee(s) and begins upon execution of this Quote and extends for a twelve (12) month period. Subsequent terms of Maintenance will be for twelve (12) month periods, commencing at the end of the prior support period. Maintenance fees shown are for the second term of support and which shall be due prior to the start of that term. Fees for subsequent terms of Maintenance will be due prior to the start of each term at the then prevailing rate. Except for the second term of Maintenance for which Superior is committed, subsequent terms will renew automatically until such time a party receives written notice from the other party thirty (30) days prior to the expiration of the then current term. Notification of non renewal is required prior to the start of the renewal term. Customer will be invoiced, and payment is due, upon renewal.

Third Party Product Annual Support Fees: The support fee for the initial annual period is included in the applicable Third Party Product License fees(s) unless otherwise stated. Subsequent terms invoiced by Superior will renew automatically at then-prevailing rates until such time Superior receives written notice of non-renewal from the Customer ninety (90) days in advance of the expiration of the then-current term. Notification of non-renewal is required prior to the start of the renewal term. Customer will be invoiced, and payment is due, upon renewal. As applicable for certain Third Party Products that are invoiced directly by the third party to Customer, payment terms for any renewal term(s) of support shall be as provided by the third party to Customer.

Applicable Start-up Fees are due upon execution of this Quote. Initial Annual Access Fees are due upon execution of this Quote and will be invoiced pro-rata to coincide with Customer's Annual Renewal Date. Subsequent Annual Access Fees will be invoiced each year thereafter on the anniversary of Customer's Annual Renewal Date.

Additional Terms:

This Add-On Quote constitutes a supplemental Schedule A-Order Form amendment to the existing Agreement (the "Agreement") by and between Superior and Customer which pertains to Application Service Provider (ASP) services. Unless otherwise stated below, all terms and conditions as stated in the Agreement shall remain in effect.

Applicable taxes are not included, and, if applicable, will be added to the amount in the payment of invoice(s) being sent separately. Travel and living expenses are in addition to the prices quoted above and shall be governed by the Superior Travel Policy.

Preprinted conditions and all other terms not included in this Quote or in the Contract and Agreement, stated on any purchase order or other document submitted hereafter by Customer are of no force or effect, and the terms and conditions of the Contract and Agreement and any amendments thereto shall control unless expressly accepted in writing by Superior to Customer.

Superior's "Cloud" Products identified above are application Modules to be hosted by Superior.

Third party hardware/software maintenance and/or warranty will be provided by the third party hardware and software manufacturer(s). Superior makes no representation as to expected performance, suitability, or the satisfaction of Customer's requirements with respect to the hardware or other third party products specified in this Quote. The return and refund policy of each individual third party hardware/software supplier shall apply.

This Agreement is based on the current licensing policies of each third party software manufacturer as well as all hardware manufacturers. In the event that a manufacturer changes any of these respective policies or prices, Superior reserves the right to adjust this proposal to reflect those changes.

Pricing for professional services provided under this quote is a good faith estimate based on the information available to Superior at the time of execution of this Quote. The total amount that Customer will pay for these services will vary based on the actual number of hours of services required to complete the services. If required, additional services will be provided on a time and materials basis at hourly rates equal to Superior's then-current rates for the services at issue.

For training and on-site project management sessions which are cancelled at the request of Customer within fourteen (14) days of the scheduled start date, Customer is responsible for entire price of the training or on-site project management plus incurred expenses.

City of Placentia

Authorized Signature: _____ **Date:** _____ **Printed Name:** _____

EXHIBIT B
CERTIFICATES OF INSURANCE AND ENDORSEMENTS

EXHIBIT C

ADDITIONAL SOFTWARE SERVICES TERMS

1. DATA LICENSE. City grants OpenGov a non-exclusive, transferable, perpetual, worldwide, and royalty-free license to use any data or information submitted by City to OpenGov for the development of new software or the provision of the Software Services.

2. RESTRICTIONS AND RESPONSIBILITIES

2.1 City agrees not to, directly or indirectly: reverse engineer, decompile, disassemble, or otherwise attempt to discover the source code, object code, or underlying structure, ideas, or algorithms of the Software Services, documentation or data related to the Software Services, except to the extent such a restriction is limited by applicable law; modify, translate, or create derivative works based on the Software Services; or copy, rent, lease, distribute, assign, sell, or otherwise commercially exploit, transfer, or encumber rights to the Software Services; or remove any proprietary notices.

2.2 City will use the Software Services only in compliance with all applicable laws and regulations (including, but not limited to, any export restrictions).

2.3 City shall be responsible for obtaining and maintaining any equipment and other services needed to connect to, access or otherwise use the Software Services and City shall also be responsible for (a) ensuring that such equipment is compatible with the Software Services, (b) maintaining the security of such equipment, user accounts, passwords and files, and (c) for all uses of City user accounts with or without City's knowledge or consent.

3. ADDITIONAL WARRANTIES AND DISCLAIMER

3.1 OpenGov represents and warrants that: (i) it has all right and authority necessary to enter into and perform this Agreement; and (ii) the Software Services shall be performed in a professional and workmanlike manner in accordance with generally prevailing industry standards.

3.2 City represents and warrants that (i) it has all right and authority necessary to enter into and perform this Agreement; (ii) it owns all right, title, and interest in and to all data provided to OpenGov for use in and in connection with this Agreement, or possesses the necessary authorization thereto; (iii) OpenGov's use of such materials in connection with the Software Services will not violate the rights of any third party and (iv) it will not transfer any Personally Identifiable Information ("PII") to the Software Services platform.

3.3 OPENGOV DOES NOT WARRANT THAT THE SOFTWARE SERVICES WILL BE UNINTERRUPTED OR ERROR FREE; NOR DOES IT MAKE ANY WARRANTY AS TO THE RESULTS THAT MAY BE OBTAINED FROM USE OF THE SOFTWARE SERVICES. EXCEPT AS SET FORTH IN THIS SECTION 4A, THE SOFTWARE SERVICES ARE PROVIDED "AS IS" AND OPENGOV DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY, TITLE, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT.

4. OWNERSHIP. OpenGov retains all right, title, and interest in the Software Services and all intellectual property rights (including all past, present, and future rights associated with works of authorship, including exclusive exploitation rights, copyrights, and moral rights, trademark and trade name rights

and similar rights, trade secret rights, patent rights, and any other proprietary rights in intellectual property of every kind and nature) therein.



Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL
VIA: CITY ADMINISTRATOR
FROM: INTERIM FINANCE DIRECTOR
DATE: OCTOBER 17, 2017
SUBJECT: **COMPREHENSIVE UPGRADE TO CITYWIDE ACCOUNTING SYSTEM**

FISCAL

IMPACT: TWO YEAR PROJECT TOTAL \$292,024.58
FISCAL YEAR 2017-18 \$200,000.00 (BUDGETED GENERAL FUND)
FISCAL YEAR 2018-19 \$ 92,024.58 (TO BE BUDGETED)

SUMMARY:

The City's current version of its accounting system software (formally known as Sungard-Bitech, now Superion) used by the Finance and Human Resources Departments has reached the end of its useful lifespan and is no longer updated or supported by the vendor. The City has been using this version of the software for the past ten (10) years. This action will approve a comprehensive update of the City's current software and lock in pricing for the next two years.

RECOMMENDATION:

It is recommended that the City Council take the following actions:

1. Approve an Agreement with Superion, LLC to upgrade the City's accounting software to "ONESolution" for a term of one (1) year with automatic successive one (1) year renewal terms; and
2. Authorize the City Administrator to execute the necessary documents, in a form approved by the City Attorney.

DISCUSSION:

The City's current version of its accounting system software (formally known as Sungard-Bitech, now Superion) used by the Finance and Human Resources Departments has reached the end of its useful lifespan and is no longer being updated or fully supported by the vendor. The City has been using this version of the software for the past ten (10) years. The vendor is still supporting the software on a very limited basis, however no new updates to the software are being issued. Due to the age of the software, normal operational tasks such as loading new tax tables or upgrading salary and benefit information and deductions have become a labor intensive process and Staff is not able to perform certain electronic functions such as employee time card input, purchase order and invoice approval process, "electronic city hall" processes and cashiering functions. Several reports that are now required by various state and federal agencies have to

3.b.

October 17, 2017

have the data gathered piecemeal and later placed into a report because the current software version does not have the ability to add new reports. Updating the software to Superior's current software version, known as "One Solution" will enable the City to obtain the aforementioned features, which will make the City more efficient in conducting day-to-day business.

A total of \$200,000 was budgeted in the Fiscal Year (FY) 2017-18 budget for the upgrade. Upon further review, it appears that an additional \$92,024.58 will be needed to complete the entire upgrade for both departments' use and efficiency. Therefore, this project will be phased in over a period of two years. Phase I will incorporate core operational upgrades, including accounts receivable, accounts payable, payroll, human resources module, general ledger, and other core accounting maintenance operations. Phase II will include implementation of transitioning the City's finance operations from paper applications to primarily electronic applications including electronic purchase orders, time cards, check requests, human resource forms and processes. Due to the time required to perform the upgrade and necessary Staff training, the entire upgrade will take approximately two fiscal years to complete according to the proposed implementation schedule.

Staff has requested a three-year phasing cost proposal from the vendor with the understanding that FY 2017-18 estimated costs will be approximately \$150,000.

ALTERNATIVE OPTIONS:

An alternative option would be to replace the entire Finance and Human Resources Departments' software. The cost for an entirely new accounting system would exceed \$500,000 as well as a longer timeframe for Staff to be trained on a new software package and data conversion.

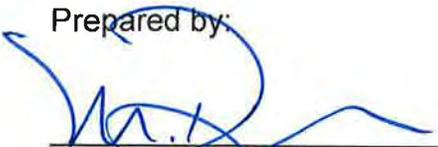
Upgrading the City's current accounting system software addresses the problem of outdated software in a timely and cost-effective manner.

FISCAL IMPACT:

The Fiscal Impact in the FY 2017-18 budget is estimated to be \$200,000 for Phase I. \$200,000 has been budgeted in the General Fund for accounting software upgrades. Therefore the cost of Phase I will be covered in FY 2017-18 budget. Phase II costs will be budgeted in FY 2018-19 budget and Staff will research the availability of splitting the proposed FY 2018-19 costs of \$92,024.58 over various funds, particularly since the accounting system supports all City operations.

Prepared by:

Reviewed and approved:

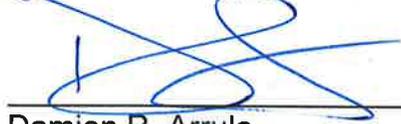


Matthew Reynolds
Senior Management Analyst



Shally Lin
Interim Finance Director

Reviewed and approved:



Damien R. Arrula
City Administrator

Attachments:

1. Exhibit A – Superior Cost Proposal
2. Professional Services Agreement



Superion LLC. Cloud Proposal
for

City of Placentia, CA - Phase II of IFAS to ONESolution Migration
Cloud Environment
October 6, 2017



| | Applications and/or Services | 1X License or Hardware Fees | 1X Professional Services Fee | Annual Maintenance & Access Fee | 3rd Party Annual Subscription Fee |
|---|--|-----------------------------|------------------------------|---------------------------------|-----------------------------------|
| TimeClock Plus - Hardware | RDT Touch 400 HID Proximity w/ Camera (Qty 2)- (Opt'l maintenance includes support as well as an overnight replacement) | \$ 5,000.00 | N/A | \$ 1,000.00 | N/A |
| TimeClock Plus - Time & Attendance | Annual Subscription - 200 Employees x \$48/ea., TCP Implementation Services 50/Hrs at \$225/Hr, Superior PM, 4/Hrs @ \$160/Hr, Superior Consulting 8/Hrs @ \$160/Hr | N/A | \$ 13,170.00 | | \$ 9,600.00 |
| TimeClock Plus - Advanced Scheduling and/or FMLA Module(s) | Advanced Scheduling Module (AS) – 50 Employees (est.) @ \$30/yr – Annual Subscription \$1,500 Services – 10/Hrs @ \$225/hr – 1x Fee \$2,250 Family Medical Leave Act Module (FMLA) – 200 Employees (est.) @ \$12/yr – Annual Subscription \$2,400 Services – 10/Hrs @ \$225/hr – 1x Fee \$2,250 | N/A | \$ 4,500.00 | | \$ 3,900.00 |
| Superion Fusion - FUSION-P & FUSION-SVC | Superion Fusion for bi-directional interface with TCP using REST-based Web services (FUSION-SVC) - Project Mgt 4/Hrs @ \$160/Hr - Training 4/Hrs @ \$160/Hr - Installation 8/Hrs @ \$175/Hr | | \$ 2,680.00 | \$ 3,500.00 | |
| Superion Analytics Powered by Cognos Business Intelligence - Services | ONESolution Financial Enterprise Core-IFAS (OS-FEC-S) - Cognos Report Development 40/Hrs @ \$200/Hr (CDD to Cognos BI Workshops) | \$ - | \$ 8,000.00 | | |
| New Products (Not Currently Licensed) | ONESolution Procurement Card - "P-Card Module" (OS-FIN-PC) - Project Mgt 6/Hrs @ \$160/Hr - Training 40/Hrs @ \$160/Hr - Development 18/Hrs @ \$200/Hr (Switching BoA to Bank of California) | \$ 10,300.00 | \$ 10,960.00 | \$ 2,142.40 | |
| Contingency Services | ONESolution Contingency Budget for Implementation - Development 20/Hrs @ \$200/Hr - High Level Consulting 20/Hrs @ \$225/Hr | N/A | \$ 8,500.00 | N/A | |
| Cloud Services | Setup, Implementation, Disaster Recovery Plan for Superior applications | N/A | N/A | Included in Annual Access Fee | |
| Total Proposed System: | | \$ 15,300.00 | \$ 47,810.00 | \$ 6,642.40 | \$ 13,500.00 |

Sample Annual Pricing

Year 1

Annual Fees

\$ 6,642

EXPIRATION

Superion LLC prices are valid for 90 days

PAYMENT TERMS

Term - Coterminous with existing agreement
100% of Software due upon signing (Subject to appropriation)
Annual access fees for P-Card will begin one year for contract signing project upon receipt of startup fees

PROFESSIONAL SERVICES PAYMENT TERMS

Professional Services including project management are due monthly as such services are delivered
Travel and related expenses of the trainers, installers, or project managers are in addition to the above costs and they are billed separately

Superion LLC, 1000 Business Center Drive, Lake Mary, Florida 32746



SUPERION

Superion LLC. Cloud Proposal for

City of Placentia, CA
Cloud Environment
October 6, 2017



Table with 5 columns: Applications and/or Services, 1X License Fees, 1X Professional Services Fee, Annual Maintenance & Access Fee. Rows include New Products (Cash Receipts, Employee Online), IFAS to OS Migration, Superion Analytics, Services to Implement A/R Module, Contingency Services, and Cloud Services. Total Proposed System: \$39,422.00 License, \$159,320.00 Professional, \$10,030.18 Annual.

\$ 198,742.00
Year 1 \$ 5,994.98
Year 2 \$ 12,472.32
(5% Incr Yr 2)

EXPIRATION

Superion LLC prices are valid for 90 days

PAYMENT TERMS

Term - Coterminous with existing agreement
100% of Software due upon signing
Annual access fees for Cash Receipts & Employee Online will begin one year for contract signing and prorated to align with other annual access fees

PROFESSIONAL SERVICES PAYMENT TERMS

Professional Services including project management are due monthly as such services are delivered
Travel and related expenses of the trainers, installers, or project managers are in addition to the above costs and they are billed separately
**City of Placentia has requested that the pre-implementation Business Process Review (BPR) be removed **
Superion LLC, 1000 Business Center Drive, Lake Mary, Florida 32746

ASP Order

By the signatures of their duly authorized representatives below, the Superior, LLC entity identified below (“**Superior**”) and the customer identified below (“**Customer**”) (together, “**Parties**”), intending to be legally bound, agree to all of the provisions of this Order (the “**Order**”), and agree that this Order represents a separate contract between Superior and Customer, with an order execution date of the latest date shown on the signature page below (“**Order Execution Date**”) and order effective date of the first of the month following the Order Execution Date (“**Order Effective Date**”). This Order incorporates and is governed by all of the terms of the Superior Standard Terms and Conditions, as revised by the Parties and attached hereto as Exhibit 3 (“**SST**”) as if Superior was “**Superior**” and Customer was “**Customer**” thereunder. Capitalized terms not defined in this Order have the meaning given them in the SST.

| | |
|---|--|
| Superior, LLC | Placentia, CA |
| 1000 Business Center Dr. Lake Mary, FL 32746 | 401 East Chapman Avenue Placentia, CA 92870 |
| By: | By: |
| Print Name: | Print Name: |
| Print Title: | Print Title: |
| Date Signed: | Date Signed: |

SUPERION ORDER # 5968LG-28857/29011

SOLUTION AND RELATED INFORMATION

1. **SOLUTION: Superior ONESolution Public Administration applications identified in Exhibit 1.**
2. **TRANSMISSION OF CUSTOMER SUPPLIED DATA:** The Solution will be operated by the Customer via workstations. Customer must provide remote access to its facility using a Superior approved remote access client so that Superior can perform the support obligations and/or services under this Order; and will provide appropriate security access and accounts for Superior staff and each session participant. In addition, and subject to a separate written agreement between the parties, including agreement upon the additional fees payable in that respect to cover dedicated communication costs, Superior may provide WAN/VPN connectivity to Customer for accessing the hosted environment for custom application and interfaces.
3. **DOCUMENTATION:** Superior’s standard user manuals for the Solution.
4. **INITIAL TERM:** Twelve (12) months commencing on the Order Effective Date.
5. **RENEWAL RIGHTS:** Upon expiration of the Initial Term set forth above this Order shall automatically renew for successive one (1) year Renewal Terms at the current rates. Either party may elect to not enter into a Renewal Term by providing the other party with written notice at least sixty (60) days prior to the end of the Initial Term or the Renewal Term, as the case may be.
6. **SCOPE OF USE**
 - a. **DESIGNATED LOCATION(s):** Customer’s offices at **401 East Chapman Avenue, Placentia, CA 92870**. Customer’s Authorized Users may access the Solution from anywhere in the United States, subject always to the Export Laws and the total number of Authorized Users licensed hereunder.
7. **FEES**
 - A. **ANNUAL ACCESS FEES:** Superior & Third Party Maintenance and Support fees shown below will be added to and become part of the overall customer’s Annual Access Fee, inclusive of new and existing licensed and ordered products between the parties (Coterminus with existing agreements). Increases to these Annual Fees inclusive of support and maintenance charged to customer by Superior for the products are limited to a year over year increase of CPI West +2%

a. **ADDITIONAL AUTHORIZED USERS FEES:** Customer acknowledges that the Annual Access Fee set forth below has been determined based on the number of Authorized Users licensed on the Order Effective Date. If Customer desires at any time during the term of this Order to increase the number of Authorized Users, Customer shall provide Superior with advance written notice and Superior may increase the Access Fee payable under this Order accordingly.

b. **OTHER FEES:** If Customer's use of the Solution increases in any way which would reasonably cause Superior to incur additional hardware costs to maintain such increased usage, Superior shall invoice Customer for such fees as are reasonable in respect of such additional hardware cost incurred.

B. PROFESSIONAL SERVICES, START-UP FEES: SEE PROJECT COST SUMMARY - EXHIBIT 1

C. THIRD PARTY PRODUCTS FEES: SEE PROJECT COST SUMMARY - EXHIBIT 1

8. **THE LIABILITY CAP:** Shall be the total of the Professional Services and Annual Access Fees actually paid by Customer to Superior under this Order during the twelve (12) month period immediately preceding the event giving rise to the claim.

9. **PAYMENT TERMS:**

a. Services to be performed in accordance with this Agreement are subject to the appropriation of funds, annual or otherwise, by the City. In its sole discretion, the City reserves the right to forego use of Superior for any project which may fall within the Scope of Services listed herein provided they comply with the termination provisions of the agreement. It is intended that this particular project be split in to two phases, with Phase I to begin implementation immediately after the Order Execution Date and Phase II to begin implementation 12 months after the Order Execution Date based on Phase I completion progress and further appropriation and guidance from the City.

b. Superior & Third Party License & Hardware Fees are due 100% on the Order Execution Date for Phase I. Phase II License & Hardware Fees will be due 12 months from the Order Execution Date.

c. Superior & Third Party Maintenance Fees will be included in the overall customer's Annual Access Fee.

d. Professional Services will be billed as incurred after the Order Execution Date for Phase I. Professional Services will be billed as they are incurred beginning 12 months after the Order Execution Date for Phase II.

e. Travel and Related Expenses: Travel expenses are an additional cost and will be invoiced as incurred and governed by the Superior Corporate Travel Expense Guidelines attached hereto as Exhibit 2.

f. Third Party Pricing: Costs associated with the third party product TimeClock Plus have been confirmed for the project timeline subject to a 5% limitation to any pricing increase.

10. **ADDRESSES**

a. **CUSTOMER ADDRESS FOR INVOICES:** 401 East Chapman Avenue, Placentia, CA 92870

b. **CUSTOMER ADDRESS FOR NOTICES:** 401 East Chapman Avenue, Placentia, CA 92870

c. **CUSTOMER ADDRESS FOR SOFTWARE SHIPMENT:** 401 East Chapman Avenue, Placentia, CA 92870

d. **SUPERION'S ADDRESS FOR NOTICES:**
Superion LLC
Attn: Legal Counsel
1000 Business Center Drive
Lake Mary, FL 32746

11. **OTHER TERMS:**

a. The VPN Concentrator Option includes a router, which will be provided by Superior to Customer. The router will remain the property of Superior.

b. Superior shall provide access to the Solution in accordance with the hours and support structure described by the Superior Standard Terms, and the Service Commitment Supplement attached hereto as Exhibits 3 & 4.

- c. Superion shall provide and install new releases of the Solution at no additional charge. However Customer shall be responsible for the payment of consulting fees on a time and material basis in respect of any professional services provided by Superion for the upgrade of any customizations to the Solution made by Superion at Customer's request; provided the parties enter into a professional services schedule in respect of any such upgrade which shall stipulate the applicable then-current professional fee rates in respect thereof.
- d. As and when Customer is required to upgrade to a new release, Superion shall make such new release available to Customer in a test environment for a period of at least ninety (60) days (the "**Parallel Run Period**"). Unless Customer reports to Superion any material errors in such new release, Customer shall accept modifications, revisions and updates in the Solution and Documentation, including changes in programming languages, rules of operation and screen or report format, as and when they are implemented by Superion. If material errors are discovered during the Parallel Run Period, the Parallel Run Period shall automatically be extended by the number of days between the date that any material errors were reported and the date that Superion has remedied such errors. Customer acknowledges that modifications, revisions and updates in the Solution permitted by this Order may result in changes in the form, timing or other features of on-line services, reports and other Solution provided under this Order.
- e. Customer shall have full access to their data during non-maintenance windows through the use of standard sql protocols including ODBC and native sql connections. The customer can maintain a replicated copy of the database on their premises and a reasonable bandwidth increase used for replication will be included in this agreement at no additional cost.
- f. **Conversion:** Conversion, if requested by the Customer after contract execution, will be controlled by the Superion Systems Change Request (SCR) form which will be prepared for the Customer by the Superion Conversion Team Manager. There will be a Two Hundred Fifty dollar (\$250.00) non-refundable Access Fee for preparation of each SCR requested by the Customer. Superion will proceed on the SCR when the signed SCR is returned with the Customer's authorization along with fifty percent (50%) payment, which includes the non-refundable Access Fee. The final fifty percent (50%) payment is due upon completion. Data will be provided in an electronic format and must match the data field definitions provided. Superion and the Customer will work together to identify the most efficient methodology to transfer the information to Superion. This may include any form of digital media such as: magnetic tape, portable hard drives and DVDs, as well as electronic file transfer via internet connection. Input data file clean up shall be the responsibility of the Customer. Additional conversion, if necessary, will be invoiced at the prevailing rate per hour. It is agreed that no two systems and file structures are exactly alike and there may be a need for some manual conversion efforts to take place along with the electronic conversion. SCR form(s) for any conversion services included in this Order are attached for Customer signature and return to Superion along with this Order.
- g. If after the expiration of the term of this Order Customer converts to a different vendor's applications, Superion will provide, upon payment of Superion's then-current standard deconversion fee, reasonable assistance and documentation for such deconversion in order to assist Customer in removing information and placing said information in Superion's standard format for input to the other vendor's applications. In the event Customer requests a non-standard deconversion, Superion shall be entitled to receive compensation for consultation, software and documentation provided to assist in the deconversion at the standard prevailing rate then charged by Superion for such services.

12. OTHER TERMS APPLICABLE TO THIS ORDER:

- **EXHIBIT 1 – PROJECT COST SUMMARY & ANNUAL ACCESS FEES**
- **EXHIBIT 2 – TRAVEL GUIDELINES**
- **EXHIBIT 3 – SUPERION STANDARD TERMS**
- **EXHIBIT 4 – SERVICE COMMITMENT SUPPLEMENT**
- **EXHIBIT 5 – COGNOS THIRD PARTY SUPPORT SUPPLEMENT**
- **EXHIBIT 6 – SCOPE OF WORK**

EXHIBIT 1

A. PROJECT COST SUMMARY (Professional Service Fees, Start-Up Fees, Etc.)

Project Cost Summary PHASE 1



SUPERION

for
**City of Placentia, CA
Cloud Environment**

HORIZON

GOVERNMENT CLOUD SOLUTIONS

| | Applications and/or Services | 1X License Fees | 1X Professional Services Fee | Annual Maintenance & Access Fee |
|---|--|------------------------|-------------------------------------|--|
| New Products (Not Currently Licensed) | ONESolution Cash Receipts (OS-CRCPT) - Project Mgt 8/Hrs @ \$160/Hr - Training 8/Hrs @ \$160/Hr | - | \$2,560.00 | \$1,830.40 |
| New Products (Not Currently Licensed) | ONESolution Employee Online (OS-FIN-EO) - Project Mgt 16/Hrs @ \$160/Hr - Installation 4/Hrs @ \$175/Hr - Training 24/Hrs @ \$160/Hr - Development 48/Hrs @ \$200/Hr | \$10,600.00 | \$16,700.00 | \$2,204.80 |
| IFAS to OS Migration Professional Services | ONESolution 7.9 UNIX to SQL Migration-ONESolution Current Version Upgrade-Finance & HR/PY (OS-UPG-7.9-FINHP) - Project Mgt 120/Hrs @ \$160/Hr - Installation 160/Hrs @ \$175/Hr - ONESolution Training 175/Hrs @ \$160/Hr - Workflow & Other Development 64/Hrs @ \$200/Hr | N/A | \$88,000.00 | N/A |
| Superion Analytics Powered by Cognos Business Intelligence - Software & Services | ONESolution Financial Enterprise Core-IFAS (OS-FEC-S) - Include Cognos BI Multi-Data-Source - Project Mgt 4/Hrs @ \$160/Hr - Installation 16/Hrs @ \$175/Hr (Install Cognos for PROD & TEST) - Cognos Consulting/Training 40/Hrs @ \$225/Hr - Cognos Report Development 40/Hrs @ \$200/Hr (CDD to Cognos BI Workshops) | \$28,822.00 | \$20,440.00 | \$5,994.98 |
| Services to Implement A/R Module | ONESolution Misc A/R Services (OS-FIN-AR) - Project Mgt 8/Hrs @ \$160/Hr - Training 64/Hrs @ \$160/Hr - Development 38/Hrs @ \$200/Hr | N/A | \$19,120.00 | N/A |
| Contingency Services | ONESolution Contingency Budget for Implementation - Development 40/Hrs @ \$200/Hr - High Level Consulting 20/Hrs @ \$225/Hr | N/A | \$12,500.00 | N/A |
| Cloud Services | Setup, Implementation, Disaster Recovery Plan for SunGard Public Sector applications | N/A | N/A | Included in Annual Access Fee |
| | Total Proposed System: | \$39,422.00 | \$159,320.00 | \$10,030.18 |

Project Cost Summary PHASE 2

for



**City of Placentia, CA
Cloud Environment**



| | Applications and/or Services | 1X License or Hardware Fees | 1X Professional Services Fee | Annual Maintenance & Access Fee | 3rd Party Annual Subscription Fee |
|---|--|-----------------------------|------------------------------|---------------------------------|-----------------------------------|
| TimeClock Plus - Hardware | RDT Touch 400 HID Proximity w/ Camera (Qty 2)- (Opt'l maintenance includes support as well as an overnight replacement) | \$5,000.00 | N/A | \$1,000.00 | N/A |
| TimeClock Plus - Time & Attendance | Annual Subscription - 200 Employees x \$48/ea., TCP Implementation Services 50/Hrs at \$225/Hr, Superior PM, 4/Hrs @ \$160/Hr, Superior Consulting 8/Hrs @ \$160/Hr | N/A | \$13,170.00 | | \$9,600.00 |
| TimeClock Plus - Advanced Scheduling and/or FMLA Module(s) | Advanced Scheduling Module (AS) – 50 Employees (est.) @ \$30/yr – Annual Subscription \$1,500 Services – 10/Hrs @ \$225/hr – 1x Fee \$2,250 Family Medical Leave Act Module (FMLA) – 200 Employees (est.) @ \$12/yr – Annual Subscription \$2,400 Services – 10/Hrs @ \$225/hr – 1x Fee \$2,250 | N/A | \$4,500.00 | | \$3,900.00 |
| Superion Fusion - FUSION-P & FUSION-SVC | Superion Fusion for bi-directional interface with TCP using REST-based Web services (FUSION-SVC) - Project Mgt 4/Hrs @ \$160/Hr - Training 4/Hrs @ \$160/Hr - Installation 8/Hrs @ \$175/Hr | | \$2,680.00 | \$3,500.00 | |
| Superion Analytics Powered by Cognos Business Intelligence - | ONESolution Financial Enterprise Core-IFAS (OS-FEC-S) - Cognos Report Development 40/Hrs @ \$200/Hr (CDD to Cognos BI Workshops) | | \$8,000.00 | | |
| New Products (Not Currently Licensed) | ONESolution Procurement Card - "P-Card Module" (OS-FIN-PC) - Project Mgt 6/Hrs @ \$160/Hr - Training 40/Hrs @ \$160/Hr - Development 18/Hrs @ \$200/Hr (Switching BoA to Bank of California) | \$10,300.00 | \$10,960.00 | \$2,142.40 | |
| Contingency Services | ONESolution Contingency Budget for Implementation - Development 20/Hrs @ \$200/Hr - High Level Consulting 20/Hrs @ \$225/Hr | N/A | \$8,500.00 | N/A | |
| Cloud Services | Setup, Implementation, Disaster Recovery Plan for Superior applications | N/A | N/A | Included in Annual Access Fee | |
| | Total Proposed System: | \$15,300.00 | \$47,810.00 | \$6,642.40 | \$13,500.00 |



Project Product Breakdown

for

City of Placentia, CA



| | Applications and/or Services | Annual Access Fee | Existing Maintenance |
|--|---|-------------------------------|----------------------|
| Existing ONESolution Products (Currently Licensed) | OS - Accounts Payable (OS-FIN-AP) OS - Accounts Receivable/Cash Receipts (OS-FIN-AR) OS - ASP Services (OS-FIN-ASPRSP) OS - Budget Item Detail (OS-FIN-BD) OS - Bank Reconciliation (OS-FIN-BK) OS - Click, Drag, & Drill (Report Writer) (OS-FIN-CDD) OS - Archive Online (OS-FIN-DO) OS - Easy Laser Forms (OS-FIN-ELF) OS - Fixed Assets (OS-FIN-FA) OS - General Ledger (OS-FIN-GL) OS - Human Resources (OS-FIN-HR) OS - Job Project Ledger (OS-FIN-JL) OS - Safety Net (OS-FIN-OTHER) OS - OS Support (OS-FIN-OTHER) OS - Image Enabler (OS-FIN-OTHER) OS - Project Allocation (OS-FIN-PA) OS - Purchasing (OS-FIN-PO) OS - Payroll (OS-FIN-PY) OS - Hassle Free Support (OS-FIN-HFS) | \$82,327.90 | \$25,102.28 |
| Horizon Cloud Services | Hardware and software will be hosted and managed by Superior. Site to Site VPN, Setup, Implementation, Disaster Recovery Plan for Superior applications. | Included in Annual Access Fee | N/A |
| ONESolution Production & Test Environments | Includes one upgrade to Production and Test each year along with one database refresh | Included in Annual Access Fee | N/A |
| Existing 3rd Party Products presently required no longer req'd post ONESolution Migration | Informix 4GL Compiler Development (OS-FIN-OTHER) Informix 4GL Compiler Run Time (OS-FIN-OTHER) Informix SDK (OS-FIN-OTHER) | N/A | N/A |
| Total Proposed System: | | \$82,328 | \$25,102 |

Note: APPLICABLE TAXES ARE NOT INCLUDED IN THIS ORDER, AND, IF APPLICABLE, WILL BE ADDED TO THE AMOUNT IN THE PAYMENT INVOICE(S) BEING SENT SEPARATELY TO THE CUSTOMER.

EXHIBIT 2

SUPERION TRAVEL EXPENSE GUIDELINES

Superion will adhere to the following guidelines when incurring travel expenses:

All arrangements for travel are to be made through the Superior Corporate Travel Agent unless other arrangements have been made with the Customer and are documented in writing.

AIR TRAVEL – Superion will use the least expensive class of service available with a minimum of seven (7) day, maximum of thirty (30) day, advance purchase. Upon request, Superion shall provide the travel itinerary as the receipt for reimbursement of the airfare and any fees. Fees not listed on the itinerary will require a receipt for reimbursement.

Trips fewer than 250 miles round are considered local. Unless a flight has been otherwise approved by the Customer, Customer will reimburse the current IRS approved mileage rate for all local trips.

LODGING – Superion will use the most reasonable accommodations possible, dependent on the city. All food items, movies, and phone/internet charges are not reimbursable.

RENTAL CAR – Compact or Intermediate cars will be required unless there are three or more Superior employees sharing the car in which case the use of a full size car is authorized. Gas is reimbursable however, pre-paid gas purchases will not be authorized and all rental cars are to be returned with a full tank of gas. Upon request, receipts for car rental and gas purchases will be submitted to Customer. Superion shall decline all rental car insurance offered by the car rental agency as staff members will be covered under the Superior auto insurance policy. Fines for traffic violations are not reimbursable expenses.

OTHER TRANSPORTATION – Superion staff members are expected to use the most economical means for traveling to and from the airport (Airport bus, hotel shuttle service). Airport taxi or mileage for the employee's personal vehicle (per IRS mileage guidelines) are reimbursable if necessary. Upon request, receipt(s) for the taxi will be submitted to Customer. Proof of mileage may be required and may be documented by a readily available electronic mapping service. The mileage rate will be the then-current IRS mileage guideline rate (subject to change with any change in IRS guidelines).

OTHER BUSINESS EXPENSES – Parking at the airport is reimbursable. Tolls to and from the airport and while traveling at the client site are reimbursable. Tipping on cab fare exceeding 15% is not reimbursable. Porter tips are reimbursable, not exceeding \$1.00 per bag. Laundry is reimbursable when travel includes a weekend day or Company Holiday and the hotel stay is four nights or more. Laundry charges must be incurred during the trip and the limit is one shirt and one pair of pants/skirt per day. With the exception of tips, receipts shall be provided to Customer upon request for all of the aforementioned items.

MEALS – Standard per Diem. Subject to change due to cost of living.

EXHIBIT 3



STANDARD TERMS

These Superior Standard Terms ("SST") may be incorporated into one or more orders referencing these SST (each, an "Order"). Each Order, together with these SST, shall form a separate agreement (this "Agreement"), by and between the Person identified on the Order ("Customer") and the Superior Company identified on the Order ("Superior"), applicable to the proprietary solution identified on the Order (the "Solution"), as such Solution may be modified, revised and updated from time to time. Only the Customer and Superior entities that execute the Order will be liable for the obligations under that Order. Each Order will be effective upon the latest date shown on the signature page of the Order ("Order Execution Date").

1. Scope. Customer may use the Solution only in the ordinary course of Customer's internal business operations for the benefit of Customer and only in accordance with the terms on the Order, the Documentation, this Agreement, including the Scope of Use. Customer shall be liable for any breach of the terms of this Agreement by any persons given access to the Solution by Customer.

2. Specified Configuration. Customer shall, at its expense, procure and maintain the computer hardware, systems software and other items required for use of, or access to, the Solution, including those described in the Order and Documentation (the "Specified Configuration") and for updating the Specified Configuration in accordance with Superior's published updates. If not yet completed, Customer shall complete its procurement and installation of the Specified Configuration prior to the scheduled start of implementation. Customer shall devote all equipment, facilities, personnel and other resources reasonably necessary to begin using the Solution in production on a timely basis as contemplated by this Agreement and satisfy any Customer requirements necessary for Superior to complete the professional services described in Section 6. Superior is not responsible for any delays or additional fees and costs associated with Customer's failure to timely perform its obligations under this Section 2.

3. Payments.

3.1 Fees. Customer shall pay to Superior the fees stated in the Order, in accordance with the payment terms stated on the Order. Superior shall invoice all other fees, as and when incurred. All invoices shall be sent to Customer's address for invoices stated on the Order. Except as otherwise specified on the Order, Customer's payments shall be due within thirty (30) days after the invoice date. A late payment fee at the rate of 12% per year (or, if lower, the maximum rate permitted by applicable law) shall accrue on any amounts thirty (30) days past due and unpaid by Customer to Superior, except for Disputed Amounts. Superior may not increase the fees and charges payable under this Agreement, unless otherwise stated in this Agreement or in the Order. Except as provided in Section 4.2(c), all fees and other amounts paid by Customer under this Agreement are non-refundable.

3.2 Taxes. The fees and other amounts payable by Customer to Superior under this Agreement do not include any taxes, duties, levies, fees or similar charges of any jurisdiction ("Taxes") that may be assessed or imposed in connection with the transactions contemplated by this Agreement, excluding only taxes based upon Superior's net income. Customer shall directly pay any such Taxes assessed against it, and Customer shall promptly reimburse Superior for any such Taxes payable or collectable by Superior.

3.3 Certain Remedies for Non-payment. If Customer fails to pay to Superior, within ten (10) days after Superior makes written demand therefor, any past-due amount payable under this Agreement (including any applicable late payment fee) that is not a Disputed Amount, in addition to all other rights and remedies which Superior may have, Superior may, in its sole discretion and with further notice to Customer stating the

suspension date, suspend performance of any or all of its obligations under this Agreement (other than Section 5). Superior shall have no liability for Customer's use of the Solution until all such past-due amounts and any applicable reinstatement fees are paid in full.

4. Warranties, Covenants and Limitations.

4.1 Compliance with Laws. Superior shall comply with all laws, enactments, orders and regulations applicable to it as the provider of services under this Agreement. Customer shall comply with all laws, enactments, orders and regulations applicable to it as the recipient and user of services under this Agreement.

4.2 No Infringement. Superior shall indemnify and defend Customer against, any third-party claim asserting that the Solution, as and when made available to Customer by Superior and when properly used for the purpose and in the manner specifically authorized by this Agreement, infringes upon (i) any patent issued as of the date of this Agreement by a country that is a signatory to the Paris Convention, (ii) any copyright of any country that is a member of the Berne Convention as of the date of this Agreement, or (iii) any trade secret or other proprietary right of any Person (collectively, "IP Rights"). Superior shall have no obligation under this Section 4.2 unless Customer promptly gives notice to Superior within ten (10) days after the date Customer first receives notice of the applicable infringement claim (provided that later notice shall relieve Superior of its liability and obligations under this Section 4.2 only to the extent that Superior is prejudiced by such later notice) and allows Superior to have sole control of the defense or settlement of the claim. Customer may monitor any such litigation or proceeding at its expense, using counsel of its choosing. The remedies provided in this Section 4.2 are the sole remedies for a claim of infringement or misappropriation hereunder. If any applicable infringement claim is initiated, or in Superior's sole opinion is likely to be initiated, Superior may at its option and expense:

- (a) modify or replace all or the allegedly infringing part of the Solution so that it is no longer allegedly infringing, provided that the functionality does not change in any material adverse respect; or
- (b) procure for Customer the right to continue using the allegedly infringing part of the Solution; or
- (c) remove all or the allegedly infringing part of the Solution, and (i) if Customer has paid a one-time upfront initial license fee for the applicable Solution, refund to Customer the corresponding portion of the license fee paid by Customer to Superior for the applicable Solution, less a reasonable rental charge equal to one-sixtieth (1/60) of the initial license fee for each month of use following the Order Execution Date, or (ii) if Customer is paying for the use of the Solution on a recurring basis, refund to Customer the corresponding portion of the unused recurring fee(s) paid by Customer to Superior with respect to the applicable Solution, and in each such case this Agreement shall terminate with respect to the Solution or part thereof removed.

4.3 Harmful Code. Using a recent version of a reputable virus-checking product (to the extent commercially available), Superion will check the Solution, as well as any systems used to deliver the Solution, for any viruses, worms or similar harmful code (“Harmful Code”) and will use commercially reasonable efforts to eliminate any such Harmful Code that Superion discovers.

4.4 Exclusion for Unauthorized Actions. Superion is not liable under any provision of this Agreement for any performance problem, claim of infringement or other matter to the extent attributable to any unauthorized or improper use or modification of the Solution by or on behalf of Customer, any unauthorized combination of the Solution with other software or services (other than as specified in the Specified Configuration), any use of any version of the Solution other than the Supported Release, a failure to subscribe to support services if then offered for the Solution, any Third-Party Hardware or Third-Party Services, and Third-Party Software or Open Source Software (except as set forth in Sections 4.10 and 4.12), any wrongful act or omission by Customer, its Affiliates or its customers or any breach of this Agreement by Customer.

4.5 Force Majeure. Neither party shall be liable for, nor shall either party be considered in breach of this Agreement due to, any failure to perform its obligations (other than its payment obligations, which shall be suspended only for so long as the force majeure event renders Customer unable by any means to transmit payments when due hereunder) as a result of a cause beyond its control, including any act of God, public enemy or terrorist, act of any military, civil or regulatory authority, change in any law or regulation, fire, flood, earthquake, storm or other like event, theft or criminal misconduct by unrelated third parties, disruption or outage of communications (including the Internet or other networked environment), power or other utility, unavailability of supplies or any other cause, whether similar or dissimilar to any of the foregoing, which could not have been prevented by the non-performing party with reasonable care.

4.6 Disclaimer. EXCEPT AS STATED IN SECTIONS 4, 6.5 AND 9.5, THE SOLUTION, DOCUMENTATION AND SERVICES ARE PROVIDED “AS IS,” AND ALL OTHER REPRESENTATIONS, WARRANTIES, TERMS OR CONDITIONS, ORAL OR WRITTEN, EXPRESS OR IMPLIED, ARISING FROM COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE, QUALITY OF INFORMATION, QUIET ENJOYMENT OR OTHERWISE (INCLUDING CONDITIONS OF MERCHANTABILITY, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, NON-INTERFERENCE, OR NON-INFRINGEMENT) ARE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EXCLUDED FROM THIS AGREEMENT.

4.7 Limitations Cap. EACH PARTY’S TOTAL LIABILITY UNDER THIS AGREEMENT SHALL NOT EXCEED THE LIABILITY CAP.

4.8 Consequential Damage Exclusion. UNDER NO CIRCUMSTANCES SHALL EITHER PARTY (OR ANY OF ITS AFFILIATES PROVIDING OR RECEIVING THE SOLUTION, SERVICES OR OTHER SOFTWARE UNDER THIS AGREEMENT) BE LIABLE TO THE OTHER OR ANY OTHER PERSON FOR LOSSES OR DAMAGES WHICH FALL INTO ANY OF THE FOLLOWING CATEGORIES: (a) LOST REVENUES, (b) LOST PROFITS, (c) LOSS OF BUSINESS, (d) TRADING LOSSES, (e) INACCURATE DISTRIBUTIONS OR (f) ANY INCIDENTAL, INDIRECT, EXEMPLARY, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES OF ANY KIND, INCLUDING ANY OF THE FOREGOING LOSSES OR DAMAGES RESULTING FROM CUSTOMER’S USE OF THE SOLUTION OR SERVICES PROVIDED HEREUNDER, OR ARISING FROM ANY BREACH OF THIS AGREEMENT OR ANY TERMINATION OF THIS AGREEMENT, WHETHER SUCH LIABILITY IS ASSERTED ON THE BASIS OF

CONTRACT, TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY) OR OTHERWISE AND WHETHER OR NOT FORESEEABLE, EVEN IF THE RELEVANT PARTY HAS BEEN ADVISED OR WAS AWARE OF THE POSSIBILITY OF SUCH LOSS OR DAMAGES. FOR PURPOSES OF CLARIFICATION, THE FOLLOWING SHALL BE DEEMED “DIRECT DAMAGES” AS BETWEEN CUSTOMER AND SUPERION FOR THE PURPOSES OF THIS AGREEMENT (i) ANY AND ALL DAMAGES, INCLUDING CONSEQUENTIAL AND SIMILAR DAMAGES, AWARDED TO A THIRD PARTY FOR WHICH INDEMNIFICATION IS PROVIDED BY A PARTY UNDER SECTION 4.2; (ii) CUSTOMER’S OUT-OF-POCKET COSTS TO NOTIFY AFFECTED PERSONS AND/OR PAY FOR CREDIT MONITORING SERVICES FOR SUCH PERSONS FOR A ONE-YEAR PERIOD INCURRED AS A RESULT OF SUPERION’S BREACH OF SECTION 5.

4.9 Exceptions. THE LIMITATIONS AND EXCLUSIONS SET FORTH IN SECTIONS 4.7 AND 4.8 SHALL NOT APPLY TO: (a) BREACHES OF THE SCOPE OF USE; (b) FAILURE TO PAY FEES WHEN DUE; (c) DAMAGES CAUSED BY EITHER PARTY’S FRAUD OR WILLFUL MISCONDUCT; (d) A PARTY’S LIABILITY FOR DEATH OR PERSONAL INJURY DUE TO THAT PARTY’S NEGLIGENCE; OR (e) A PARTY’S LIABILITY FOR DAMAGES TO THE EXTENT THAT SUCH LIMITATION OR EXCLUSION IS NOT PERMITTED BY APPLICABLE LAW. THE LIMITATIONS SET FORTH IN SECTION 4.7 DO NOT APPLY TO CLAIMS FOR WHICH INDEMNIFICATION IS PROVIDED BY A PARTY UNDER SECTION 4.2.

4.10 Third-Party Software. To facilitate Customer’s access and use of the Third-Party Software, the licensor(s) of such Third-Party Software have agreed to allow Superion to provide the Third-Party Software to Customer subject to the following additional conditions: (i) the Third-Party Software shall be used only in conjunction with any permissible use of the Solution specifically authorized in this Agreement, and (ii) the Third-Party Software shall be used only in accordance with licensor’s terms and conditions and documentation for the Third-Party Software which, unless otherwise included in a specific Supplement to the Order, shall be provided to Customer with the receipt of such Third-Party Software. Superion shall use reasonable efforts to provide Customer the benefit of all indemnities and warranties granted to Superion by the licensor(s) of the Third-Party Software, to the extent possible without additional cost to Superion, as and if permitted by Superion’s agreement with the licensor of the Third-Party Software, and to the extent such warranties and indemnities pertain to Customer’s use of the Third-Party Software hereunder. In the event of any defect in any Third-Party Software (in the form delivered by Superion and when properly used for the purpose and in the manner specifically authorized by this Agreement), Superion will use commercially reasonable efforts to replace or correct the Third-Party Software without charge. If Superion complies with this provision, it shall face no further liability with respect to any defect in any Third-Party Software.

Unless as otherwise provided in a specific Supplement to the Order, or as provided in the licensor’s terms and conditions, Superion shall provide Level 1 support of the Third-Party Software. For purposes herein, Level 1 Support shall mean:

- 1) Taking the first support call from Customer and qualifying the call priority, or if an existing case, obtaining case information;
- 2) Gathering information about the case, defining and describing the problem, and determining if the Third Party Software is the cause of the problem. Analyze problem symptoms, attempt to find root cause if appropriate and document result of such attempts. Determining if the problem is a known Third-Party

Software problem by accessing third party online support resources; and

- 3) If it is determined to be a Third-Party Software problem, contacting the Third-Party Software technical support. For new cases, opening a case and selecting a priority. For existing cases, providing the case number and information gathered to the Third-Party Software support engineer.

4.11 Third-Party Hardware and Third-Party Services. Customer is hereby advised that the third party, and not Superior, assumes all responsibility for and liability in connection with the Third-Party Hardware and Third-Party Services, and is solely responsible for delivering the Third-Party Hardware and Third-Party Services to Customer. Superior is not authorized to make any representations or warranties that are binding upon the third party or to engage in any other acts that are binding upon the third party, excepting specifically that Superior is authorized to represent the fees for the Third-Party Hardware or Third-Party Services as the same is provided for in the Order and to accept payment of such amounts from Customer on behalf of the third party.

4.12 Open Source Software Components. The Solution may be provided with or included Open Source Software, including that Open Source Software identified in the Documentation or on the support services website for the Solution. The Open Source Software is licensed under the terms of the open source license that accompanies or is made available with such Open Source Software, including via a website designated by Superior. Nothing in this Agreement limits Customer's rights under, or grants Customer rights that supersede, the terms and conditions of any applicable license for such Open Source Software. Open Source Software shall not be deemed to be part of the Solution under this Agreement and Superior shall have no liability relating to such Open Source Software; provided, however, that Superior shall be responsible for fixing Errors caused by the Open Source Software to the same extent as Superior's ongoing support obligations as set forth in Section 8.5 and 9.3 of this Agreement.

4.13 Open Negotiation. Customer and Superior have freely and openly negotiated this Agreement, including the pricing, with the knowledge that the liability of the parties is to be limited in accordance with the provisions of this Agreement.

4.14 Title and Risk of Loss. In no event will Superior be deemed to have taken title or any similar right or interest in or of any Third-Party Software or Third-Party Hardware in the chain of distribution to Customer, and title, risk of loss, and/or such similar right or interest in or to the Third-Party Software or Third-Party Hardware will be deemed to vest in Customer either at the point of delivery to carrier for shipment or as otherwise provided for in the licensor's terms and conditions.

4.15 Disclaimer. Except as may be provided in Section 4.10 above, Customer agrees and understands that **SUPERION MAKES NO WARRANTIES WHATSOEVER, EXPRESSED OR IMPLIED, WITH REGARD TO THE THIRD-PARTY PRODUCTS. ALL WARRANTIES (IF ANY) ARE PROVIDED TO CUSTOMER BY THE LICENSORS, MANUFACTURERS OR PROVIDERS OF SUCH THIRD-PARTY PRODUCTS. SUPERION EXPLICITLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. EXCEPT FOR ITS OBLIGATION TO REMIT PAYMENT RECEIVED FROM CUSTOMER TO THE THIRD PARTY PURSUANT TO THIS AGREEMENT, SUPERION WILL HAVE NO LIABILITY WHATSOEVER IN CONNECTION WITH THE THIRD-PARTY PRODUCTS.**

4.16 Other Limitations. The warranties made by Superior in this Agreement, and the obligations of Superior under this Agreement, run only to Customer and not to its Affiliates, its customers or any other Persons. Under no circumstances shall any Affiliate or customer of Customer or any other Person be considered a third-party beneficiary of this Agreement or otherwise entitled to any rights or remedies under this Agreement (including any right to be consulted in connection with any variation or rescission of the Agreement agreed between Superior and Customer), even if such Affiliates, customers or other Persons are provided access to the Solution or data maintained in the Solution via the Internet or other networked environment. Except to the extent specified in an Order, Superior shall not be deemed Customer's official record keeper for regulatory or other purposes and shall have no obligation to retain any records or data on Customer's behalf after termination or expiration of this Agreement.

5. Confidentiality, Security, Ownership and Use Restrictions.

5.1 Confidentiality. The party receiving Confidential Information ("Receiving Party") of the other ("Disclosing Party") shall not, and shall cause its Authorized Recipients not to, use Confidential Information for any purpose except as necessary to implement, perform or enforce this Agreement. Receiving Party will use the same reasonable efforts to: (a) protect the Confidential Information of Disclosing Party as it uses to protect its own proprietary information and data. Prior to disclosing the Confidential Information to its Authorized Recipients, Receiving Party shall inform them of the confidential nature of the Confidential Information and require them to abide by the terms of this Agreement. Receiving Party will promptly notify Disclosing Party if Receiving Party discovers any improper use or disclosure of Confidential Information and will promptly commence all reasonable efforts to investigate and correct the causes of such improper use or disclosure. If Receiving Party believes the Confidential Information must be disclosed under applicable law, Receiving Party may do so provided that, to extent permitted by law, the other party is given a reasonable opportunity to contest disclosure or obtain a protective order.

5.2 Security.

- (a) Superior will implement commercially reasonable administrative, technical and physical safeguards designed to: (i) ensure the security and confidentiality of Customer Data; (ii) protect against any anticipated threats or hazards to the security or integrity of Customer Data; and (iii) protect against unauthorized access to or use of Customer Data. Superior will review and test such safeguards on no less than an annual basis.
- (b) If Customer makes the Solution or data maintained by the Solution accessible through the Internet or other networked environment, Customer shall be solely responsible for all aspects of Internet use, and shall maintain, in connection with the operation or use of the Solution, adequate technical and procedural access controls and system security requirements and devices, necessary for data privacy, confidentiality, integrity, authorization, authentication and non-repudiation and virus detection and eradication.
- (c) To the extent that Third-Party Users are permitted to have access to the Solution, Customer shall maintain agreements with such Third Party Users that adequately protect the confidentiality and intellectual property rights of Superior in the Solution and Documentation, and disclaim any liability or responsibility of Superior with respect to such Third Party Users.

5.3 Personal Data. If Superior processes or otherwise has access to any personal data or personal information on Customer's behalf when performing Superior's obligations under this Agreement, then: (i) Customer shall be the data controller (where "data controller" means an entity which alone or jointly with others determines purposes for which and the manner in which any personal data are, or are to be, processed) and Superior shall be a data processor (where "data processor" means an entity which processes the data only on behalf of the data controller and not for any purposes of its own); (ii) Customer shall ensure that it has obtained all necessary consents and it is entitled to transfer the relevant personal data or personal information to Superior so that Superior may lawfully use, process and transfer the personal data and personal information in accordance with this Agreement on Customer's behalf, which may include Superior processing and transferring the relevant personal data or personal information outside the country where Customer and the Authorized Users are located in order for Superior to provide the Solution and perform its other obligations under this Agreement; and (iii) Superior shall process the personal data and personal information only in accordance with any lawful and reasonable instructions given by Customer from time to time as set out in and in accordance with the terms of this Agreement; and (iv) each party shall take appropriate technical and organizational measures against unauthorized or unlawful processing of the personal data and personal information or its accidental loss, destruction or damage so that, having regard to the state of technological development and the cost of implementing any measures, the measures taken ensure a level of security appropriate to the harm that might result from such unauthorized or unlawful processing or accidental loss, destruction or damage in relation to the personal data and personal information and the nature of the personal data and personal information being protected. If necessary, the parties will cooperate to document these measures taken.

5.4 SG Solution Details. The SG Solution Details are trade secrets and proprietary property of Superior or its licensors, having great commercial value to Superior or its licensors. Title to all SG Solution Details and all related intellectual property and other ownership rights shall be and remain exclusively with Superior or its licensors, even with respect to such items that were created by Superior specifically for or on behalf of Customer. Superior and its Affiliates may freely use Feedback without attribution or the need for Superior, its Affiliates or any third party to pay Customer or any third party any royalties or other fees of any kind. This Agreement is not an agreement of sale, and no intellectual property or other ownership rights to any SG Solution Details are transferred to Customer by virtue of this Agreement. All copies of SG Solution Details in Customer's possession shall be deemed to be on loan to Customer during the term of this Agreement.

5.5 Use Restrictions. Except to the extent specifically authorized by this Agreement, Customer shall not, shall not attempt to, and shall not permit any other Person under its reasonable control to: (a) use any SG Solution Detail for any purpose, at any location or in any manner not specifically authorized by this Agreement; (b) make or retain any Copy of any SG Solution Detail; (c) create or recreate the source code for the Solution, or re-engineer, reverse engineer, decompile or disassemble the Solution except to the extent specifically permitted by applicable law; (d) modify, adapt, translate or create derivative works based upon the Solution or Documentation, or combine or merge any part of the Solution or Documentation with or into any other software or documentation except to the extent specifically permitted by applicable law; (e) refer to, disclose

or otherwise use any SG Solution Detail as part of any effort either (i) to develop a program having any functional attributes, visual expressions or other features similar to those of the Solution or (ii) to compete with Superior; (f) remove, erase or tamper with any copyright or other proprietary notice printed or stamped on, affixed to, or encoded or recorded in any SG Solution Detail, or fail to preserve all copyright and other proprietary notices in any Copy of any SG Solution Detail made by Customer; (g) sell, market, license, sublicense, distribute or otherwise grant to any Person, including any outsourcer, vendor, sub-contractor, consultant or partner, any right to use any SG Solution Detail or allow such other Person to use or have access to any SG Solution Detail, whether on Customer's behalf or otherwise; or (h) use the Solution to conduct any type of application service provider, service bureau or time-sharing operation or to provide remote processing, network processing, network telecommunications or similar services to any Person, whether on a fee basis or otherwise.

5.6 Notice and Remedy of Breaches. Each party shall promptly give notice to the other of any actual or suspected breach by it of any of the provisions of this Section 5, whether or not intentional, and the breaching party shall, at its expense, take all steps reasonably requested by the other party to prevent or remedy the breach.

5.7 Enforcement. Each party acknowledges that any breach of any of the provisions of this Section 5 may result in irreparable injury to the other for which money damages would not adequately compensate. If there is a breach, then the injured party shall be entitled, in addition to all other rights and remedies which it may have, to have a decree of specific performance or an injunction issued by any competent court, requiring the breach to be cured or enjoining all Persons involved from continuing the breach.

6. Professional Services.

6.1 Professional Services. An Order may identify certain Professional Services.

6.2 Professional Services Fees. Customer shall pay to Superior the professional services fees stated on the Order. In each case where professional services fees are not specified on the Order, then the fees for such services shall be based upon Superior's then standard professional services fee rates.

6.3 Expense Reimbursements. Customer shall reimburse Superior for reasonable travel, living and other out-of-pocket expenses incurred by Superior personnel in connection with all services, including, but not limited to, Professional Services and maintenance and support rendered by Superior. Reimbursable expenses shall be incurred by Superior personnel in accordance with Superior's then current per diem travel expense guidelines, a copy of which will be included in the Order. Superior shall invoice Customer for reimbursement of these expenses on a monthly basis, as incurred.

6.4 Cooperation and Access to Facilities, Data and Employees. To the extent reasonably necessary for Superior to perform its obligations under this Agreement, Customer shall provide to Superior access to Customer's location site, equipment, data and employees, and shall otherwise cooperate with Superior in its performance hereunder, all as reasonably necessary for Superior to perform its obligations under this Agreement.

6.5 Professional Services Warranty. Superior warrants to Customer that Professional Services will be performed in a good and workmanlike manner by qualified personnel, subject to Section 6.4. Superior shall have no liability under this Section 6.5 unless, within thirty (30) days after the actual date of the particular Professional Services, Superior receives notice from Customer describing the breach of this warranty, together with adequate supporting documentation and data. Upon receipt of any such notice, Superior's only obligation under this Section 6.5 is to remedy the breach and reperform the particular Professional Services affected as soon as reasonably practical at no additional charge.

6.6 Compliance with Customer Policies. While Superior personnel are performing services at Customer's site, Superior will ensure that such personnel comply with Customer's reasonable security procedures and site policies that are generally applicable to Customer's other suppliers providing similar services and that have been provided to Superior in writing and in advance. Customer shall promptly reimburse Superior for any out-of-pocket costs incurred in complying with such procedures and policies.

6.7 Contributed Material. In the process of Superior's performing Professional Services, Customer may, from time to time, provide Superior with designs, plans, or specifications, improvements, works or other material for inclusion in, or making modifications to, the Solution, the Documentation or any other deliverables ("**Contributed Material**"). Customer grants to Superior a nonexclusive, irrevocable, perpetual, transferable right, without the payment of any royalties or other compensation of any kind and without the right of attribution, for Superior, Superior's Affiliates and Superior's licensees to make, use, sell and create derivative works of the Contributed Material.

7. Term and Termination.

7.1 Order Term. The Order may state an initial term for the use of the Solution ("**Initial Term**") and may state renewal terms (each a "**Renewal Term**"). "**Order Term**" means the Initial Term together with any Renewal Terms.

7.2 Termination. Either party may terminate this Agreement by giving notice of termination to the other party if the other party breaches any of its material obligations (other than Customer's failure to pay Support Fees during a Renewal Support Term) under this Agreement and does not cure the breach within thirty (30) days after receiving notice describing the breach in reasonable detail.

7.3 Effect of Termination. The provisions of Sections 3, 4, 5, 7.3 and 10 shall survive any termination of this Agreement, whether under this Section 7 or otherwise. Customer shall be liable for all payments due to Superior for the period ending on the date of termination. Upon a termination of this Agreement, whether under this Section 7 or otherwise, or upon the expiration or termination of an Order Term, Customer shall: (i) discontinue all use of the affected Solution and Documentation, (ii) promptly return to Superior all copies of the affected Solution and Documentation and any other affected SG Solution Details then in Customer's possession; and (iii) give notice to Superior certifying that all copies of such items have been permanently deleted.

8. Terms Applicable To SaaS, ASP and Hosting. The following provisions in this Section 8 apply solely to Hosting Services and to Orders for and ASP Solution or SaaS Solution.

8.1 SaaS, ASP and Hosting. Superior shall provide the Hosting Services and/or access to the ASP Solution or SaaS solution, as described and for the term specified on the Order.

8.2 Passwords and Solution Access. If Superior provides Customer or its Authorized Users with unique access codes to access the Solution (each, a "**Password**"), Customer shall hold any such Passwords in strict confidence and shall not assign, share, misuse or abuse the Passwords or attempt to render ineffective the password protection of the Solution. If Customer suspects or learns that a Password is being used to gain unauthorized access to the Solution, Customer will immediately notify Superior so that it can change, or assist Customer in changing, the applicable Password. To the extent the Solution is within Superior's network, Superior may suspend access to the Solution without advance notice if Superior reasonably believes the Solution is being used or accessed in an unauthorized, illegal or disruptive manner, provided that Superior will promptly notify Customer of any such event.

8.3 Customer Data.

(a) Customer shall supply, or cause to be supplied, all Customer Supplied Data. Customer shall transmit the Customer Supplied Data to Superior by communications link or in another manner described on the Order. As between Superior and Customer, Customer shall be responsible for ensuring that the Customer Supplied Data is Accurate and complete. Customer represents and warrant to Superior that Customer has the full legal right for Customer and Superior, its affiliates and agents to use the Customer Supplied Data for processing hereunder.

(b) Within thirty (30) days after termination of Hosting Services or of an Order for an ASP Solution or SaaS Solution, Customer shall give Superior an instruction notice regarding the disposition of any tapes, data, files and other property belonging to Customer and then in Superior's possession. To the extent practicable and at Customer's expense after receipt of such notice, Superior shall use commercially reasonable efforts to comply with the notice, including converting the data on the Solution to machine-readable form. Superior may retain such property until Superior receives all payments due to Superior under that Order. If Customer fails to give that notice within thirty (30) days after such termination, then Superior may dispose of such property in a commercially reasonable manner.

(c) In order to improve Superior's product and service offerings for its customers, Superior may maintain a database of information residing on the Solution. Superior and its affiliates may use and distribute such data in an aggregated and de-identified format, including as a part of the development, distribution and licensing of any Superior product or service offering.

8.4 Regulatory Access. To the extent permitted by law, each party will notify the other promptly of any formal request by an authorized governmental agency or regulator to examine Customer Data or other records, if any, regarding Customer that are maintained in Superior facilities under this Agreement. Customer will reimburse Superior for the reasonable out-of-pocket costs Superior incurs, and for time spent, in making such Customer Data or other records, if any, available for examination and audit by the governmental agency or regulatory authority that has jurisdiction over Customer's business.

8.5 Support. Superior shall provide to Customer the ongoing support services as described in the Order.

8.6 Data Backup and Disaster Recovery. If the Solution maintains a database then, unless otherwise stated on the Order:

- (a) Superior shall provide an electronic backup of the Customer Data accordance with the backup cycle defined in the Order (and if no backup cycle is defined, at reasonable intervals); and
- (b) Superior shall maintain a disaster recovery plan which includes a procedure for the restoration of Customer's production environment at an alternate facility in the event of a disaster. Superior's disaster recovery plan shall be tested at least once each calendar year.

8.7 Interruption to Solution. From time to time, Superior shall be entitled (at its discretion, without incurring liability for so doing) to interrupt the Solution to: (i) perform repairs and other maintenance and install enhancements on Superior's equipment, software and/or other systems that are required for the provision of the Solution, or (ii) make adjustments to its infrastructure (including, for example, in relation to resources shared by its other customers) and thereby cause a disruption in the provision of the Solution. Except in the case of emergency repairs, maintenance or adjustments, Superior will (a) give Customer reasonable prior notice of the interruption; (b) limit such interruptions to outside of Superior's normal business hours; and (c) use commercially reasonable efforts to minimize the impact of the interruption.

8.8 Harmful Code. Using a recent version of a reputable virus-checking product (to the extent commercially available), Customer will check the Specified Configuration for Harmful Code and ensure no Harmful Code is introduced by its end users or from its systems into any systems used in the Solution and will use commercially reasonable efforts to eliminate any such Harmful Code that either Customer or Superior discovers.

8.9 Volume Increases. Customer shall give notice to Superior whenever Customer intends to materially increase the volume of data to be processed on the Solution. Any such increase that results in an increase beyond the Scope of Use requires an additional executed Order and the payment of additional fees.

9. Terms Applicable to Software Licenses. The following provisions in this Section 9 apply solely to an Order that provides the right for Customer to install the Solution at the facility identified on the Order.

9.1 Grant. Except as otherwise provided in an Order, Superior grants to Customer a non-transferable, non-exclusive, term license to use the Solution in accordance with this Agreement and the Scope of Use. The Solution shall be installed in object code form only at Customer's location(s) listed on the Order ("**Designated Location(s)**"). Customer may, subject to Section 10.4, use or access the Solution at or from Customer locations worldwide. Customer may change a Designated Location by giving prompt notice thereof to Superior. Customer may copy and use the Solution installed at the Designated Location for inactive back-up and disaster recovery purposes. Customer may copy the Documentation to the extent reasonably necessary for use of the Solution under this Agreement.

9.2 Initial Installation. Superior shall deliver to Customer the initial Copies of the Solution stated on the Order by supplying such initial Copies (a) by physical shipment, such as on a disc or other media, or (b) by electronic delivery, such as by posting it on Superior's network for

downloading. Physical shipment is on F.O.B. terms, Superior's shipping point and electronic delivery is deemed effective at the time Superior provides Customer with access to download the Solution. The date of such delivery shall be referred to as the "**Delivery Date.**"

9.3 Support. Beginning on the Order Execution Date and continuing for the duration of the initial support term set forth on the Order ("**Initial Support Term**"), Superior shall provide the ongoing support services described in that Order; and Customer shall pay to Superior support fees stated on such Order ("**Support Fees**"). Upon expiration of the Initial Support Term, the ongoing support services shall automatically renew and Customer shall be obligated to pay the Support Fees for additional annual support periods (each a "**Renewal Support Term**"), until the earlier of:

(a) a party giving the other notice of its intent to terminate ongoing support services (in accordance with Section 10.1) at least sixty (60) days before the end of the Initial Support Term or Renewal Support Term, as applicable, provided that Superior shall not provide such notice of support termination if such termination would be effective prior to whichever is the later of (i) the fifth (5th) anniversary of the Order Execution Date; or (ii) the date which falls at the end of the period equal to two (2) times the Initial Support Term; or

(b) termination of this Agreement.

9.4 Support Termination. Upon the effective date of termination of ongoing support services by either party or at any time when Customer has failed to pay Support Fees ("**Support Termination Date**"): (i) Superior shall discontinue providing all ongoing support services, including Superior's obligations under Section 9.3; (ii) any Superior warranties under this Agreement shall cease to apply for the period after the Support Termination Date; and (iii) Superior shall not be liable for Customer's use of the Solution after the Support Termination Date except for Superior's indemnification obligations for any third-party claims covered by Section 4.2 that arose prior to the Support Termination Date (but only to the extent such claim would not have been remedied by a Release made available by Superior after the Support Termination Date).

9.5 Software Warranty. Superior warrants to Customer that for a period of twelve (12) months from the Delivery Date, the Solution (as delivered to Customer by Superior and when properly used for the purpose and in the manner specifically authorized by this Agreement), will perform as described in the Documentation in all material respects. Superior's sole obligation and liability under this warranty is to comply with the provisions of Section 9.3 of this Agreement.

9.6 Remote Access of Installed Software. Provided that Superior performs such services in accordance with the confidentiality provisions of this Agreement, Customer shall permit Superior, at Superior's option, to remotely access the Solution installed at the Designated Location for the purpose of providing support services to Customer under Section 9.3 and otherwise implementing the purposes of this Agreement. In remotely accessing Solution, Superior will comply with Customer's reasonable security procedures and company policies that have been provided to Superior in writing. Customer shall promptly reimburse Superior for any out-of-pocket costs incurred in complying with such procedures.

9.7 Backup. Customer acknowledges that it is the best judge of the value and importance of the data held on Customer's systems and that Customer shall be solely responsible for maintaining secure and complete back-up copies of all data that Customer processes using the Solution, which data will be backed-up on not less than a daily basis and which will

be readily available on machines controlled by Customer to facilitate the prompt restoration of such data in the event of any loss of or damage to it. Superior shall have no liability for any loss or damage caused by Customer's failure to maintain such backed-up copies.

9.8 Audit. At Superior's expense and upon written request with reasonable notice, Customer will permit Superior, its personnel or its outside auditors to enter the relevant Customer locations during normal business hours and audit the number of copies of the Solution and Documentation in Customer's possession and information pertaining to Customer's compliance with this Agreement. Such audits shall not occur more than once in any twelve (12) month period (unless Superior believes, in good faith, that there has been a breach of this Agreement by Customer) and shall be performed in a manner not to disrupt Customer's business and operations and will respect the confidentiality of Customer, its suppliers and customers. Customer will, in a timely manner, reasonably cooperate with the auditors and provide the auditors all assistance as they may reasonably request in connection with the audit. Customer may require auditors acting on behalf of Superior to execute reasonable confidentiality agreements and comply with Customer's reasonable security requirements, but the requirement will not apply to Superior's internal auditors otherwise bound by the confidentiality conditions of this Agreement.

10. Other Provisions.

10.1 Notices. All notices, consents and other communications under or regarding this Agreement shall be in writing and shall be deemed to have been received on the earlier of: (a) the date of actual receipt; (b) the third business day after being mailed by first class, certified or air mail or (c) the first business day after being sent by a reputable overnight delivery service. Any notice may be given by facsimile, or email if notice by one of the foregoing is provided promptly thereafter. Customer's address for notices is stated on the Order. Superior's address for notices is stated on the Order. In the case of (i) any notice by Customer alleging a breach of this Agreement by Superior or (ii) a termination of this Agreement. Either party may change its address for notices by giving written notice of the new address to the other party.

10.2 Defined Terms. As used in this Agreement, the terms below (and their plural forms) have the following meanings:

- (a) **"affiliate"** whether capitalized or not, means, with respect to a specified Person, any Person which directly or indirectly controls, is controlled by, or is under common control with the specified Person as of the date of this Agreement, for as long as such relationship remains in effect.
- (b) **"Authorized Recipient"** means: (i) with respect to Customer, Customer, any Authorized User and any employee of a Customer contractor, provided that the contractor is not a competitor of Superior; and (ii) with respect to Superior, Superior, its foreign and domestic Affiliates and their respective contractors.
- (c) **"Authorized User"** means a Customer employee.
- (d) **"Confidential Information"** means all business or technical information disclosed by Disclosing Party to Receiving Party in connection with this Agreement. Confidential Information includes without limitation: (i) Customer Data and the details of Customer's computer operations; and (ii) the SG Solution Details. Confidential Information does not include information that: (aa) prior to the

receipt thereof under this Agreement, had been developed independently by Receiving Party, or was lawfully known to Receiving Party, or had been lawfully received by Receiving Party from other sources, provided such other source did not receive it due to a breach of an agreement with Disclosing Party, and Receiving Party knew of such breach or ought to have reasonably known of such breach; (bb) is publicly known at or after the time either party first learns of such information, or generic information or knowledge which either party would have learned in the course of its work in the trade, business or industry; or (cc) subsequent to the receipt thereof under this Agreement; (1) is published by Disclosing Party or is disclosed generally by Disclosing Party to others without restriction on its use and disclosure; or (2) has been lawfully obtained by Receiving Party from other sources which Receiving Party reasonably believes lawfully came to possess it.

- (e) **"copy"** whether capitalized or not, means any paper, disk, tape, film, memory device or other material or object on or in which any words, object code, source code or other symbols are written, recorded or encoded, whether permanent or transitory.
- (f) **"Customer Data"** means data stored in, (or processed by, the Solution; provided that aggregated data that is not personally identifiable data and not identifiable to Customer shall not be deemed Customer Data nor Customer's Confidential Information.
- (g) **"Customer Supplied Data"** means any information or data introduced into the Solution by or on behalf of Customer.
- (h) **"Disputed Amount"** means a good faith dispute by Customer of certain amounts invoiced under this Agreement. An amount will only constitute a Disputed Amount if (i) Customer has given notice of the dispute to Superior promptly after receiving the invoice and (ii) the notice explains Customer's position in reasonable detail. A disputed will not exist as to an invoice in its entirety merely because certain amounts on the invoice are Disputed Amounts.
- (i) **"Documentation"** means the standard user documentation Superior provides for the Solution, as such Documentation may be updated from time to time.
- (j) **"Error"** means a failure of a Supported Release to perform in all material respects in accordance with the Documentation.
- (k) **"Export Laws"** means any laws, administrative regulations and executive orders of the U.S., the United Kingdom and any other jurisdiction where any SG Solution Details will be located or from where any SG Solution Details will be accessed under this Agreement relating to the control of imports and exports of commodities and technical data, use or remote use of software and related property or services, embargo of goods or services or registration of this Agreement including the Export Administration Regulations of the U.S. Department of Commerce and the regulations and executive orders administered by the Office of Foreign Asset Control of the U.S. Department of the Treasury.
- (l) **"Feedback"** means any suggestions or recommendations for improvements or modifications to the Solution made by or on behalf of Customer.
- (m) **"including"** whether capitalized or not, means including but not limited to.

- (n) **"Liability Cap"** Shall be the total of the Professional Services and Annual Access Fees actually paid by Customer to Superior under this Order during the twelve (12) month period immediately preceding the event giving rise to the claim.
- (o) **"Open Source Software"** means computer software made generally available at no charge by the copyright holder under a license which provides the right to modify and distribute the software to anyone for any purpose at no charge.
- (p) **"person"** whether capitalized or not, means any individual, sole proprietorship, joint venture, partnership, corporation, company, firm, bank, association, cooperative, trust, estate, government, governmental agency, regulatory authority or other entity of any nature.
- (q) **"Professional Services"** means installation, implementation, training or consulting services including custom modification programming, support services relating to custom modifications, on-site support services, assistance with data transfers, system restarts and reinstallations provided by Superior under this Agreement.
- (r) **"Release"** means a modification or update to the Solution, which Superior, in its sole discretion, incorporates into the Solution without requiring its then existing client base to pay a separate fee (other than support fees).
- (s) **"Scope of Use"** means the Designated Computer(s), Designated Location(s), License Term, Platform, Business Purpose, Number of Trades, Number of Work Stations, Number of Developers, Number of Users, Volume Limit, Number of Production Databases, Number of Production Servers, and/or other restrictions or parameters as are stated in Section 5.5 or on the Order. Scope of Use shall not include the processing of any Acquired Business. Customer shall use the Solution in production to process Customer's business; provided that all increases in the Scope of Use require the execution of an amendment amending the Scope of Use.
- (t) **"SG Solution Details"** means any of the following: the Solution and Documentation, the object code and the source code for the Solution, the visual expressions, screen formats, report formats and other design features of the Solution, all ideas, methods, algorithms, formulae and concepts used in developing and/or incorporated into the Solution or Documentation, all future modifications, updates, Releases, improvements and enhancements of the Solution or Documentation, all derivative works (as such term is used in the U.S. copyright laws) based upon any of the foregoing and all copies of the foregoing.
- (u) **"Supported Release"** means, unless otherwise stated in the Order, the latest Release of the Solution that is generally available to Superior's client base.
- (v) **"Third-Party Product"** means Third-Party Software, Third Party Hardware, Third-Party Data or Third-Party Services.
- (w) **"Third-Party Hardware"** means that hardware specified as third party hardware on the Order.
- (x) **"Third-Party Services"** means those services specified as third party services on the Order.
- (y) **"Third-Party Software"** means the software specified as third-party software on the Order.
- (z) **"Third-Party User"** means any of Customer's customers, or their customers, to the extent such persons are provided access to the Solution or Third-Party Data hereunder.

10.3 Parties in Interest.

- (a) This Agreement shall bind, benefit and be enforceable by and against Superior and Customer and, their respective permitted successors and assigns.
- (b) Customer shall not assign this Agreement or any of its rights hereunder, nor delegate any of its obligations hereunder, without Superior's prior written consent, except such consent shall not be required in the case of an assignment of this Agreement (but not of any individual rights or obligations hereunder) to (i) a purchaser or successor to substantially all of Customer's business (unless such purchaser or successor is a software, data processing or computer services vendor that is a competitor of Superior, its parent company or any of its Affiliates) or (ii) an Affiliate of Customer, provided in the case of such an assignment, Customer guarantees the obligations of the assignee and the use of the Solution is not broadened beyond the Scope of Use. Any assignment by Customer in breach of this Section shall be void. Any express assignment of this Agreement, any change in control of Customer (or its Affiliate in the case of an assignment to that Affiliate under this Section 10.3(b) and any assignment by merger or otherwise by operation of law, shall constitute an assignment of this Agreement by Customer for purposes of this Section 0 ("**Customer Assignment**"). In the event of a Customer Assignment, or any acquisition of additional business by Customer, whether by asset acquisition, merger or otherwise by operation of law (collectively with the Customer Assignment, "**Customer Additional Business Acquisition**"), Customer shall give notice to Superior notifying Superior if Customer desires to use the Solution to process any additional business related to such Customer Additional Business Acquisition ("**Acquired Business**").

10.4 Export Laws. Customer acknowledges that the SG Solution Details and the services provided by Superior hereunder and this Agreement are subject to the Export Laws. Customer shall not violate the Export Laws or otherwise export, re-export or use, directly or indirectly (including via remote access), any part of the Solution, Confidential Information or services in a manner, or to or for any person or entity, for which a license or other authorization is required under the Export Laws without first obtaining such license or authorization.

10.5 Relationship. The relationship between the parties created by this Agreement is that of independent contractors and not partners, joint venturers or agents.

10.6 Entire Understanding. This Agreement, which includes and incorporates the Order, and any other schedules, exhibits and addenda hereto states the entire understanding between the parties with respect to its subject matter, and supersedes all prior proposals, marketing materials, negotiations, representations (whether negligently or innocently made), agreements and other written or oral communications between the parties with respect to the subject matter of this Agreement. In the event of a conflict between the provisions of the SST and an Order incorporating the SST, the terms of such Order shall prevail. Any written, printed or other materials which Superior provides to Customer that are

not included in the Documentation are provided on an "as is" basis, without warranty, and solely as an accommodation to Customer. In entering into this Agreement each party acknowledges and agrees that it has not relied on any express or implied representation, warranty, collateral contract or other assurance (whether negligently or innocently made), except those expressly set out in this Agreement. Each party waives all rights and remedies which, but for this Section 10.6, might otherwise be available to it in respect of any such representation (whether negligently or innocently made), warranty, collateral contract or other assurance. Nothing in this Agreement shall limit or exclude any liability for fraud or fraudulent misrepresentation.

10.7 Modification and Waiver. No modification of this Agreement, and no waiver of any breach of this Agreement, shall be effective unless in writing and signed by an authorized representative of the party against whom enforcement is sought. This Agreement may not be modified or amended by electronic means without written agreement of the parties with respect to formats and protocols. No waiver of any breach of this Agreement, and no course of dealing between the parties, shall be construed as a waiver of any subsequent breach of this Agreement.

10.8 Severability, Heading and Counterparts. A determination that any provision of this Agreement is invalid or unenforceable shall not affect the other provisions of this Agreement. Section headings are for convenience of reference only and shall not affect the interpretation of this Agreement. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

10.9 Personnel. Customer acknowledges that: (a) Superion expends substantial time and money, on an ongoing basis, to recruit and train its programmers, trainers, data processing, customer support and professional services team personnel ("**Superion Personnel**"); (b) Superion's business is highly competitive, is marketed throughout the United States, Europe and in many other locations worldwide, and requires long sales lead times often exceeding one (1) year; and (c) if Customer were

to hire Superion Personnel, then Superion may suffer lost sales opportunities and would incur substantial time and money in hiring and training replacement(s) for those Superion Personnel. Accordingly, if Customer, directly or through one or more subsidiaries or other controlled entities, hires any Superion Personnel at any time when such Superion Personnel is employed or engaged by Superion or during the six (6) months after such employment or engagement ends, then Customer shall pay to Superion as liquidated damages (and not a penalty) an amount equal to twelve (12) months of such Superion Personnel's salary and other compensation (including bonus or commission payments) at the time of leaving his/her employment or engagement with Superion. For purposes of this provision, "**hire**" means to employ as an employee or to engage as an independent contractor, whether on a full-time, part-time or temporary basis. This provision will remain in effect during the term of this Agreement and for a period of one (1) year after expiration or termination of this Agreement.

10.10 Jurisdiction and Governing Law. This Agreement and any dispute or claim arising, directly or indirectly, out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) is governed by, and shall be construed and enforced in accordance with, the laws of the State of Florida excluding choice of law. Each party irrevocably (i) agrees that a County or Circuit Court in the Eighteenth Judicial Circuit, in and for Seminole County, Florida, or the United States District for the Middle District of Florida, shall have exclusive jurisdiction to settle any dispute, controversy or claim arising, directly or indirectly, out of or in connection with this Agreement, or the breach, termination or validity thereof (including non-contractual disputes or claims) and that such court shall be the proper venue therefor; (ii) waives the right to trial by jury, (iii) consents to service of process by first class certified mail, return receipt requested, postage prepaid, to the address at which the party is to receive notice and (iv) agrees that the prevailing party shall be entitled to recover its reasonable attorney's fees (including, if applicable, charges for in-house counsel), court costs and other legal expenses from the other party.

Hosted Systems Standards Sheet

Service Level Commitments

The following Service Level commitments apply to the Customer's production systems. This does not include testing or training systems.

A. Availability

1. SERVICE LEVELS FOR THE APPLICATION SERVICES

Superion shall provide the Application Services in accordance with the following service level commitment provisions.

1. Overall System Availability

- 1.1 **Target.** In each Service Period, the target for availability of the Application Services is 99.9% ("Availability Target"). "Service Period" means 24 hours per day Monday through Sunday each calendar month that Customer receives the Application Services, excluding Sundays between the hours of 12:01AM and 12 noon Eastern Time for scheduled maintenance. During this time, Customers *may* experience intermittent interruptions. Superion will make commercially reasonable efforts to minimize the frequency and duration of these interruptions. Superion will notify the Customer if the entire maintenance window will be required.
- 1.2 **Measurement.** Service availability is measured as the total time that the Application Services are available during each Service Period for access by Customer ("Service Availability"). Unless otherwise specified, the measurement period for Service Availability is each Service Period and Service Availability shall be calculated at the end of each Service Period. Service Availability measurement shall be applied to the production environment, and the points of measurement for all Application Services monitoring shall be the servers and the Internet connections at Superion's hosted environment.

Superion has technology monitoring, measuring, and recording Service Availability. The Client, at their discretion, may also employ monitoring tools. Said additional reporting tool must be non-invasive and may not reside in total or in part on Superion's systems. Additionally, the use of said tool must be mutually agreed upon by Superion and the Client. The Client shall be wholly responsible for any and all costs associated including but not limited to licenses, installation on Client's systems, support, maintenance, and renewal costs. In the event service availability does not meet contracted service levels and a discrepancy exists between Superion's monitoring tools and the Client's, the Service Availability indicated by Superion's system shall apply for the purposes of this Service Commitment Supplement.

- 1.3 **Calculation.** Service Availability Targets are subject to change monthly due to the variance of the number of days in a month. The total number of minutes which the service was NOT available in a given month shall exclude those items listed in Section G. Service Availability for a given month shall be calculated using the following calculation:

The total number of minutes which the service was NOT available in a given month shall be subtracted from the total number of minutes available in the given month. The resulting figure is divided by the total number of minutes available in the given month.

- 1.4 **Remedy.** If the Service Period target measurement, as calculated in 1.3, is not met with the result that the Customer's use of the Application Services is severely interrupted in a given month, then the Customer shall be entitled to a credit calculated as follows:

| Actual Service Availability in the relevant Service Period | Percentage Reduction in Monthly Fee payable by Customer in the Immediately Subsequent Service Period |
|--|--|
| Less than 99.9% but greater than or equal to 99.0% | 5% |
| Less than 99.0% but greater than or equal to 95% | 10% |
| Less than 95% | 25% |

If during the term of this Agreement, Superion fails to meet the service level commitment targets specified above, the Customer's sole and exclusive remedy in relation to such failure shall be the applicable credits specified. In no event shall Superion be obliged to provide any refund in relation to any credit, but rather the credit shall be applied to the next following invoice due to the Customer. Superion will utilize monitoring software to track and report actual service availability in the relevant service period. If the actual service availability during the relevant service period does not achieve the Availability Target, Superion will apply a service credit per the specifications above.

However, any credit entitlement that is not reported by Superior must be requested by the Customer within six (6) months of its occurrence or it shall no longer be available and the Customer will be deemed to have waived any rights in relation thereto and (for the avoidance of doubt) Superior's failure to meet the relevant service level commitment. In no event will credits due in any given month exceed twenty-five percent (25%) of that month's fees. Customer shall not be entitled to offset any monthly Application Services fee payments, nor withhold fee payments, on account of a pending credit. Customer shall not be eligible for credits for any period where Customer is more than thirty (30) days past due on their account. The amount of any unused credit shall be paid in cash to Customer upon termination of the Agreement. Superior will provide reporting, as provided in Section G, showing performance and monthly service levels.

B. Server Performance

Superior shall provide sufficient server capacity for the duration of this hosting Agreement to meet the reasonable performance requirements for the number of concurrent system users provided for in this hosting Agreement.

Superior shall provide hardware resources sized for the number of users and software modules licensed in the hosting Agreement. If the Customer requests, at some later date, to add additional software modules, increase user licenses, increase storage requirement, and/or request additional environments, the hardware and software requirements of such additions will be evaluated. If additional resources are required to support such modifications, additional fees may apply.

If the addition of users, unusually heavy use, or other factors require additional resources for support of the Customer (e.g., hardware, software, people, data communications link, etc.), Superior and the Customer will confer on the matter until a mutually agreeable solution is identified.

Performance monitoring and tuning will be performed as necessary to maintain an average in-network interactive response time. "In-network" is defined as any point between which the data packet enters the Superior environment and subsequently departs the Superior environment. Any point of communications outside of the Superior protected network environment shall be deemed as "out-of-network."

Superior is not responsible for Internet connectivity and/or performance outside the internal Superior host site infrastructure.

C. Server Performance Stress Test

At the request of the Customer, Superior will coordinate a performance stress test with the Customer, at an agreed upon time, during implementation and upon request after go-live. Superior will work with the Customer to identify critical application screens to benchmark during the performance stress test and coordinate with the Customer to create an accurate test scenario with the Customer's End Users. Upon completion of the performance stress test, Superior and the Customer will mutually agree to the performance benchmarks for the identified critical screens taking into consideration Internet latency, End User workstations limitations, and the Customer's Local Area Network.

D. Scheduled and Emergency Maintenance for Application Services

Scheduled maintenance

System maintenance

Superior will provide all hosted systems and network maintenance as deemed appropriate and necessary by Superior. All maintenance will be completed outside of the Customer's standard business hours of operation, unless requested by Customer.

Superior application maintenance and upgrades

Software maintenance and upgrades will be performed outside of the Customer's standard business hours of operation, traditionally 8AM to 5PM Monday through Friday, unless requested by Customer. Software maintenance and upgrades will be scheduled in advance with the Customer's primary contact.

Hardware maintenance and upgrades

Hardware maintenance and upgrades will be performed outside of the Customer's standard business hours of operation, unless requested by Customer. The primary Customer contact will be notified, via the on-file e-mail address, prior to hardware upgrades being performed.

Emergency maintenance

Emergency situations will be handled on a case-by-case basis in such a manner as to cause the least possible disruption to overall system operations and availability without negatively affecting system stability and integrity. The primary Customer contact will be notified, when possible, via the on-file e-mail address, prior to emergency maintenance being performed. If no contact is made, emergency maintenance will move forward as deemed necessary by Superior management.

E. Incident Response

Incidents are defined as interruptions to existing service and can range in priority from urgent to low depending on the impact to the Customer. Incident priorities are defined as the following:

| Priority Level | Impact | Description |
|----------------|--------------|---|
| 1 | Urgent | An Incident that (a) results in loss of Customer connectivity to all of the Application Services or (b) results in loss, corruption or damage to Customer's Data. |
| 2 | Critical | An Incident that has an adverse material impact on the performance of the Application Services or materially restricts Customer's day-to-day operations. |
| 3 | Non-Critical | An Incident that does not result in a failure of the Application Services but a fault exists in the Managed IT Services that restricts Customer's use of the Managed IT Services. |
| 4 | Minor | An Incident that does not affect or which has minimal adverse impact on the use of the Application Services. |

Superion will make reasonable efforts to respond to Services incidents for live production systems using the following guidelines:

| Priority Level | Performance Target | Minimum Performance % Goal |
|---------------------------|--|----------------------------|
| Priority 1 (Urgent) | Superion will respond within 1 hour of the issue being reported. | 95% |
| Priority 2 (Critical) | Superion will respond within 2 hours of the issue being reported. | 95% |
| Priority 3 (Non-Critical) | Superion will respond within 4 hours of the issue being reported. | 95% |
| Priority 4 (Minor) | Superion will respond within 24 hours of the issue being reported. | 95% |

Measurement. Superion shall track and report on response and resolution time for application and hosting support issues identified by the Customer.

F. Disaster Recovery.

Superion provides Disaster Recovery (DR) services for the systems hosted in a Superion data center for our hosted clients. The costs for DR services are included in the monthly fees. Services cover the following scenarios:

- (a) Loss of client data center. In the event the client's data center is inaccessible or rendered non-functional. Superion will provide the ability to connect to the appropriate Superion data center using software provided by Superion. This will provide the appropriate software to allow the client to connect to their systems from a remote site to previously identified critical services. Functionality may be diminished due to lack of access to hardware and/or software located in the client's facilities.

G. Reporting

Superion shall measure its performance against the performance metrics, as set forth herein, and shall provide a report of such performance on a monthly basis. Such report(s) shall be delivered via an agreed upon method and within ten (10) days following the end of the applicable monthly measurement period. The Customer may request changes to the format of the performance report and additional performance metrics as long Superion may reasonably comply with such requests. Superion will schedule a performance review with the Customer upon request. In addition, upon Customer's request annually Superion will supply one (1) copy of our most recent PCI compliance reports.

H. Exceptions.

Notwithstanding anything herein, Superion shall not be responsible for failure to carry out any of its obligations under this Service Commitment Supplement (including liability to apply any credit for any failure to meet a service level commitment target) if the failure is caused by:

- (a) scheduled downtime in order to carry out maintenance or suspensions in the Application Services that Customer has been notified of in advance that occurs outside of Normal Business Hours, provided that, in event of any critical or urgent system issue, that does not reasonably permit advance notice to Customer. Superion shall provide notice as and when commercially reasonable with respect to

such urgent issue, or as otherwise reasonably agreed between Customer and Superior. The system is reserved for maintenance on Sundays from 8am to 12 noon Eastern Time;

- (b) adverse impact due to the defectiveness of the Customer's environment, Customer's systems, or due to Customer corrupt, incomplete, or inaccurate data supplied to the Application Services;
- (c) adverse impact as a result of denial of reasonable access by Superior personnel to relevant portion of Customer's systems or premises that prevents Superior from addressing and provided that no other commercially reasonable method is available to attain such information;
- (d) adverse impact due to material changes made to the usage of the Application Services by Customer where Superior has not agreed to such changes in advance and in writing;
- (e) adverse impact due to the modification or alteration, in any way, by Customer or its subcontractors, of communications links necessary to the proper performance of the Application Services;
- (f) adverse impact due to a Documented Defect;
- (g) a force majeure event, or the negligence, intentional acts, or omissions of Customer or its agents.

Cloud Procedures

A. Incident Resolution

Performance targets vary due to issue complexity and priority. For critical requests, Superior provides a continuous resolution effort until the issue is resolved.

B. Service Requests

Service requests are new requests that will take less than 8 hours to accomplish. The Superior Cloud Solutions management team will perform the prioritization for these requests. There will be a targeted resolution goal of up to five (5) days, with extra time being allowed if equipment or software needs to be ordered or multiple products have to be analyzed. However, more complex requests may take longer to complete. Any new service requests requiring more than 8 hours to accomplish may constitute a project and must be scheduled.

C. Non-Production Environments

Superior will make commercially reasonable efforts to provide non-production environment during Customer business hours. For avoidance of doubt, the aforementioned non-production environment are not included under the SLA metrics period(s) hereunder.

Scheduled Maintenance

System maintenance

Superior will provide all necessary hosted systems and network maintenance for non-production environments as deemed appropriate and necessary by Superior Cloud Solutions. All necessary maintenance will be scheduled with the Customer and may be completed during business hours.

Superior application maintenance and upgrades

Software maintenance and upgrades for non-production environments may be performed during the Customer's standard business hours. Software maintenance and upgrades will be scheduled in advance, with the Customer's primary contact.

Hardware maintenance and upgrades

Hardware maintenance and upgrades for non-production environments may be performed during the Customer's standard business hours. The primary Customer contact will be notified, via the on-file e-mail address, prior to hardware upgrades being performed.

Emergency maintenance

Emergency situations will be handled on a case-by-case basis in such a manner as to cause the least possible disruption to overall system operations and availability without negatively affecting system stability and integrity. The primary Customer contact will be notified, when possible, via the on-file e-mail address, prior to emergency maintenance being performed. If no contact is made, emergency maintenance will move forward as deemed necessary by Superior Cloud Solutions management.

Incidents and service requests.

Non-production environment incidents will be considered priority 3 or priority 4 incidents as circumstances dictate and handled as such. Service requests will be prioritized and scheduled similar to production service requests.

Non-Production environment refreshes

Non-Production environment refreshes will be provided upon the written request of the Customer. Upon the receipt of a Customer's refresh request, Superior will schedule and complete the refresh within two (2) weeks of the request, unless additional time is required in order to meet Customer's expectations, but not to exceed four (4) weeks.

I. Responsibility Summary Matrix

| Responsibility Summary Matrix | | |
|---|-------------------------|-------------------------|
| Description | Superion Responsibility | Customer Responsibility |
| ASP Server Hardware management | X | |
| ASP Server File system management | X | |
| ASP Server OS upgrades and maintenance | X | |
| ASP Database product upgrades and maintenance | X | |
| ASP 3 rd Party product upgrades and maintenance | X | |
| ONESolution Application Update Installation | | |
| Request to install application updates | | X |
| Installation of application updates | X | |
| ASP Backup Management | X | |
| Data and or File restoration | | |
| Request to restore data and or files | | X |
| Restoration of data and or files | X | |
| Network | | |
| ASP Network up to and including the router at Superion's location | X | |
| ASP Router at Customer's location | X | |
| Customer's network up to the router at Customer's location | | X |
| Customer Workstations | | X |
| System Performance | X | X |
| Add/Change users | | |
| User add/change requests | | X |
| User add/change implementation for System Access | X | |
| User add/change implementation for Software Applications | | X |
| Add/Change Printers | | |
| Printer add/change requests | | X |
| Printer add/change implementation on ASP network | X | |
| Printer add/change implementation for Software Applications | | X |
| Disaster Recovery | X | |
| Password Management | X | X |
| Application Management | | |
| Application Configuration | | X |
| Application Security Management | | X |
| Accuracy and Control of Data | | X |
| Security | | |
| Intrusion and Penetration Testing | X | |

PART 2 – ERROR CORRECTION

1. Superior shall provide to Customer, during Superior's support hours as set forth in the Support Standards below ("Support Hours"), telephone assistance regarding Customer's proper and authorized use of a new edition of a Solution (the "Release"), as applicable.
2. Superior shall provide to Customer, during the Support Hours, commercially reasonable efforts in solving errors reported by Customer in accordance with this Order. Customer shall provide to Superior reasonably detailed documentation and explanation, together with underlying data, to substantiate any error and to assist Superior in its efforts to diagnose, reproduce and correct the error. These support services shall be provided by Superior at Customer location(s) if and when Superior and Customer agree that on-site services are necessary to diagnose or resolve the problem. If a reported error did not, in fact, exist or was not attributable to a defect in the Solution or an act or omission of Superior, then Customer shall pay for Superior's investigation and related services at Superior's standard professional services rates. Customer must provide Superior with such facilities, equipment and support as are reasonably necessary for Superior to perform its obligations under this Order, including remote access to the Specified Configuration.
3. Customer shall promptly install and/or use any Release provided by Superior to avoid or mitigate a performance problem or infringement claim. All modifications, revisions and updates to the Solution shall be furnished by means of new Releases of the Solution and shall be accompanied by updates to the Documentation whenever Superior determines, in its sole discretion, that such updates are necessary.

Support Standards

I. Support Hours: Hours During Which Superior's Telephone Support Will be Available to Customer in Connection with the Provision of Maintenance: Unless otherwise noted in the Order as to Support Type, support hours are Monday through Friday, 8:00 A.M. to 5:00 P.M. Customer's Local Time within the continental United States, excluding holidays ("5x9").

II. Targeted Response Times.

"Notification" means a communication to Superior's help desk by means of: (i) Superior's web helpline; (ii) the placement of a telephone call; or (iii) the sending of an e-mail, in each case, in accordance with Superior's then-current policies and procedures for submitting such communications. With respect to Superior's support obligations, Superior will use diligent, commercially reasonable efforts to respond to Notifications from Customer relating to the Solution identified in the Order in accordance with the following guidelines with the time period to be measured beginning with the first applicable Superior "Telephone Support" hour occurring after Superior's receipt of the Notification:

| Priority | Description | Response Goal* |
|--------------------------|--|---|
| Urgent 1 | A support issue shall be considered Urgent when it produces a Total System Failure; meaning Superior's Solution is not performing a process that has caused a complete work stoppage. | Superior has a stated goal to respond within 60 minutes of the issue being reported and have a resolution plan within 24 hours. |
| Critical 2 | A support issue shall be considered Critical when a critical failure in operations occurs; meaning Superior's Solution is not performing a critical process and prevents the continuation of basic operations. Critical problems do not have a workaround. This classification does not apply to intermittent problems. | Superior has a stated goal to respond within two hours of the issue being reported. |
| Non-Critical 3 | A support issue shall be considered Non-Critical when a non-critical failure in operations occurs; meaning Superior's Solution is not performing non-critical processes, but the system is still usable for its intended purpose or there is a workaround. | Superior has a stated goal to respond within four hours of the issue being reported. |
| Minor 4 | A support issue will be considered Minor when the issue causes minor disruptions in the way tasks are performed, but does not affect workflow or operations. This may include cosmetic issues, general questions, and how to use certain features of the system. | Superior has a stated goal to respond within 24 hours of the issue being reported. |

* Measured from the moment a Case number is created. As used herein a "Case number" is created when a) Superior's support representative has been directly contacted by Customer either by phone, email, in person, or through Superior's online support portal, and b) when Superior's support representative assigns a case number and conveys that case number to the Customer. Customer must provide remote access to its facility using a Superior approved remote access client so that Superior can perform the support obligations and/or services under this Order; and will provide appropriate security access and accounts for Superior staff and each session participant. Customer must provide remote access to its facility using a Superior approved remote access client so that Superior can perform the support obligations and/or services under this Agreement; and will provide appropriate security access and accounts for Superior staff and each session participant.

SOLUTION AVAILABILITY AND SUPPORT

1. Superior's Responsibilities

Superior undertakes all responsibilities as outlined under Parts 1 and 2 of this Exhibit.

2. Customer Responsibilities

Superior will not be liable for a failure to perform its responsibilities under this Exhibit to the extent such failure is directly caused by the Customer not complying with its obligations under this Agreement.

- A. Customer will designate named contacts for contacting support. These named contacts will have undertaken specific training under the supervision of Superior in order to log faults and interact with support services.
- B. Customer may be asked to perform problem determination activities as suggested by Superior. Problem determination activities may include capturing error messages, documenting steps taken and collecting configuration information. Customer may also be requested to perform resolution activities including modifying processes. Customer agrees to cooperate with such requests, if reasonable.
- C. Customer is responsible for the training and organization of its staff.
- D. Superior is not required to provide any services relating to problems arising out of any alterations of or additions to the Solution performed or authorized by parties other than Superior (including its contractors, or third parties under Superior's control). The Solution does not include development work on software not licensed from Superior or development work for enhancements or features that are outside the documented functionality of the Solution except such work described in Exhibit 1. Customer may request consulting and development work from Superior as a separate billable service.
- E. Customer will appoint a vendor liaison manager who will be Customer's primary contact with Superior on all commercial matters related to the Solution.

4. Disagreement procedure

In case the parties are in disagreement as to whether Superior has fulfilled its obligations under this ASP Order the parties shall use all reasonable efforts to amicably settle such dispute within five (5) working days. If the disagreement remains following such five working day period, the parties shall escalate the problem to the following representatives for the respective company to resolve the dispute:

Superior: Director of Operations (first level); VP of Services (escalation – 1st level); General Manager (escalation – 2nd level)

Customer: (To Be Designated by Customer): _____

The disagreement procedure proposed herein shall not limit either party's right to bring a claim as provided for in the Agreement. Notwithstanding any dispute under this Exhibit, the parties have a duty to continue fulfilling all their other obligations under this Agreement.

EXHIBIT 5 - COGNOS THIRD PARTY PRODUCTS SUPPLEMENT

1. Additional Definitions. "Cognos Component Systems" means any of the software provided to Superior by Cognos Corporation ("Cognos") and identified under the name "Cognos" in Exhibit 1.
2. Ownership. Cognos owns the Cognos Component Systems.
3. Restrictions on Use of Cognos Component Systems. Customer's use of the Cognos Component System(s) is subject to the following additional terms and conditions:

(a) Customer has the right to use the Cognos Component System(s) only in Object Code form, and only with the Superior Licensed Software.

(b) Customer acknowledges that the Cognos Component System(s) are proprietary to Cognos and are supplied by Superior under license from Cognos. Title to the Cognos Component System(s) shall at all times remain vested in Cognos or its designated successor. Except for the right of use that is expressly provided to Customer under the Agreement, no right, title or interest in or to the Cognos Component System(s) is granted to Customer;

(c) Customer agrees that Cognos shall not be liable for any damages, whether direct, indirect, incidental, special, or consequential, arising from the Customer's use of the Cognos Component System(s) or related materials;

(d) Customer acknowledges and agrees that Cognos is a third party beneficiary of this Agreement;

(e) Customer acknowledges and understands that the Cognos Component System(s) may only be used by the number of users for the specific functions for which the license has been granted, as otherwise specified in Exhibit 1; and

(f) Customer acknowledges and understands that it is licensing the Cognos Component System(s) on a "restricted use" basis. "Restricted use" means the use of the Cognos Component System(s) only with the following Component Systems, to the extent licensed as set forth in Exhibit 1. Such restricted use shall include Customer's right to extract, analyze, and report data from disparate systems, provided that such data is extracted, analyzed and reported by the software applications system(s) set forth in Exhibit 1.

(g) In lieu of the warranty provided in Section 7 of the Agreement, Customer shall be provided with the limited, thirty (30) day warranty from Cognos as set forth below. Cognos warrants to Customer that (a) for a period of thirty (30) days following the initial delivery/download/access of the Cognos Component System(s) to or by Customer, the Cognos Component System(s) will perform in accordance with its related documentation, and (b) the media on which the Cognos Component System(s) is provided, if applicable, is free from defects in materials and workmanship under normal use. Subject to applicable law, all other warranties, express or implied, or otherwise, are excluded. Customer's only remedy against Cognos if this warranty is breached will be, at the option of Cognos, (a) to repair or replace the Cognos Component System(s) or (b) to refund the amounts paid in respect of the defective Cognos Component System(s). This remedy is void if Customer misuses the Cognos Component System(s) contrary to its related documentation.

EXHIBIT 6 – SCOPE OF WORK

1. Introduction

This document is the Statement of Work (SOW) for the implementation of Services with respect to the migration from IFAS to the Solution software expressly identified in the Order (the “Agreement”). This SOW is incorporated into the Agreement.

- The SOW is intended to be a planning and control document, not the detailed requirements or design of the solution.

The Deliverables listed herein are considered requirements of the project and have an assigned lead which has been noted in the columns below. Upon project initiation your organization will be provided a Welcome Packet that encompasses all of the tools available to manage the project with your organization.

2. Definitions of Terms and Services

| • Scope Definition | • Scope Description | • Customer Deliverables/Actions | • Superior Deliverables/Actions |
|--------------------|---------------------|---------------------------------|---------------------------------|
|--------------------|---------------------|---------------------------------|---------------------------------|

3. Installation Services Scope

| | | | |
|--|---|--|--|
| Installation and Initial Data Migration | Initial Installation and Data Migration is the installation of the ONESolution file system and the migration of data from the existing production environment to a pre-production environment. | <ul style="list-style-type: none"> • Hardware Set Up Completed • Attend Discovery Call • Review and Signoff on Completed SOW | <ul style="list-style-type: none"> • Pre-Install Checklist • Discovery Call • Statement of Work • Post Action Report |
| Post Installation Verification | Post Install Verification is an in depth validation of the system post install. Customer specific set up, configuration and data validation is the customer responsibility for testing and validation. The intent of the verification is to ensure system readiness for customer and consulting activities. | <ul style="list-style-type: none"> • Upon System Turnover and Completed Test Plans, Customer to Test and Validate System | <ul style="list-style-type: none"> • Completed Test Plans |

| | | | |
|------------------------------|---|--|---|
| SA/DBA Training | SA/DBA Training is ONESolution system administration training. These sessions will be handled via remote distance learning. | <ul style="list-style-type: none"> • Attend Training | <ul style="list-style-type: none"> • Agendas – One week prior to session. • Distance Learning Log – Within one week of session. |
| Mock Data Roll | Mock Data Roll is a ‘dress rehearsal’ of the Go-Live Cutover process. Fully scripted with all tasks, resources and people identified and participating. | <ul style="list-style-type: none"> • Attend Discovery Call • Review and Signoff on Completed SOW • Provide Installer with Items, Setup, or Configuration to be Preserved for Mock Migration • Test and Validate System | <ul style="list-style-type: none"> • Discovery Call • Statement of Work |
| Final Data Roll | Final Data Roll is the Go-Live Cutover where pre-production becomes the live production environment. The Final Data Roll typically starts on a Thursday afternoon/evening and runs through the weekend with the live ONESolution production the following Monday. | <ul style="list-style-type: none"> • Attend Discovery Call • Review and Signoff on Completed SOW • Provide Installer with Items, Setup, or Configuration to be Preserved for Final Migration | <ul style="list-style-type: none"> • Discovery Call • Statement of Work |
| Test Account Creation | Test Account Creation is the creation of the test account which is cloned from the new production environment. | <ul style="list-style-type: none"> • Validate Account | <ul style="list-style-type: none"> • Discovery Call • Statement of Work |
| Weekend Uplift | Weekend Uplift covers the weekend go-live activities. | | |



Installation Scope Requirements and Notes:

- Customer is responsible for the procurement and installation of hardware based upon Superior’s Recommended Hardware Specifications.
- Superior will perform one initial migration, one mock migration and one final migration as part of the Agreement. Superior will create one Production Account and one Test Account as part of the Agreement. Additional accounts will require additional hours added to the Agreement by mutual written agreement at Superior’s prevailing rates.

4. Development Services Scope

| | | | |
|--|---|---|---|
| <p>Custom Development Discovery</p> | <p>Custom Development Discovery is the review and specification writing for any possible changes that may be required to any custom development a customer may have had done in the past. If the specification work is more extensive than what has been quoted in good faith under the Agreement then additional hours for Custom Development may be required. Additional hours will be added to the Agreement by mutual written agreement at Superior’s prevailing rates. Unless otherwise specifically stated within the Agreement, Superior has not included services for Custom Development in the Agreement.</p> <p>Any custom development identified may change the scope or timeline of the project.</p> <p>Note: Existing custom development items may need to be amended to work in ONESolution. If so, the hours herein will be used for discovery and specification development. Software development hours will be outside of the scope of this agreement.</p> | <p>If applicable, the following is the process for Custom Development Services:</p> <ul style="list-style-type: none"> • Identify Custom Software • Complete Work Request Form – Details customization or change requested • Discovery Call(s) • Review and Signoff on Completed Task Specifications • Test and Validate Customizations | <p>If applicable, the following is the process for Custom Development Services:</p> <ul style="list-style-type: none"> • Discovery Call(s) • Task Specification(s) <p>Refer to Appendix A: Custom Development Items</p> |
|--|---|---|---|

Workflow and CDD Report Development Assistance

Workflow and CDD Report Development Assistance is to aid with any workflow or report development that may be required by the upgrade to ONESolution. Superior will migrate all existing workflow models and reports to ONESolution from the organization’s production environment as part of our migration process. We expect the workflow models and reports to achieve the same business functions in ONESolution. The organization’s workflow models and reports must be tested and may require updating due to software, schematic or table changes in the updated version of ONESolution. Customer will test all required reports and workflow models and Superior will update the workflow models and reports as necessary up to the hours included in this SOW.

Note: UNIX to SQL Migrations clients will be required to have modifications done to custom reports.

If applicable, the following is the process for Custom Development Services:

- **Identify Workflow or CDD Report Changes**
- **Complete Work Request Form – Details change requested**
- **Discovery Call(s)**
- **Task Specification(s)**

If applicable, the following is the process for Custom Development Services:

- **Discovery Call(s)**
- **Task Specification(s)**

Cognos Analytics Development

Superior has included services to move a selection of current IFAS reports into Cognos reports. Superior will develop existing IFAS reports in Cognos as part of our migration process. We expect the Cognos reports to perform the same business functions in ONESolution. Customer will test all Cognos reports developed for the organization. Superior will create Cognos reports up to the hours included in this SOW. Each report will be reviewed in the Discovery Call and will be placed in one of the follow three categories:

- **Simple** – list report with basic calculations and formatting. Report templates can be utilized for the majority of development. Typically one query handles

If applicable, the following is the process for Custom Development Services:

- **Identify IFAS reports that need to be created in Cognos Analytics**
- **Complete Work Request Form – Details change requested**
- **Discovery Call(s)**
- **Task Specification(s)**

If applicable, the following is the process for Custom Development Services:

- **Discovery Call(s)**
- **Task Specification(s)**

| | |
|---|--|
| <p>the report information. Can be prompted and filtered. <i>Est 8 hours</i></p> <ul style="list-style-type: none"> ○ Medium – report containing more advanced calculations and formatting. May need more than one report query to retrieve the data, master-detail relationships may be needed. Typically includes several prompts. <i>Est 16 hours</i> ○ Complex – highly formatted report which may contain more than one list or report object and multiple developed pages, contains complex calculations such as running balance, may have conditional formatting and multiple levels of summarization. Financial Statements typically fall under this category. <i>Est 32 hours</i> | |
|---|--|

Development Scope Requirements and Notes:

- Customer will have 30 days upon delivery to test and validate functionality unless otherwise stated. Upon the 30 day delivery date the task will be considered complete and any additional requests for engagement will be handled under a new task and will be scheduled based on next availability of the Superior resource.

5. Consultant Services Scope

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|-----------------------------------|---|---|---|
| <p>Consulting/Training</p> | <p>Consulting/Training is a combination of consultative efforts guiding and advising of best practice set up and configuration based on how the system is used, while enhancing the core teams' knowledge on current functions and features as well as the differences between the current live version and the ONESolution version. Consulting/Training consists of:</p> <ul style="list-style-type: none"> ○ Navigation/Desktop Overviews ○ Module and Functional Overviews | <ul style="list-style-type: none"> • Attend Training • Complete Homework (if applicable) • Review and Sign Trip/Distance Learning Log • Review Milestone Tracking | <ul style="list-style-type: none"> • Agendas – One week prior to scheduled session. • Trip/Distance Learning Log – Within one week of session. • Milestone Tracking |
|-----------------------------------|---|---|---|

| | | | |
|---|--|--|---|
| | <ul style="list-style-type: none"> ○ Training on the New Security Model ○ Training on new Features/Changes ○ Tools Analysis ○ Go Live Preparation and Testing Support ○ Go Live and Post Go Live Support | <ul style="list-style-type: none"> ● Training and End User Guides | |
| Business Process Review (if applicable) | <p>Business Process Review is an in-depth review of current organization business practices and processes. Superior will make best practice recommendations for process change and design to the organization based on use of Superior software.</p> <p>Note: It is our recommendation that a BPR be conducted prior to this engagement for a full scope and analysis for a successful migration to ONESolution.</p> | <ul style="list-style-type: none"> ● Provide Current “As Is” Processes ● Attend Interview Sessions per Schedule ● Review BPR Recommendations ● Signoff on Completed BPR ● Determine Which Recommendations to be Implemented During Project | <ul style="list-style-type: none"> ● Onsite BPR Interview Sessions ● BPR Findings Document with Recommendations |
| Business Process Review Consulting (if applicable) | <p>If a BPR was conducted the Customer will want to implement some of the recommendations from the BPR report. The hours in this area will be used to assist the Customer in implementing the recommendations. These may be used for consulting, configuration, training, or development. This effort will be integrated into the project plan.</p> | <ul style="list-style-type: none"> ● Identify the recommendations to be implemented. | <ul style="list-style-type: none"> ● Incorporate the recommendations to be implemented within the project plan. |

Consulting/Training Scope Requirements and Notes:

- This project takes a train the trainer approach. Superior will train the Customer core users and the core users will train end users (if applicable) prior to cutting over and going live. This includes creating Customer specific manuals if necessary. If Customer requests End User Training Services, additional hours will be required and will be added to the Agreement by mutual written agreement at Superior’s prevailing rates.
- Customer is responsible for Testing all aspects of ONESolution. This includes but is not limited to the following:

- All business processes including payroll
- Reports and Workflow
- Security
- Interfaces

6. Project Management Services Scope

| | | | |
|---------------------------|---|--|--|
| Project Management | <p>Superion will provide a Remote Project Manager (RPM) who will dedicate an estimated average of 10 hours/month with approximately 24 hours spent during the Initiation Phase of the project, unless the Agreement hours states otherwise. Throughout the project, the RPM will keep the project organized from the Superion perspective, on schedule and on budget. A series of project tools are provided to assist your organization's Project Manager in leading the project effort as well.</p> | <ul style="list-style-type: none"> ● Review and Sign Charter ● Attend Project Kickoff ● Provide Organization Schedule Timely for SG PM to complete Project Plan ● Participate in Weekly Call with SG PM ● Test and Validate the System Timely to Provide Feedback in Weekly Calls ● Complete Go Live Checklist | <ul style="list-style-type: none"> ● Project Charter ● Project Kickoff ● Project Plan ● Open Items Log ● Weekly Status Call with Agenda ● Monthly Stakeholder Report ● Go Live Checklist |
|---------------------------|---|--|--|

Project Management Scope Requirements and Notes:

- Both Superion and Customer will assign Project Manager's with the requisite skills and leadership authority within the organization to effectively accomplish the goals and complete the scope of the services in this SOW. Superion has allocated hours to cover a 9-12 month project. If the project runs over the allotted RPM hours the Customer may contract for additional hours.
- Customer will participate in weekly project team calls with Superion's Project Manager.
- Customer is responsible for completing the Go-Live Checklist no less than 30 days before go live to ensure full testing has occurred and the customer organization is ready for go live.

7. Project Governance and Requirements

8. Customer

9. Project Sponsor

The project sponsor provides support to the project by allocating resources, providing strategic direction, communicating key issues about the project and the project's overall importance to the organization. The project sponsor will be involved in the project as needed to provide necessary support, oversight, and guidance, but will not participate in day-to-day activities. The project sponsor will empower the steering committee to make critical business decisions for the organization.

10. Steering Committee

The Steering Committee will understand and support the cultural change necessary for the project and foster throughout the organization an appreciation of the value of an integrated ERP system. The Steering Committee oversees the project team and the project as a whole. Through participation in regular meetings the Steering Committee will remain updated on all project progress, project decisions, and achievement of project milestones. The Steering Committee will also provide support to the project team by communicating the importance of the project to each member's department along with other department directors in the organization. The Steering Committee is responsible for ensuring that the project has appropriate resources, providing strategic direction to the project team, and is responsible for making timely decisions on critical project or policy issues.

- Provide staff and facilities to the implementation effort as described herein.
- Make final decisions on policy changes as necessary.
- Communicate to governing body as necessary.
- Final escalation point for project issues.
- Meet bi-weekly or more frequently as needed to review progress.
- Approve material changes in the project plan.
- Advise Project Managers on resolution of project issues.
- Immediately resolve any delay in decision-making that could affect the project timeline.

11. Project Manager

The customer project manager will coordinate project team members, subject matter experts, and the overall implementation schedule. The Project Manager will be responsible for reporting to the Steering Committee and providing the majority of the organizations change management communications and coaching. The project manager will also be the primary point of contact for the project and will coordinate all activities with the Superior Project Manager.

- Fulfill Go Live dates established in the project plan.
- Monitor and report overall implementation progress (duties of both the Customer and Superior).

- Monitor and report progress on the Customer's responsibilities.
- Immediately notify Superior Project Manager and Executive Steering Committee of any issue that could delay the project
- Supervise the Customer Project Team.
- Fulfill all the Customer project deliverables.
- Provide availability to the infrastructure and facilities as per the project schedule.
- Provide Staff according to the project plan.
- Ensure change management, training and communication are effective (and adjusted accordingly if goals are not met).
- Coordinate, direct, and define pre-Go Live testing by the staff.
- Review and approve staffing changes.
- Foster a learning environment.

12. Project Functional Team Leads

Project team members will be the core functional leads for each area in the system. The project team members have detailed subject matter expertise and are empowered to make appropriate business process and configuration decisions in their respective areas:

- Team Leads should include individuals from all major functional areas.
- Coordinate with the project manager in communications and issue resolution.
- Make recommendations to the Project Manager concerning any policy or implementation issues.
- Participate in pre-Go Live testing.
- Assist Superior with configuration of ONESolution.
- Assist with the resolution of issues.
- Identify end users to attend training. Create end-user training documentation. Deliver End-User Training Classes.
- Provide support to the user community in the post production timeframe.
- Define specifications for Development of Interfaces, Workflow, Reports, Forms, and Conversions as necessary.
- Test Interfaces, Workflow, Reports, Forms, Conversions and software functionality as necessary.
- Validate Data.
- Set up security profiles.

13. Superior

14. Project Manager

- The Superior Project Manager will:
- Manage and monitor go live dates.
- Support Customer Project Manager in monitoring and reporting overall implementation progress.

- Immediately notify Customer Project Manager and Project Sponsor of any issue that could delay the project.
- Fulfill all Superior project deliverables outlined in the SOW.
- Ensure a completed software installation as per the project schedule.
- Provide Superior Staff according to the project plan.
- Facilitate coordination between all Superior departments.
- Monitor the work plan and schedule and make course corrections as necessary.
- Serve as the point person for all project issues (First escalation point).
- Prepare weekly status along with weekly project call.
- Provide issue resolution status, tracking, and procedures.

15. Functional Leads (Consultants, Developers, and Technical resources)

- Work with Customer SMEs to design and configure the functional components of the ONESolution system for optimal long-term use.
- Participate in ONESolution software configuration with assistance from the Customer’s Functional Leads.
- Check that Software operates after configuration as per its documentation.
- Assist with the resolution of issues.
- Trains the Customer core group during the configuration of software.
- Provide agenda and trip/distance learning reports for each session.

16. Escalation Procedures

The Customer and Superior should anticipate challenging issues to arise throughout the implementation process due to the complexity of this project. In order for challenging issues to be remedied in a timely fashion, the Customer and Superior will utilize the following Escalation Procedure:

All communication regarding the project should be directed to Superior and the Customer’s Project Managers in order to maintain consistent communication between the parties. Scheduled weekly meetings will be maintained between the Superior Project Manager and the County’s Project Team (including the County’s Project Manager).

All issues or concerns will be discussed actively and openly between Superior’s Project Manager and the County’s Project Manager. If issues begin to interfere with the progression of the implementation project, the Customer and/or Superior Project Managers should escalate challenges to Superior and the Customer management in the sequence below, as needed:

| | | |
|--|----------------|--|
| • Michele Leaf – Manager, Professional Services | • 530.879.5126 | • michele.leaf@superion.com |
| • Paul Tovey – Director, Professional Services for Public Administration | • 530.879.5139 | • paul.tovey@superion.com |
| • Todd Schulte – CCO | • | • Todd.schulte@superion.com |
| • Tom Amburgey – Vice President and General Manager | • 407.304.3022 | • tom.amburgey@superion.com |



SUPERION



• Kevin Lafeber – President and CCO

• 407.304.3102

• kevin.lafeber@superion.com



17. Appendix A: Custom Development Items

Funded Development Developer will utilize the Custom Development hours within the contract to review the following specified areas noted by the customer.

| Custom Development Discovery | |
|---|--------------------------|
| Check Writer | <input type="checkbox"/> |
| ELF Forms | <input type="checkbox"/> |
| Web Forms | <input type="checkbox"/> |
| Custom Modifications | <input type="checkbox"/> |
| Integrations with 3 rd Parties | <input type="checkbox"/> |

Please List Specifics

- Check Writer(s):
 - NA
- ELF Form(s):
 - NA
- Web Form(s):
 - NA
- Custom Modification(s):
 - NA
- Integrations with 3rd Parties:
 - NA