



Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: DIRECTOR OF DEVELOPMENT SERVICES

DATE: JULY 10, 2018

SUBJECT: **EXCLUSIVE NEGOTIATING AGREEMENT WITH USA PROPERTIES FUND, LLC FOR REAL PROPERTY LOCATED AT 207-209 WEST CROWTHER AVENUE**

FISCAL IMPACT: NONE

SUMMARY:

The City currently owns real property at 207-209 West Crowther Avenue, (Assessor Parcel Numbers 339-402-05; 339-402-08; 339-402-11), (collectively, the Property). The Property was previously acquired by the City to serve as parking for the proposed Metrolink Station. These properties were originally purchased utilizing Redevelopment Agency funds on behalf of the City in the amount of \$5,400,000.

On December 6, 2016, City Council approved a Professional Services Agreement with Keyser Marston Associates, Inc. (Keyser Marston) to provide Real Estate Advisory Services for the marketing, disposition and sale of the Property. As part of the Real Estate Advisory Services with Keyser Marston, a comprehensive Request for Proposals (RFP) was developed. The RFP process allowed the City to thoroughly assess residential mixed-use development potential, as well as provide the opportunity to review quality development proposals on a long-term ground lease agreement. On April 10, 2018, the RFP review committee, which was comprised of the members of the Housing, Community and Economic Development Ad-Hoc Committee and Staff from the Administration, Development Services and Economic Development Divisions (the Committee), reviewed the development proposal and made a recommendation to enter a Second Round of the selection process with USA Properties Fund, Inc. (USA Properties). This action approves an Exclusive Negotiating Agreement with USA Properties.

RECOMMENDATION:

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

1. Approve an Exclusive Negotiating Agreement (ENA) with USA Properties Fund, Inc. for real property located at 207-209 West Crowther Avenue; and
2. Authorize the City Administrator and/or his designee to execute all necessary documents, in a form approved by the City Attorney.

1.f.
July 10, 2018

DISCUSSION:

The City currently owns real property at 207-209 West Crowther Avenue, (Assessor Parcel Numbers 339-402-05; 339-402-08; 339-402-11), (collectively, the Property). The Property was previously acquired in 2009 by the City to serve as parking for the proposed Metrolink Station. These properties were originally purchased in the amount of \$5,400,000. Approximately \$1.6 million of the \$5.4 million purchase price came from the Placentia Redevelopment Agency's (RDA) Low and Moderate-Income Housing Fund (LMIHF) using two separate funds. Of the \$1.6 million, approximately \$700,000 came from 2002 housing bonds proceeds with the other \$900,000 from 2009 non-housing bonds. In accordance with Health and Safety Code Section 33334.2, the RDA adopted findings to support use of the LMIHF funds to purchase the Property including the Property as "...ideal...for the development of affordable housing" and "...acquisition of an interest in the Property...is consistent with the CRL,...by providing for new residential development...at affordable rent to very low, low or moderate-income households..." However, the Purchase and Sale Agreement and real property records do not identify the RDA, only the City, as the purchaser/owner of the Property.

Redevelopment Agency and Successor Agency Purchase and Findings

Pursuant to ABx1 26 and California Redevelopment Association v. Matosantos et. al. (Dissolution Law), the RDA was dissolved in 2011 and the Successor Agency to the RDA (Successor Agency) was formed to wind down the affairs of the RDA. The Successor Agency underwent a number of audits and reviews in order to determine what assets should be retained by the City, Successor Agency and/or Housing Successor and otherwise directing the disposal or use of RDA assets. The following is a table which includes the timing and action taken by the Successor Agency as part of the dissolution process followed by a more detailed description of each activity.

Date	Action
9/5/2012	State of California Department of Finance's (DOF) Approval of Housing Asset Transfer
10/18/2012	Finding of Completion issued by DOF indicating that the Successor Agency "has made full payments of the amounts determined under HSC 34179.6, subdivisions (d) or (e) and HSC Section 34183.5."
12/9/2012	Oversight Board approval of Low and Moderate-Income Housing Fund Due Diligence Review
1/2013	Successor Agency & Oversight Board approval of Other Funds and Accounts Due Diligence Review
9/2012-5/2013	DOF demand that amendment to Housing Asset Transfer to include \$1.6 million
5/8/2013	Oversight Board action transferring \$1.6 million to Housing Asset Transfer
5/21/2013	Successor Agency action transferring \$1.6 million to Housing Asset Transfer
8/23/2013	DOF denial of amended Housing Asset Transfer including \$1.6 million for purchase of 207-209 West Crowther Avenue
6/2014	Successor Agency submitted its Long-Range Property Management Plan
10/2015	DOF Approval of Long Range Property Management Plan

In August 2012, the Successor Agency underwent a Housing Asset Transfer (HAT) review informing the DOF that the Successor Agency was assuming the housing functions of the RDA along with providing a list of defined housing assets it was seeking to retain as part of its housing function (Health & Safety Code Section 34176 (a)(2).) The HAT was approved by DOF in September 2012 and did not identify the \$1.6 million. However, after DOF approved the HAT, it informed the Successor Agency that the HAT should be amended to include these funds. In compliance with the DOF's request, the Successor Agency and its Oversight Board approved an amended HAT that included the \$1.6 million. In spite of the fact that the HAT was amended at the behest of the DOF, DOF ultimately denied the transfer of the \$1.6 million for the following reasons:

It is Finance's understanding that the City, and not the Agency is the owner of the West Crowther properties. Additionally, there is no contract in place for the disposition of the residual rental income. Currently, the Agency's LMIHF has received 30 percent of the rental income; the remaining 70 percent has been deposited to the City's General Fund. Furthermore, although the West Crowther properties were purchased with redevelopment funds, the City has title to the properties. According to the Staff Report dated May 5, 2009, the Orange County Transportation Authority (OCTA) required the City to hold title to the West Crowther properties in order to receive funding through OCTA for the Metrolink Station Project. Therefore, the request to transfer interest in the West Crowther properties and residual rental income to the HAT is denied at this time. The Agency may memorialize the disposition of these assets when submitting their Long-Range Property Management Plan to Finance for review and approval.

Shortly thereafter, in October 2012, the Successor Agency received its Finding of Completion from DOF confirming that the Successor Agency had made full payment of amounts owed under the Dissolution Law (Section 34179.2).

Additionally, in October 2012, the Successor Agency underwent two separate audits. One, of its low and moderate-income housing fund account, and the other, of all other funds and accounts to determine the unobligated balances available for transfer to taxing entities (Section 34179.5). The Successor Agency employed a licensed accountant, approved by the County Auditor-Controller and with experience and expertise in local government accounting, to perform the audits. Each audit was approved by the Successor Agency and its Oversight Board with the final Due Diligence Reviews (DDR's) approved by DOF. Again, with each audit, the DOF did not identify the \$1.6 million as an asset of the RDA nor did it dictate that the money should be disbursed amongst the alternate taxing entities as unobligated funds of the former RDA. Had the funds been identified, the audit would have determined that the money could either be retained or distributed amongst the taxing entities. However, the funds were not identified in either of these audits and was approved by the DOF. Finally, in October 2015, the DOF approved the Successor Agency's Long-Range Property Management Plan which, again, did not include the Property or the \$1.6 million.

The Successor Agency underwent all of the audits and requirements under the Dissolution Law including approval by the DOF of the Housing Asset Transfer; audit and approval of the former RDA's Low and Moderate-Income Housing Fund; audit and approval of the former RDA's Other Funds and Assets; audit by the State Auditor Controller's Office; approval of the Long-Range

Property Management Plan and receipt of a Finding of Completion. Although DOF was aware of the \$1.6 million and evaluated whether the funds were a housing asset as it directed, the DOF ultimately concluded that it was not a housing asset nor did it require the Successor Agency to dispose of the Property and disburse the funds in a specified manner. Once the Successor Agency received its Finding of Completion and approval of its Long-Range Property Management Plan, the Successor Agency completed all obligations under the Dissolution Law.

Since the Property was purchased under the authority of Section 33334.2 and it was not developed with affordable housing, as required under this provision, then upon the sale/lease, the proceeds should be deposited back into the Housing Successor's low and moderate-income housing fund. When the property is leased, a total of \$1.6 million of all funds received over time should be accrued and used to develop low and moderate-income affordable housing as required by the 2009 bonds and Health and Safety Code Section 33334.16.

Real Estate Advisory Services

On December 6, 2016, City Council approved a Professional Services Agreement with Keyser Marston Associates, Inc. (Keyser Marston) to provide Real Estate Advisory Services for the marketing, disposition and sale of the Property. As part of the Real Estate Advisory Services with Keyser Marston, a comprehensive Request for Proposals (RFP) was developed. The RFP was released on February 8, 2018 and closed on March 29, 2018 at 5:00 p.m. Only one proposal was received.

On April 10, 2018, the RFP review committee which was comprised of the members of the Housing, Community and Economic Development Ad-Hoc Committee and Staff from the Administration, Development Services and Economic Development Divisions (the Committee) reviewed the development proposal submitted by USA Properties Fund, Inc. (USA Properties). After assessing the proposal based on their relevant experience, financial capacity, and preliminary site concept, the Committee made the recommendation to proceed with USA Properties. Round Two included an interview with USA Properties, City Staff and Keyser Marston. Among the strengths that articulated during this process were the following:

- USA Properties has extensive experience in the development/construction and acquisition/rehabilitation of over 14,000 apartment units in 90 communities throughout California and Nevada.
- USA Properties offers an integrated development, construction, and operating team.
- USA Properties recently completed the EVIVA Midtown in Sacramento consisting of 118 condominium-style rental units in a six-story structure, with close proximity to mass transit, regional employment centers, restaurants, museums, and art galleries.
- USA Properties is also nearing completion of the Santana Terrace in Santa Clara. The development is a 92-unit multifamily community consisting of four stories of wood-framed construction over a podium garage.
- In addition to the minimum initial lease payment of \$4,400,000 (Four Million, Four Hundred Thousand Dollars) due at the issuance of the first building permit by the City of Placentia, USA Properties will provide additional rent proposals to the City.

USA Properties is proposing to construct a mixed-use, multi-family residential development at the Property which consists of a five-story building over a single subterranean parking level. The development comprises approximately 131 apartment units, primarily housed in the proposed four-story super-structure, and includes half a dozen dwelling units housed within the mixed-use ground floor base, offering live/work/home-occupation opportunities along Crowther Avenue. Approximately 252 on-site parking spaces are being proposed and housed on two structured parking levels. The street-level parking garage provides 113 parking spaces and is lined with 1,000 square feet of neighborhood-serving retail, a 2,500 square foot leasing and management space, resident lounge and lobby, and resident bike storage and repair shop as well as apartment units along the Crowther Avenue frontage.

Staff has developed a proposed Exclusive Negotiating Agreement (ENA) for City Council consideration. An overview of the key terms in the agreement with USA Properties includes the following components:

- Establishes an exclusive negotiation period of ninety (90) days.
- Requires USA Properties to deposit an amount equal to \$15,000 with the City for use towards out-of-pocket costs incurred by the City during the negotiation period, including CEQA Peer Review and City Attorney fees associated with the development of the Lease Agreement/Development Agreement.
- Requires both the City and USA Properties to engage in good faith negotiations on the terms and conditions under which the Property would be leased to USA Properties for developing the proposed development.
- Allows for one possible ninety (90) day extension with an additional \$10,000 deposit to be provided by USA Properties.
- City requires a minimum initial lease payment of \$4,400,000 (Four Million, Four Hundred Thousand Dollars) due at the issuance of the first building permit by the City of Placentia.
- The terms and conditions of additional ground lease payments will be subject to negotiations during the Exclusive Negotiating Agreement Period and will be included in the final Conveyance Instrument.
- Removal of the permanent drain pipe connection between the pump to waste feature on the southerly portion of the Golden State Water Company water well site (and connection to the nearest catch basin located on Crowther Avenue in front of the Site).
- Inclusion of the 15-space parking easement that benefits the adjacent property owner of the Placentia Mutual Packing House site.
- Inclusion of a minimum of 1,000 square feet of commercial retail on the ground floor;
- Dedication of property for street and public utility purposes.
- Undergrounding of new utilities installed as part of the project, as well as removal of three existing utility poles located on the property and in the road-right-of way adjacent to the Golden State Water Company well site. The existing utilities attached to those poles will be placed underground.
- Provision of a direct, private pedestrian connection to the south platform as will be required by the City for the residential tenants of this Project.
- Provision of a storm drain access easement in order to maintain access to the existing storm water pump station and appurtenant equipment located on the western edge of the property.

- Construction and installation of all street improvements and public amenities as depicted in the Streetscape Master Plan along the entire property/project site frontage. This includes but is not limited to street and public right of way improvements, street furniture, light standards, and landscaping consistent with the attached Streetscape Master Plan.
- Provision of a 15-foot temporary construction easement for access to the south Metrolink Platform during construction (dependent upon timing for the construction of the Platform).

FISCAL IMPACT:

As part of the proposed ENA, USA Properties would be required to provide the City with an initial deposit of \$15,000, which will be used to pay actual and reasonable costs associated with the negotiation and preparation of a Lease Agreement/Development Agreement that are incurred by City during the term of the ENA.

Prepared by:

Handwritten signature in blue ink, with the initials "FOG" written in blue above the signature.

Jeannette Ortega
Assistant to the City Administrator/
Economic Development Manager

Reviewed and approved:

Handwritten signature in blue ink, with the initials "JML" written in blue above the signature.

Joseph M. Lambert
Director of Development Services

Reviewed and approved:

Handwritten signature in blue ink.

Damien R. Arrula
City Administrator

Attachments:

1. Proposal by USA Properties Fund, Inc.
2. Exclusive Negotiating Agreement

PROPOSAL:

Ground Lease & Development of 207-209 W. Crowther Avenue (1.62 net acres)



Prepared by:

Placentia TOD Partners

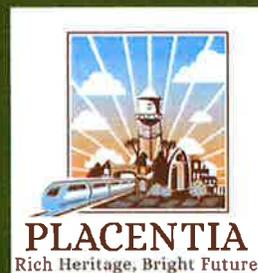
c/o Steven Gall
Executive Vice President

USA Properties Fund, Inc.
3200 Douglas Boulevard, Suite 200
Roseville, California 95661

(916) 724-3825

sgall@USAPropFund.com
<http://usapropfund.com>

Prepared for:



City of Placentia

City Clerk's Office
401 E. Chapman Avenue
Placentia, California 92870
RE: Crowther Development RFP

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NOTE: Per the terms of the RFP this proposal conforms to the 50 page limit, as follows:
 [(61) total pages - (7) pages of Conceptual Drawings - (6) pages of Financial Exhibits = (48) total pages]

TRANSMITTAL LETTER:



March 29, 2018

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

RE: Crowther Development RFP Response – Placentia TOD Partners

To Whom It May Concern:

Enclosed herewith, Placentia TOD Partners is pleased to submit our response to the Crowther Development Request for Proposals (RFP). Pursuant to the requirements of the RFP, I hereby certify that the RFP response and exhibits are true and correct; and that I am the person with authority to negotiate on behalf of our team.

We are very proud of the team that we have assembled to address the opportunity to develop a state-of-the-art, mixed-use project that will generate revenue for the City while serving as a premier destination within the City of Placentia's Transit Oriented Development Packing House District (TOD).

With expertise in design, development, construction, public-private partnerships, and property management, our vertically-integrated team has thoughtfully crafted a proposal that addresses the City's goals for the Crowther Avenue site, while also addressing the requirements, challenges and constraints delineated in the RFP.

Thank you in advance for your consideration of our proposal. We look forward to having the opportunity to enter into a successful partnership with the City of Placentia.

Please don't hesitate to contact me if you have any questions or require anything additional.

Sincerely,

A handwritten signature in blue ink, appearing to read "Steve Gall".

Steve Gall, Senior Vice President
USA Properties Fund, Inc.
3200 Douglas Blvd., Suite 200
Roseville, CA 95661
916-724-3825 | sgall@usapropfund.com

DEVELOPMENT TEAM:

CITY OF PLACENTIA

I. Fee Owner of the Site

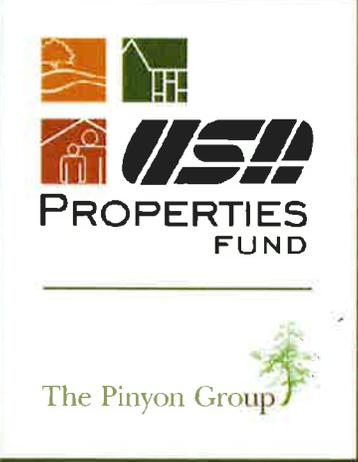
II. Ground Lessor to Developer under to-be-negotiated long-term ground lease (indicative terms of which are provided herein)



**PLACENTIA TOD PARTNERS
("Developer")**

I. Ground Lessee of the Site under to-be-negotiated long-term ground lease (indicative terms of which are provided herein).

II. Developer of the state-of-the-art, mixed-use project that generates revenue for the City and serves as a premier destination within the Transit Oriented Development Packing House District (TOD District) and adjacent Old Town Placentia



NOTE: The above structure is conceptual only. Specific entity names (affiliates and/or subsidiaries / special purpose entities) are subject to change pending finalizing of structure / negotiations.

DEVELOPMENT TEAM: Overview

Overview

Placentia TOD Partners possesses the experience, expertise, and financial capacity to successfully deliver a state-of-the-art, mixed-use project that will generate revenue for the City, while serving as a premier destination within the Transit Oriented Development Packing House District (TOD District) and adjacent Old Town Placentia.

Placentia TOD Partners is a partnership consisting of local, experienced, and successful real estate, urban planning, development, and management companies who share a common commitment to utilizing public-private partnerships to produce award-winning communities that embrace smart growth principles, and stimulate economic development.

The Development Team has a deep track record of proven experience in the successful financing, design, construction and operation of projects of similar scope and scale—having acquired and/or developed over 17,000 combined units of multifamily housing.

Team Structure / Roles & Responsibilities

Placentia TOD Partners consists of USA Properties Fund, Inc. as the lead-developer and The Pinyon Group as co-developer / co-general partner.

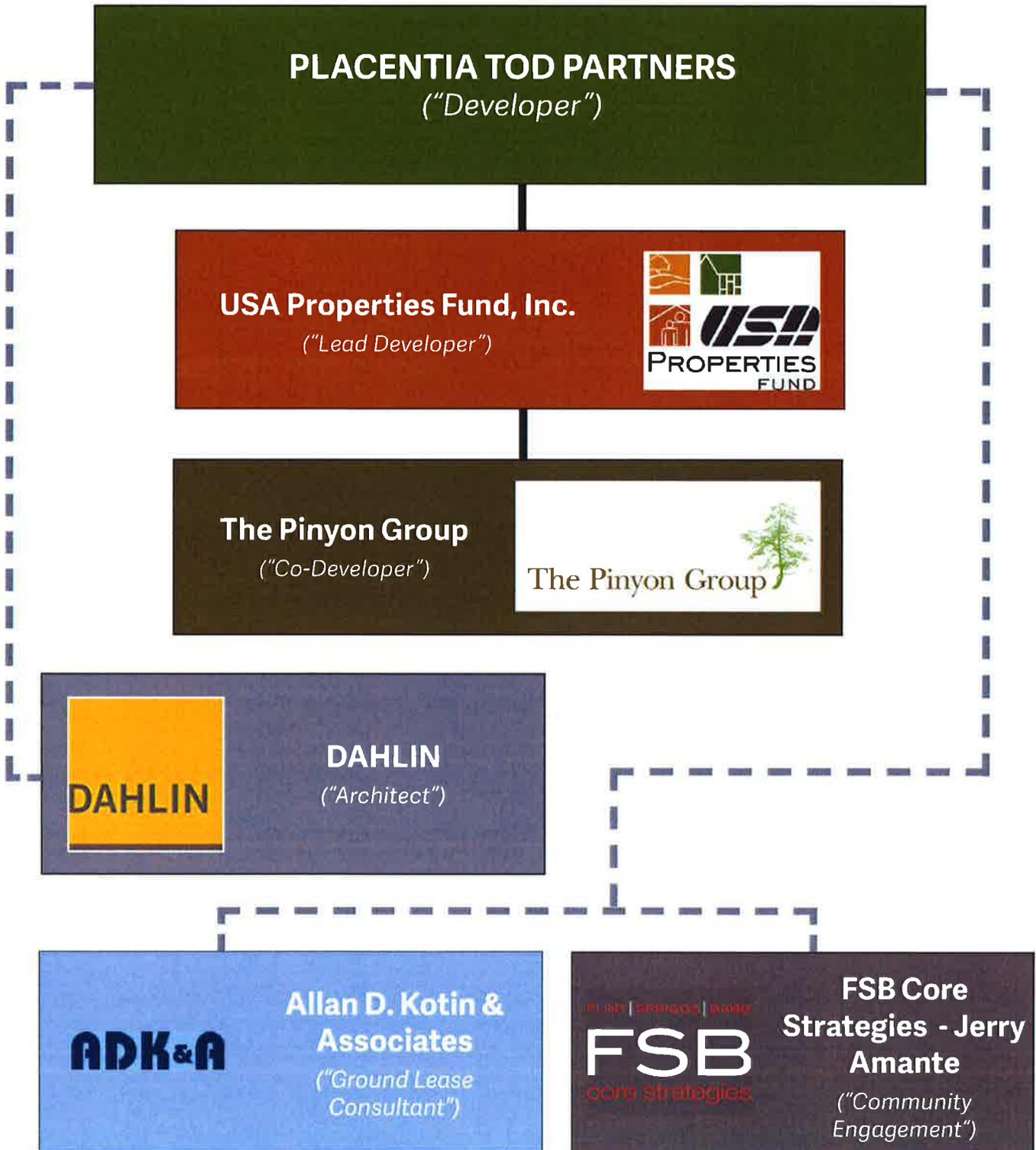
As lead developer, USA Properties Fund, Inc. will provide the City of Placentia with a single point of contact, and will manage all aspects of design, entitlements, ground-lease negotiations, community engagement, construction, and ongoing property operations related to the Project. Over the course of its 36 years in business, USA Properties Fund, Inc. has developed/constructed and/or acquired/rehabilitated over 14,000 apartment units.

As co-developer / co-general partner, The Pinyon Group will support USA Properties Fund, Inc. in all aspects of the development by lending its expertise in public-private partnerships, ground leases, Smart Growth principles, urban design, creative financing, and economic development.

The team will be supported by a group of “best-in-class” consultants including but not limited to the following:

- DAHLIN, a local architecture firm with deep experience in urban housing and transit-oriented development.
- Allan D. Kotin & Associates, a local Southern California-based firm specializing in public-private partnerships, with particular expertise in long-term ground leases.
- FSB Core Strategies, a local Orange County firm with expertise in crafting and executing successful community engagement campaigns.

DEVELOPMENT TEAM: **Team Members**



NOTE: Additional information concerning specific roles & responsibilities is provided in the following pages.

DEVELOPMENT TEAM: Roles & Expertise

Placentia TOD Partners

Summary of Roles & Responsibilities

	Public-Private Partnership Structuring	Entitlements / Outreach	Feasibility / Constructability	Financing	Construction	Marketing & Lease-Up	Property Management
USA Properties ("Lead Developer")	Lead / Coordinate	Lead / Coordinate	Lead / Coordinate	Lead / Coordinate	Lead / Coordinate	Lead / Coordinate	Lead / Coordinate
The Pinyon Group ("Co-Developer")	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation	Implementation
DAHLIN ("Architect")	Support-As-Needed	Support-As-Needed	Support-As-Needed	Not Applicable	Support-As-Needed	Not Applicable	Not Applicable
Allan D. Kotin & Associates ("Ground Lease Consultant")	Support-As-Needed	Not Applicable	Support-As-Needed	Support-As-Needed	Not Applicable	Not Applicable	Not Applicable
FSB Core Strategies - Jerry Amante ("Community Engagement Consultant")	Support-As-Needed	Support-As-Needed	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

LEGEND / KEY:

LEAD / COORDINATE
IMPLEMENTATION
SUPPORT-AS-NEEDED
NOT APPLICABLE

DEVELOPMENT TEAM: Roles & Expertise



- **Lead Developer / Single Point of Contact for City of Placentia**
- **Manage Design, Entitlements, Community Engagement, & Financing**
- **Develop, Construct, Own, and Manage the Project**

USA Properties Fund, Inc. (“Lead Developer”)

USA Properties Fund, Inc., a California corporation (“USA,” or “USA Properties”), is a privately owned real estate development organization specializing in the creation of outstanding senior and family apartment communities. Founded in 1981 and headquartered in Roseville, California, USA provides a full range of capabilities for community development, including financing, development, construction services, rehabilitation and property management.

USA’s goal is to be the first housing choice for both the residents and the communities in which they are located. USA accomplishes this goal through the development, rehabilitation and acquisition of residential communities which meet the highest quality standards—and strives to pursue this goal with utmost professionalism and integrity.

USA’s values, leadership and team structure is reflected in the success of the development/construction and acquisition/rehabilitation of over 14,000 apartment units in ±90 communities throughout California and Nevada.

The Placentia TOD project will be managed by USA’s affiliate, USA Multifamily Management, which exceptionally manages ±11,000 multifamily units throughout California.

USA’s vertically-integrated structure—from design development, to “in-house” general contractor, to “in-house” property manager—ensures that high-quality projects are designed and maintained in a holistic fashion, with long-term ownership in mind, for the property and community at-large.

Audited financial statements are available will be submitted as a confidential exhibit concurrent with the submission of this proposal.



The Pinyon Group

- **Co-Developer / Co-General Partner for the Project**
- **Assist with Design, Entitlements, Community Engagement, & Financing**
- **Contribute to Development, Construction, and Asset Management**

The Pinyon Group (“Co-Developer”)

The Pinyon Group is a full-service real estate investment and advisory firm headquartered in Los Angeles, California. The firm is driven by a deep passion for innovative and beautiful projects that leave a positive impact and advance worthy public-policy goals.

The principals of the firm have personally worked for and with their partners and clients to successfully originate, underwrite, close, develop, and/or provide advisory services for over \$3.0 billion of urban real estate and/or real estate secured notes; including having served

DEVELOPMENT TEAM: Roles & Expertise

as principal investors and/or co-general partners in the development of ±3,000 units of urban housing.

The Pinyon Group is a recognized leader in the field of urban development with a focus on public/private ventures including affordable, mixed-income, and luxury housing; as well as mixed-use and commercial developments.

The principals of The Pinyon Group have been involved in the development of thousands of multi-family housing units at Transit Oriented Development (TOD) sites.

In Southern California, the principals of The Pinyon Group have completed public/private ventures with cities, redevelopment agencies and transit agencies including by not limited to the cities of Garden Grove, Los Angeles, Commerce, Bell Gardens, the City of Los Angeles Housing Authority, LA Metro and others.



- **Urban Design**
- **Architecture**
- **Assist with Community Engagement, Entitlements, & Development**

DAHLIN ("Architect")

Established in 1976, DAHLIN is a diverse architecture and planning practice of 150+ multicultural professionals with three offices in California, an office in Bellevue, Washington, and two offices in the People's Republic of China.

Multifamily, mixed-use, and transit-oriented developments have both shared and unique challenges and inherent complexities through which DAHLIN has successfully guided many clients.

DAHLIN designs without losing sight of the opportunities for innovation that will translate into competitive advantage for the developer while also enhancing the lifestyle of residents and-connecting to the neighborhood context.

DAHLIN has long offered collaborative residential architecture and planning services because architecture informs the community's design as much as a community's design dictates its architecture. This approach has resulted in numerous industry awards and, more significantly, memorable urban communities.

The expertise demonstrated in the breadth and depth of DAHLIN's residential and commercial work yields reliably marketable designs, and proactive anticipation of pitfalls that lead to creative solutions that a firm with a less diverse portfolio would be unlikely to develop.

DEVELOPMENT TEAM: Roles & Expertise



- **Public Private Partnership Consultant**
- **Ground Lease Expert**

Allan D. Kotin & Associates

Allan Kotin is a real estate consultant who, as the head of series of firms which specialized in public private joint ventures in real estate, has been negotiating long term ground leases between public agencies and private developers for over thirty years, mostly but not always on behalf of the public agency. His experience with ground leases for cities, counties, universities and school districts have given him a real appreciation of the differing priorities of real estate developers and public agencies and how best to balance them. His recent experience with public private ground leases for apartments include: a 500-unit project under construction in Marina del Rey; three smaller 100-300 unit apartment projects also in Marina del Rey that got amended and restated leases in consideration for substantial renovation; a proposed 240-unit apartment in the City of Orange on property owned by the Orange Unified School District; a proposed 270-unit project in Costa Mesa on property owned by the Orange Coast Community College District. Allan has lectured extensively on public-private ground leasing and teaches the subject as part of his graduate real estate courses at the Price School of Public Policy at USC.



- **Community Engagement Consultant**
- **Spanish Language Outreach**

FSB Core Strategies (Jerry Amante, Key Principal)

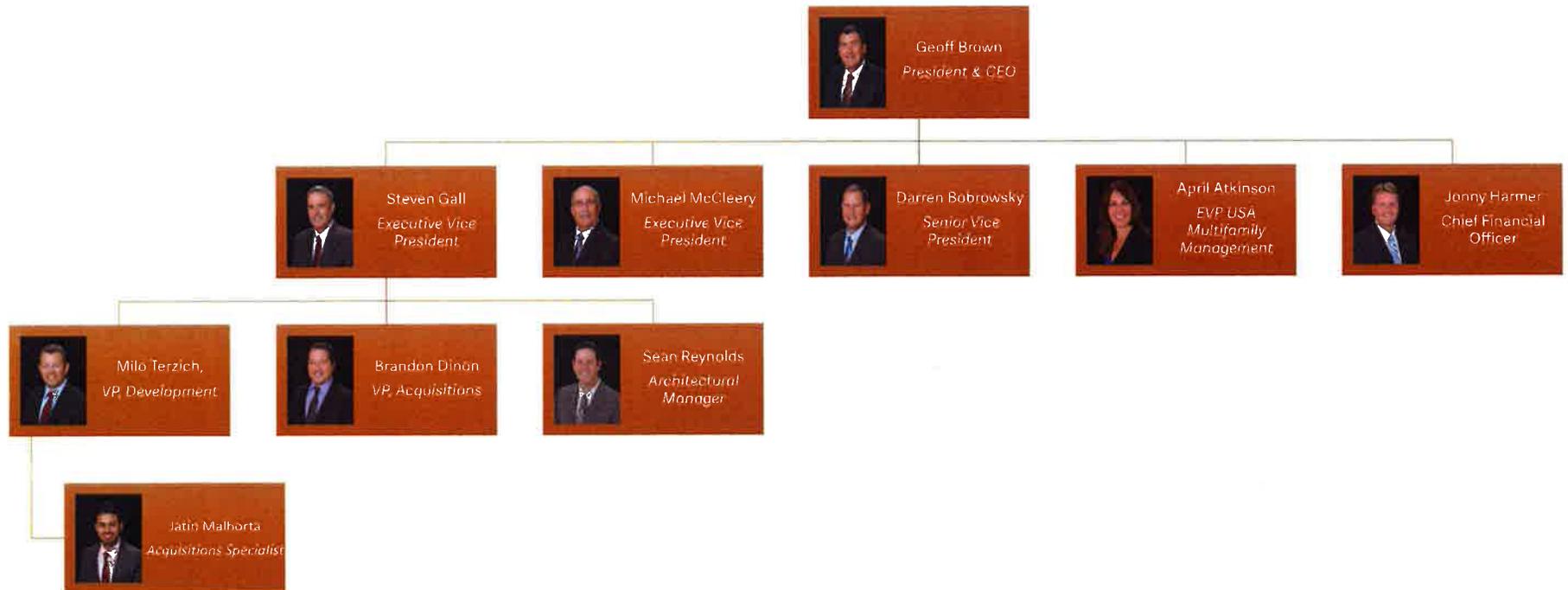
FSB Core Strategies is recognized by land developers, private corporations, and government entities alike as the leading community outreach specialty firm. FSB takes community outreach seriously and sincerely. FSB capitalizes on every member of the FSB team and the relationships they bring to a project. FSB has worked in diverse multilingual communities with key organizations, community leaders, business executives, and local elected officials throughout the state, forming allies through in-person visits, community meetings, and attendance at third-party events.

Other Consultants

Placentia TOD Partners will also utilize “Best-in-Class” consultants (engineers, designers, utility consultants, etc.) on an as-needed basis with a preference for local companies, and qualified minority-, women-, and Veteran-owned companies where feasible.

DEVELOPMENT TEAM: Project Personnel

USA Properties Fund, Inc, Project Personnel Organizational Chart



PROJECT PERSONNEL: USA Properties Fund, Inc.



Geoffrey C. Brown

President & Chief Executive Officer

Geoffrey C. Brown joined USA Properties Fund in 1989, and he was named President and Chief Executive Officer of the company in 1997. He has overseen a dramatic increase in communities and units during his tenure.

Before he joined USA Properties, Mr. Brown was employed by Lloyds Bank in its commercial credit department and later as a commercial real estate construction loan officer. After Lloyds Bank was acquired by Sanwa Bank, he was named Vice President and Manager of the Pasadena Real Estate Office and oversaw the construction lending for commercial and residential loans.

Mr. Brown earned his bachelor's degree in Economics from Willamette University and an MBA in Finance from the University of Washington. He is a licensed California contractor and real estate broker. Mr. Brown currently serves on the Board of Directors for the California Council for Affordable Housing and California Housing Consortium of which he was Chairman for 2012 and 2013.

EDUCATION:

University of Washington,
M.B.A.

Willamette University,
Bachelors

ACTIVITIES:

Licensed General Contractor,
California

Licensed Real Estate Broker,
California

Board of Directors,
California Council for
Affordable Housing

Board of Directors,
California Housing
Consortium

REFERENCES:

Available Upon Request

PROJECT ROLES & RESPONSIBILITIES:

As Chief Executive Officer of USA Properties Fund, Inc., Mr. Brown is the ultimate person responsible for every member of the team, and every aspect of the project through its life-cycle.

Mr. Brown will oversee the entire vertically-integrated team at USA Properties to ensure seamless collaboration and continuity among the project team members through all phases of the project—from government and community engagement and project planning and design, through financing and construction, lease-up, and management.

RELEVANT PROJECT EXPERIENCE:

Mayfair Court
San Jose, California
Ground-up development of 93 units on 1.44 acres, 3-story corridor subterranean parked, in partnership with San Jose Housing & Community Development and HCD

Railyards
Sacramento, California
277 units of new construction market-rate housing + ground-floor retail. \$100mm total capitalization

Talvera Ridge
Folsom, California
Ground-up development of 293 market-rate apartment community, 3 & 4 story center-loaded corridor, podium and surfaced parked

Vintage Canyon
Brea, California
Ground-up development of 105 units on 2.01 acres, 3-story building in partnership with former Brea Redevelopment Agency and OC Housing & Community Development

Landing at Arroyo
Simi Valley, California
Ground-up development of 212 market-rate apartment units (in development)

Vintage Crossing
Canoga Park, California
Ground-up development of 161 units on 1.19 acres, in partnership with Los Angeles Community Development Commission



PROJECT PERSONNEL: USA Properties Fund, Inc.



Steven Gall

Executive Vice President

Steven Gall oversees USA Properties Fund's land and existing apartment community acquisition and development activities.

Mr. Gall has more than 30 years of experience in the real estate industry, including more than 25 years with USA Properties' in various land acquisition and development roles. He has also served as Vice President of Land Acquisition for the Sacramento Divisions of Centex Homes and MBK Homes, as well as Sacramento City Partner/Development Director for Alliance Residential Company.

He holds a bachelor's degree from Willamette University and an MBA from the University of Washington.

EDUCATION:

University of Washington,
M.B.A.

Willamette University,
Bachelors

REFERENCES:

Available Upon Request

PROJECT ROLES & RESPONSIBILITIES:

Reporting directly to the President & CEO, 30+ year real estate development veteran, Steven Gall, will oversee the entire development process for the Project—from crafting the public-private partnership with the City of Placentia, through design, entitlement, construction, lease-up, and management.

The day-to-day project lead, Milo Terzich, will report directly to (and work closely with) Steven Gall. Together, both Milo and Steven will provide the City of Placentia with direct line of contact to the entire Development Team.

RELEVANT PROJECT EXPERIENCE:

Vintage Aliso
Aliso Viejo, California
Ground-up development of 202 units on 4 acres (50.5 du/acre) in the heart of Aliso Viejo. 4-story center-loaded corridor, surface parked.

Landing at Arroyo
Simi Valley, California
Ground-up development of 212 market-rate apartment units (in development)

Vintage Shores
San Clemente, California
Ground-up development of 122 units on 4.2 acres, in partnership with the City of San Clemente and OC Housing & Community Services

Vintage Crossing
Canoga Park, California
Ground-up development of 161 units on 1.19 acres, in partnership with Los Angeles Community Development Commission

Landing at College Square
Sacramento, California
Ground-up development of 270 unit apartment community near a soon-to-be-completed light rail station

Vintage Canyon
Brea, California
Ground-up development of 105 units on 2.01 acres, 3-story building in partnership with former Brea Redevelopment Agency and OC Housing & Community Development



PROJECT PERSONNEL: USA Properties Fund, Inc.



Michael McCleery

Executive Vice President

Michael McCleery joined USA Properties Fund in 1988 as Vice President of Construction. He oversees all construction activities for the company, including estimating, project management, purchasing, field supervision, cost control, scheduling and subcontractor management.

He earned his bachelor's degree in Construction Engineering Management from California State University, Long Beach. Mr. McCleery is licensed contractor in California and Nevada. He has sat on the board of directors for the Building Industry Association, and on the Board for HomeAid Sacramento as well as serving as Chairman. Michael received the 2004 Presidents Award from the California Building Industry Association for his leadership in establishing the Multifamily Council, and is a founding member of the Urban Infill and Multifamily Council of the California Building Industry Association.

EDUCATION:

California State University, Long Beach, Bachelors in Construction Engineering Management

ACTIVITIES:

Licensed Contractor, California & Nevada

Founding Member, Urban Infill and Multifamily Council of the California Building Industry Association

REFERENCES:

Available Upon Request

PROJECT ROLES & RESPONSIBILITIES:

Reporting directly to the President & CEO, and working side-by-side with EVP, Steven Gall, Mr. McCleery will oversee all construction-related activities of the Project, from conception through completion.

As President of USA Properties' affiliated "in-house" general contractor (USA Construction Management, Inc.), Mr. McCleery's group serves as a valuable resource, providing real-time cost feedback during the design phase, and expert execution during the production phase of the Project.

RELEVANT PROJECT EXPERIENCE:

Mayfair Court San Jose, California

Ground-up development of 93 units on 1.44 acres, 3-story corridor subterranean parked, in partnership with San Jose Housing & Community Development and HCD

Santana Terrace Santa Clara, California

Ground-up development of 92 units on 1.866 acres, 4 story podium, surface and garage parked

Vintage Aliso Aliso Viejo, California

Ground-up development of 202 units on 4 acres (50.5 du/acre) in the heart of Aliso Viejo. 4-story center-loaded corridor, surface parked.

Vintage Canyon Brea, California

Ground-up development of 105 units on 2.01 acres, 3-story building in partnership with former Brea Redevelopment Agency and OC Housing & Community Development

Liberty at Aliso Aliso Viejo, California

Ground-up development of 200 units, 4 acres, senior housing, 4-story elevator-serviced building

Vintage Crossing Canoga Park, California

Ground-up development of 161 units on 1.19 acres, in partnership with Los Angeles Community Development Commission



PROJECT PERSONNEL: USA Properties Fund, Inc.



April Atkinson

Executive Vice President, USA Multifamily Management, Inc.

April Atkinson joined USA Properties Fund in August 2016 as Executive Vice President of USA Multifamily Management, Inc.

Atkinson oversees management of the company's almost 90-community portfolio, with communities throughout California and Nevada.

Atkinson, who has more than 20 years of experience in the industry, was most recently Vice President of Property Management for the Irvine Company in the Bay Area. She managed an 8,200-unit portfolio in the Bay Area for the Irvine Company.

She earned her MBA from Pepperdine University, The George L. Graziado School of Business Management.

EDUCATION:

Pepperdine University, The George L. Graziado School of Business Management, M.B.A.

REFERENCES:

Available Upon Request

PROJECT ROLES & RESPONSIBILITIES:

Reporting directly to the President & CEO, Ms. Atkinson is a 20+ year real estate veteran who oversees USA Properties' affiliated "in-house" property management company (USA Multifamily Management, Inc.).

Ms. Atkinson and her group provide valuable expertise and input during the project design and conception phase, and will ultimately handle the marketing, lease-up, maintenance, management and operations of the Project.

RELEVANT PROJECT EXPERIENCE:

Fiddymont

Roseville, California

Ground-up development of 300 unit market-rate apartment community, 3-story, surface-parked

Liberty at Aliso

Aliso Viejo, California

Ground-up development of 200 units, 4 acres, senior housing, 4-story elevator-serviced building

Talvera Ridge

Folsom, California

Ground-up development of 293 market-rate apartment community, 3 & 4 story center-loaded corridor, podium and surfaced parked

Crescent Village (Irvine Company)

San Jose, California

Ground-up development of 1,750 units on 29.94 acres—largest project in San Jose. Stabilized in 19 months, average 102 move-ins per month

Vintage Aliso

Aliso Viejo, California

Ground-up development of 202 units on 4 acres (50.5 du/acre) in the heart of Aliso Viejo. 4-story center-loaded corridor, surface parked.

Villa Siena (Irvine Company)

Irvine, California

Ground-up development of 1,226 units, which was the Irvine Company's first "super building"



PROJECT PERSONNEL: USA Properties Fund, Inc.



Darren Bobrowsky

Senior Vice President

Darren Bobrowsky joined USA Properties Fund, Inc. in December 2010 as Director of Finance. In this position, Mr. Bobrowsky oversees procurement and maintenance of debt and equity financing for USA Properties Fund's projects. In July 2015, Mr. Bobrowsky was named Senior Vice President of Finance and became a USA Properties Fund shareholder.

EDUCATION:

California State University, Sacramento, Bachelor's in Business Administration (Real Estate & Land Use Affairs)

REFERENCES:

Available Upon Request

Prior to joining USA Properties Fund, Mr. Bobrowsky was Vice President, Acquisitions for Capital Valley Investments (The Ezralow Company). Previous to that, Mr. Bobrowsky was Director of Development Services at Sacramento Housing and Redevelopment Agency (SHRA). During his time at SHRA, he was involved in the development of over 10,000 affordable housing units with total project costs exceeding \$1 Billion.

Mr. Bobrowsky obtained his Bachelor's degree in Business Administration (Real Estate and Land Use Affairs) from California State University, Sacramento in 1991.

PROJECT ROLES & RESPONSIBILITIES:

Reporting directly to the President & CEO, Mr. Bobrowsky oversees the procurement and maintenance of debt and equity financing for all of USA Properties' projects—overseeing these activities for the Placentia TOD Project.

At the design and conception phase, Mr. Bobrowsky provides valuable real-time feedback on capital markets conditions which helps to ensure that the development team designs projects that will be financially-feasible and financeable.

RELEVANT PROJECT EXPERIENCE:

Mayfair Court
San Jose, California
Ground-up development of 93 units on 1.44 acres, 3-story corridor subterranean parked, in partnership with San Jose Housing & Community Development and HCD

Santana Terrace
Santa Clara, California
Ground-up development of 92 units on 1.866 acres, 4 story podium, surface and garage parked

Talvera Ridge
Folsom, California
Ground-up development of 293 market-rate apartment community, 3 & 4 story center-loaded corridor, podium and surfaced parked

Vintage Aliso
Aliso Viejo, California
Ground-up development of 202 units on 4 acres (50.5 du/acre) in the heart of Aliso Viejo. 4-story center-loaded corridor, surface parked.

Landing at Arroyo
Simi Valley, California
Ground-up development of 212 market-rate apartment units (in development)

Vintage at Stonehaven
Yorba Linda, California
Acquisition-Rehab of 125 units in partnership with City of Yorba Linda and California Housing Finance Agency (CalHFA)



PROJECT PERSONNEL: USA Properties Fund, Inc.



Jonny Harmer

Chief Financial Officer

Jonathan "Jonny" Harmer joined USA Properties Fund in July 2017 as Chief Financial Officer. Harmer manages accounting, financial, information technology and tax activities for USA Properties.

Harmer, who has over 20 years of accounting experience, was most recently CFO of CV Holdings Inc., a commercial real estate finance company in Newport Beach, California. He has also served as CFO of CORE Realty Holdings LLC and Meridian Development.

He earned a Bachelor's Degree in Accounting and a Master's Degree in Accounting/Tax from Brigham Young University. He is a Certified Public Accountant (CPA) registered as inactive with the State of California Board of Accountancy.

EDUCATION:

Brigham Young University,
Master's in Accounting

Brigham Young University,
Bachelor's in Accounting

ACTIVITIES:

Certified Public Accountant
(CPA), California

REFERENCES:

Available Upon Request

PROJECT ROLES & RESPONSIBILITIES:

Reporting Directly to the President & CEO, Mr. Harmer manages all of the accounting, financial, information technology, and tax activities for USA Properties.

He and his staff will ensure that all of the Placentia TOD Project's financial, accounting, and tax-related activities are expertly managed. He will also play a key role in evaluating the project's financial projections.

RELEVANT PROJECT EXPERIENCE:

Fiddymont
Roseville, California
Ground-up development of 300 unit market-rate apartment community, 3-story, surface-parked

Santana Terrace
Santa Clara, California
Ground-up development of 92 units on 1.866 acres, 4 story podium, surface and garage parked

Railyards
Sacramento, California
277 units of new construction market-rate housing + ground-floor retail. \$100mm total capitalization

Newark Station Seniors
Newark, California
Ground-up development of 75 units on 1.74 acres, senior housing, 4-story corridor building, surface-parked

Talvera Ridge
Folsom, California
Ground-up development of 293 market-rate apartment community, 3 & 4 story center-loaded corridor, podium and surfaced parked

Liberty at Aliso
Aliso Viejo, California
Ground-up development of 200 units, 4 acres, senior housing, 4-story elevator-serviced building



PROJECT PERSONNEL: USA Properties Fund, Inc.



Milo Terzich

Vice President, Development

Milo Terzich joined USA Properties Fund in 2013 as Development Manager. Mr. Terzich oversees the acquisition, entitlement, environmental, and development permitting for USA Properties' communities throughout California.

Prior to rejoining USA, Mr. Terzich held the same position for Trina Solar US Development, where he oversaw the acquisition, entitlement, environmental, and development permitting for utility scale solar energy projects throughout the U.S. He also spent three years as a private development consultant providing real estate development, acquisition, due diligence zoning and entitlement, design, and construction permitting services for project owners in a variety of market sectors.

His experience includes bio/green energy facilities, industrial developments, continuing care retirement communities, mixed-use master planned developments, brown field development, distressed projects, regional event/conference facilities, recreational and agricultural mixed use projects, and the largest church campus in the northwestern United States.

He is an economic development advocate, and focuses on aligning public and private interest for a property's benefit.

PROJECT ROLES & RESPONSIBILITIES:

Reporting directly to EVP, Steven Gall, and supported by his colleagues and direct reports, Mr. Terzich will be responsible for the day-to-day management of the project from conception through completion.

Mr. Terzich will provide a single point of contact for the City of Placentia (with Mr. Gall also available to the City as needed).

RELEVANT PROJECT EXPERIENCE:

Railyards
Sacramento, California
277 units of new construction market-rate housing + ground-floor retail. \$100mm total capitalization

Newark Station Seniors
Newark, California
Ground-up development of 75 units on 1.74 acres, senior housing, 4-story corridor building, surface-parked

Talvera Ridge
Folsom, California
Ground-up development of 293 market-rate apartment community, 3 & 4 story center-loaded corridor, podium and surfaced parked

Liberty at Aliso
Aliso Viejo, California
Ground-up development of 200 units, 4 acres, senior housing, 4-story elevator-serviced building

Vintage Aliso
Aliso Viejo, California
Ground-up development of 202 units on 4 acres (50.5 du/acre) in the heart of Aliso Viejo. 4-story center-loaded corridor, surface parked.

EDUCATION:

University of the Pacific,
B.S. in Civil Engineering
(with honors)

ACTIVITIES:

Licensed Civil Engineer,
California & Nevada

Member, Building Industry
Association (BIA)

Member, Urban Land
Institute (ULI)

Member, American Society
of Civil Engineers

REFERENCES:

Available Upon Request



PROJECT PERSONNEL: USA Properties Fund, Inc.



Brandon Dinon

Vice President, Acquisitions

Brandon Dinon joined USA Properties Fund in 2009. Mr. Dinon's first role at USA was as an Acquisitions Analyst. He quickly grew his understanding and knowledge of developing USA's affordable housing deals and was promoted to Assistant Director of Acquisitions. In 2015, he was promoted to Vice President. In his current role as Vice President of Acquisitions, Mr. Dinon is responsible for creating, identifying and evaluating USA's acquisition opportunities, underwriting and developing the financial structure during a project's acquisition and development phase. This role often has him preparing, submitting and processing funding applications to various government jurisdictions and funding sources.

Prior to joining USA, Mr. Dinon most recently was a Senior Associate in the Capital Markets Group with the Panattoni organization. Previous to Panattoni, he was a Land Acquisition Manager for Pulte Homes / Del Webb and Richmond American Homes.

Mr. Dinon holds a BS in Business Administration/Real Estate Development & Construction Management from the University of Denver.

He has a passion serving the community, and is currently the President of the Board of Directors of Sierra Child and Family Services as well as an active member in USA United.

EDUCATION:

University of Denver, B.S. in Business Administration / Real Estate Development & Construction Management

ACTIVITIES:

President, Board of Directors, Sierra Child & Family Services

Active Member, USA United

Member, Building Industry Association (BIA)

Member, Urban Land Institute (ULI)

REFERENCES:

Available Upon Request

PROJECT ROLES & RESPONSIBILITIES:

Reporting directly to EVP Steven Gall, Mr. Dinon plays a key role in projects from the very earliest stages, through construction commencement. Mr. Dinon will work closely with the Project Team—Development, Construction, Management, and Finance—to design and underwrite a project and public-private partnership that is successful for all parties involved. Mr. Dinon will also play a key role in sourcing and structuring the Project financing.

RELEVANT PROJECT EXPERIENCE:

Fiddymont
Roseville, California
Ground-up development of 300 unit market-rate apartment community, 3-story, surface-parked

Santana Terrace
Santa Clara, California
Ground-up development of 92 units on 1.866 acres, 4 story podium, surface and garage parked

Railyards
Sacramento, California
277 units of new construction market-rate housing + 5,000 sqft. of ground-floor retail. \$100mm total capitalization

Newark Station Seniors
Newark, California
Ground-up development of 75 units on 1.74 acres, senior housing, 4-story corridor building, surface-parked

Talvera Ridge
Folsom, California
Ground-up development of 293 market-rate apartment community, 3 & 4 story center-loaded corridor, podium and surfaced parked

Landing at College Square
Sacramento, California
270 unit development near a soon-to-be-completed light rail station



PROJECT PERSONNEL: USA Properties Fund, Inc.



Sean Reynolds

Manager, Architecture/Development

Sean Reynolds joined USA Properties Fund in 2016 as a Development/Architectural Manager.

Mr. Reynolds, has over 20 years of experience in Architecture and design.

Prior to joining USA Properties Fund, Mr. Reynolds was a senior executive with DAHLIN in Pleasanton, California. He has extensive experience with multifamily community design from entitlements through construction. Mr. Reynolds designed and managed numerous affordable and high-end multifamily communities while at DAHLIN as well as his time with USA Properties Fund.

EDUCATION:

California Polytechnic State University, San Luis Obispo:
Bachelor of Architecture

ACTIVITIES:

LEED® Accredited Professional

Member, Building Industry Association (BIA)

Member, U.S. Green Building Council (USGBC)

REFERENCES:

Available Upon Request

PROJECT ROLES & RESPONSIBILITIES:

Sean provides guidance and coordination for all architectural, planning, design, and document services for USA's multi-family projects. Mr. Reynolds works with the development team to set the vision and direction of new development projects. Mr. Reynolds stays in contact with the project as it moves from Development to Construction, working with USA's Construction Division, project management and field supervisors, in coordination with project consultants to ensure smooth transitions and satisfactory project completion.

RELEVANT PROJECT EXPERIENCE:

Santana Terrace
Santa Clara, California
Ground-up development of 92 units on 1.866 acres, 4 story podium, surface and garage parked

Fiddymont
Roseville, California
Ground-up development of 300 unit market-rate apartment community, 3-story, surface-parked

Railyards
Sacramento, California
277 units of new construction market-rate housing + 5,000 sqft. of ground-floor retail. \$100mm total capitalization

Landing at Arroyo
Simi Valley, California
Ground-up development of 212 market-rate apartment units (in development)

Monteverde (Eden Housing)
Orinda, Ca
67 units, 4 story with podium 50 units/acre, TOD – ½ mile walk from BART station

Hayward Seniors (Eden Housing)
Hayward, CA
60 units in a 3-story building TOD directly across the street from the Downtown Hayward BART Station. 40 units/acre with 12,000 sq. ft. office space on first floor



PROJECT PERSONNEL: USA Properties Fund, Inc.



Jatin Malhorta

Acquisitions Specialist

Jatin Malhorta joined USA Properties Fund in 2014 as an Acquisitions Coordinator and was soon promoted to an Acquisitions Specialist. He supports the Acquisition Department in identification, evaluation and execution of acquisition and development opportunities. In his role, he regularly communicates with brokers, property owners, city officials, lenders and title companies.

EDUCATION:

University of California, Davis: Bachelor of Science in Managerial Economics

ACTIVITIES:

Licensed Real Estate Salesperson, California

Young Leaders Group, Urban Land Institute (ULI)

REFERENCES:

Available Upon Request

Prior to joining USA, Mr. Malhorta worked as an Associate Consultant for Development & Financial Advisory and an Assistant Project Manager for Fulcrum Property where he was involved in acquisition, development and entitlement of various projects in the Sacramento and Bay area.

Mr. Malhorta earned a Bachelor of Science degree in Managerial Economics from the University of California, Davis in June 2012. He is also a Licensed Real Estate Salesperson.

PROJECT ROLES & RESPONSIBILITIES:

As part of the Acquisitions team at USA, Mr. Malhorta will work very closely with SVP, Steve Gall and VP, Brandon Dinon to work through, the ENA and Ground Lease Agreement. From there on, he will lead USA's due diligence coordination and approval with VP, Milo Terzich and Manager Architecture/Development, Sean Reynolds.

RELEVANT PROJECT EXPERIENCE:

Fiddymont
Roseville, California
Ground-up development of 300 unit market-rate apartment community, 3-story, surface-parked

Vintage Aliso
Aliso Viejo, California
Ground-up development of 202 units on 4 acres (50.5 du/acre) in the heart of Aliso Viejo. 4-story center-loaded corridor, surface parked.

Landing at Arroyo
Simi Valley, California
Ground-up development of 212 market-rate apartment units (in development)

Liberty at Aliso
Aliso Viejo, California
Ground-up development of 200 units, 4 acres, senior housing, 4-story elevator-serviced building

Vintage at Sycamore
Simi Valley, California
Ground-up development of 99 units of senior affordable housing (in development)

The Bridge District
West Sacramento, California
60 acre mixed-use master-planned project containing multi-family and single-family homes



PROJECT PERSONNEL: The Pinyon Group

Robert T. De Forest

Principal

Robert T. De Forest is the Founder and Principal of The Pinyon Group, a full-service real estate investment & advisory firm that focuses on creative urban-infill real estate projects including transit-oriented development, economic development, and public-private partnerships. He has experience in all forms of residential and mixed-use development—and a deep passion for beautiful projects that leave a positive impact and advance worth public-policy goals.

Prior to founding the firm in 2010, Robert served as Vice President of a New York-based “double-bottom-line” real estate private equity fund manager, where he was a key acquisition officer for the Western Region—investing \$317 million closed-end private equity funds in urban residential and commercial properties and/or real estate secured notes. Prior to that, Robert was Urban Projects Specialist with the Mountains Recreation & Conservation Authority, a government public entity established under State of California Joint Powers Act. In this capacity, Robert was involved in planning, developing and programming a portfolio of award-winning urban parks and open space for an organization that owns and/or manages over 60,000 acres of public land.

PROJECT ROLES & RESPONSIBILITIES:

As a principal of the co-general partner, The Pinyon Group, Robert will be responsible for advising and supporting the, Lead Developer, USA Properties in all aspects of the project, from concept through completion, and beyond. The Pinyon Group will lend specific expertise in the formation of the public-private partnership, as well as in the design and financing of the influential and transformative Placentia TOD Project

RELEVANT PROJECT EXPERIENCE:

Avenue 26 TOD

Los Angeles, California

Ground-up development of 165 market-rate condominiums adjacent to a new light rail station

2121 Lofts

Los Angeles, California

Adaptive-reuse of industrial buildings to create 78 units of market-rate housing adjacent to a heavy rail line in a burgeoning neighborhood

Parcel 48

Los Angeles, California

Advised the City of Los Angeles on utilizing a public-private partnership to redevelop a vacant City-owned parcel adjacent to a light rail line

El Monte Transit Village

El Monte, California

Advised on the feasibility and programming of the residential portion of a new “transit village” adjacent to a multi-modal transit hub

Riverfront Creative Campus

Los Angeles, California

Ground-up development and adaptive reuse of a catalytic “creative campus” along the Los Angeles River



EDUCATION:

University of California Los Angeles: M.B.A.

University of California Los Angeles: M.A. in Urban Planning

University of California, Los Angeles: B.S. in Biology

ACTIVITIES:

Ex-Officio President
Executive Board, UCLA Real Estate Alumni Group

REFERENCES:

Available Upon Request



PROJECT PERSONNEL: **The Pinyon Group**

Jay H. Stark

Principal

Jay Stark has a successful track record of joint venture real estate projects as both an investor and developer with institutional clients; and has completed over \$3 billion in primarily residential-based urban-infill real estate.

Prior to joining The Pinyon Group, Jay served as an advisor and joint venture partner to a national urban development firm, where he executed over \$500M in new commercial and residential development opportunities across the United States. Previously, Jay served as managing director and co-founder of Urban Private Equity Funds for New York-based investment firm where he targeted investments in urban residential and commercial properties. Prior to that, Jay was a Partner and Director of Development for The Lee Group, Inc., a leading urban residential development company where he was involved in the development of over \$300 million of urban housing in Southern California. Jay has served on the Department of Housing and Community Development's (HCD) Local Assistance Loan and Grant Committee, where he oversaw more than 20 statewide programs, including the \$2.5 billion Proposition 1C bond measure, which included funding for transit-based housing, urban infill development and related affordable housing initiatives

PROJECT ROLES & RESPONSIBILITIES:

As a principal of the co-general partner, The Pinyon Group, Jay will be responsible for advising and supporting the, Lead Developer, USA Properties in all aspects of the project, from concept through completion, and beyond. The Pinyon Group will lend specific expertise in the formation of the public-private partnership, as well as in the design and financing of the influential and transformative Placentia TOD Project

RELEVANT PROJECT EXPERIENCE:

EVIVA Midtown
Sacramento, California
Advised the City of Los Angeles on utilizing a public-private partnership to redevelop a vacant City-owned parcel adjacent to a light rail line

EVIVA Mission Bay
San Francisco, California
P3 ground-up development of 129 unit mixed-income apartment community at the terminus of Caltrain

Avenue 26 TOD
Los Angeles, California
Ground-up development of 165 market-rate condominiums adjacent to a new light rail station

2121 Lofts
Los Angeles, California
Adaptive-reuse of industrial buildings to create 78 units of market-rate housing adjacent to a heavy rail line in a burgeoning neighborhood

Ashley Union Station
Denver, Colorado
118 units developed in partnership with the City of Denver and a local non-profit as part of a \$500 million master-planned TOD.



EDUCATION:

University of Southern California: M.A. in Urban Planning & Real Estate Development

University of Santa Cruz: Bachelors

ACTIVITIES:

Affordable Housing Committee (2005-2012), State of California

Local Assistance Loan & Grant Committee (2005-2012), California Department of Housing and Community Development (HCD)

REFERENCES:

Available Upon Request

The Pinyon Group 

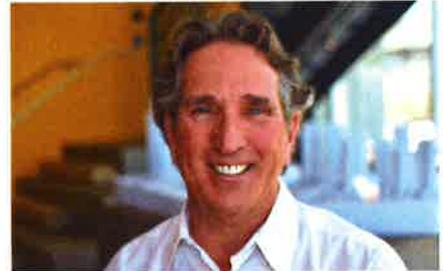
PROJECT PERSONNEL: DAHLIN

JOHN M. THATCH AIA, LEED AP

Senior Principal

As employee number one at DAHLIN, John Thatch paced himself early to lead design excellence into the future. He is a passionate creative who thrives on the opportunity to design at a variety of scales for a variety of project types. He is known for challenging each project team to develop the most innovative and economically viable solutions, often increasing buildable area for a client while improving a community's quality of life with fresh thinking.

John often gains inspiration for design through travel and walking (or sometimes jogging) the great cities of the world—Paris, Philadelphia, Beijing—always with an eye on its detail. He leads the direction in each of his projects by guiding his team through an understanding of the context and essence of the place. He is a veteran judge of design competitions and sought after speaker at national conferences on such topics as urban design emerging markets, active adult communities and trends in community design.



EDUCATION

BS, ARCHITECTURE, CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

AFFILIATIONS

AMERICAN INSTITUTE OF ARCHITECTS
URBAN LAND INSTITUTE
BUILDING INDUSTRY ASSOCIATION
NATIONAL ASSOCIATION OF HOME BUILDERS
NATIONAL COUNCIL OF ARCHITECTURAL REGISTRATION BOARDS

SENIOR LIVING

Hayward Seniors
Hayward, California, USA
Eden Housing

Magnolia Courts
La Verne, California, USA
Hsientein La Verne Investment

Monteverde Senior Apartments
Orinda, California, USA
Eden Housing

Taiping Shenshi
Shanghai, China
Taiping Senior Industry Investment

COMMUNITY PLANNING

Evergreen
San Jose, California, USA
City of San Jose

Rivermark
Santa Clara, California, USA
Centex/Lennar/Shea

Gran Port
Menorca, Balearic Islands / Spain
Inbeda

Nanyan Bay
Wanning County, Hainan / China
Hainan Wanning Huakai Property

Yalong Bay
Sanya, Hainan / China
Huakai Investment Group

URBAN RESIDENTIAL + MIXED USE

Azure
Petaluma, California, USA
Trammel Crow

Baypointe
San Jose, California, USA
Fairfield Residential

Cienega
Long Beach, California, USA
Brookfield Homes

Metropolitan at Cupertino
Cupertino, California, USA
Menlo Equities

Santana Terraces
Santa Clara, California, USA
USA Properties



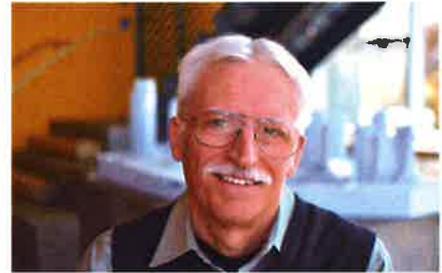
PROJECT PERSONNEL: DAHLIN

GLEN SIMMONS AIA, LEED AP

Senior Principal

With over 35 years experience in architectural design, project management and construction administration, Glen excels at managing the entire project team – from our internal team to the consultants – to ensure the client's goals are achieved in both a time and cost efficient manner for mixed-use developments and multifamily residential projects as well as large commercial projects. He is particularly well versed in codes, and is able to go above and beyond ensuring code compliance and providing the client with value oriented solutions to compliance challenges. The coupling of his knowledge and experience gives Glen the ability to anticipate where challenges will likely arise early in the design process, which minimizes changes later in the project lifecycle when change is more expensive to address and more likely to cause schedule delays. His expertise in managing and leading teams has resulted in the development of award-winning designs.

Company-wide, Glen also ensures that DAHLIN is continually recognized for effective project delivery, which combines rigorous quality control, current and consistent standards and practices, and contract and project management capabilities with our state-of-the-art technology. Glen also assists in the development and implementation of DAHLIN's standards for specifications and construction documentation.



EDUCATION

BS, ARCHITECTURE, CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

AFFILIATIONS

AMERICAN INSTITUTE OF ARCHITECTS (AIA)

URBAN RESIDENTIAL + MIXED-USE

Six Oaks

Bothell, Washington, USA
Main Street Property Group

The Spencer 68

Kenmore, Washington, USA
Main Street Property Group

Mt. Diablo Condominiums

Lafayette, California, USA
Lennar Homes

Marina Plaza

Cupertino, California, USA
De Anza Venture LLC

Middle Plaza

Menlo Park, California USA
Stanford Real Estate

APARTMENTS + AFFORDABLE HOUSING

Transitional Housing Center

Gilroy, California, USA
South County Housing

Vineyard Place

American Canyon, California, USA
Mid Peninsula Housing Coalition

Avena Bella

Turlock, California, USA
EAH Housing

2821 El Camino Real

Redwood City, California, USA
Palo Alto Housing

Manzanita Family Apartments

Napa, California, USA
Satellite Housing

SENIOR LIVING

Deer Creek

San Ramon, California, USA
Shapell Properties

Mission Seniors

Hayward, California, USA
Pristine Homes

Maybell Avenue Apartments

Palo Alto, California, USA
Palo Alto Housing Corporation

Tower Park Senior Apartments

Modesto, California, USA
Satellite Housing

Villa Entrada

Novato, California, USA
Novato Community Partners



PROJECT PERSONNEL: DAHLIN

JIRAIR GARABEDIAN AIA, LEED AP

Senior Associate / Senior Architect

Jirair's collaborative approach in shaping our built environment allows him to work closely with all stakeholders, including future residents and the larger community, actively listening to understand their needs. His design approach and problem-solving methodology are rooted in his expertise in leveraging zoning and building code requirements, taking advantage of both opportunities and constraints, and preparing comprehensive feasibility studies to evaluate highest and best use scenarios.

With over two decades of demonstrated experience in planning, designing and securing entitlements for complex and multi-faceted, private and public sector projects, encompassing a wide variety of typologies, building occupancies, and construction types (Type-I, Type-III, Modified Type-III, and Type-V), clients benefit from all the lessons learned from problems solved.

He has extensive experience in high-density, transit-oriented, mixed-use, multi-family residential, market rate, affordable, for sale and for rent, and retail development.



EDUCATION

MASTERS, CONSTRUCTION ENGINEERING & MANAGEMENT, UNIVERSITY OF CALIFORNIA, BERKELEY

BACHELOR OF ARCHITECTURE, MAGNA CUM LAUDE, CAL POLY POMONA COLLEGE OF ENVIRONMENTAL DESIGN

REGISTRATIONS & AFFILIATIONS

LICENSED ARCHITECT IN THE STATE OF CALIFORNIA

NATIONAL COUNCIL OF ARCHITECTURAL REGISTRATION BOARDS (NCARB) CERTIFIED

MULTIFAMILY + MIXED USE

2711 Anderson Lane Mixed-use

Austin, Texas, USA
Argyle Residential and Paydar Properties

3402 El Camino Real Mixed-Use

Santa Clara, California, USA
De Anza Properties

1900 Long Beach Blvd.

Long Beach, California, USA
Innovative Housing Opportunities

Westfield Valencia Town Center

Santa Clarita, California, USA
Westfield

2233 San Ramon Valley Mixed-Use

San Ramon, California, USA
Fore Property Company

MULTIFAMILY + MIXED USE PRIOR TO JOINING DAHLIN

A-Town Mixed-use Master Plan

Platinum Triangle, Anaheim, California, USA
Lennar

The Herald Examiner Project

Los Angeles, California, USA
Forest City

6250 Sunset Mixed Use

Los Angeles, California, USA
Essex Properties

100 W. Walnut Mixed Use

Pasadena, California, USA
AMLI Residential

Park 5th Mixed Use

Los Angeles, California, USA
McFarlane Partners

MULTIFAMILY+ MIXED-USE PRIOR TO JOINING DAHLIN

The Village at USC

Los Angeles, California, USA
USC Real Estate & Capital Construction Group

Central Park West

Irvine Business Complex, California, USA
Lennar

Avalon Wilshire Mixed Use

Los Angeles, California, USA
Avalon Bay

Trio Mixed Use Apartments

Pasadena, California, USA
Shea Properties

Paragon at Old Town Monrovia

Monrovia, California, USA
Urban Housing Group



PROJECT PERSONNEL: **Allan D. Kotin & Associates**



Allan D. Kotin

Principal

Allan Kotin has over 50 years of experience in real estate economics with an emphasis on financial planning and redevelopment. He is proficient in transaction negotiation, financial structuring, and market assessment for developers, investors, lenders and public agencies.

Since 1980, Mr. Kotin has been actively involved in public private joint ventures, often acting as a key strategist and negotiator for public agencies in major redevelopment and asset management transactions. Within this area, Mr. Kotin developed particular expertise in participatory ground leasing, a topic on which he has lectured before several national associations of government officials.

EDUCATION:

University of California,
Los Angeles: M.A.,
Economics

University of California,
Los Angeles: B.A.,
Economics (with highest
honors), Phi Beta Kappa

ACTIVITIES:

Adjunct Professor,
University of Southern
California, Price School of
Public Policy

Frequent Lecturer,
Presenter, and Panelist
for Urban Land Institute
(ULI), International
Council of Shopping
Centers (ICSC), former
California Redevelopment
Association, and others

REFERENCES:

Available Upon Request



PROJECT ROLES & RESPONSIBILITIES:

Mr. Kotin will play an integral role in advising the Development Team on the structuring of the ground lease with the goal of crafting a successful public-private partnership for all involved.

RELEVANT PROJECT EXPERIENCE:

**County of Los Angeles
Chief Administrative Office**
Advisor since 1984 (continuing
intermittently since) in connection
with planning and disposition of
surplus property

**Los Angeles County
Department of Beaches & Harbors**
Primary financial advisor, since
1985. Active participation in
ground lease negotiations,
extension negotiations and
general planning

**City Redevelopment Agency of
Cerritos**
Assisted in the negotiation of
lease agreement and DDA
for master development and
regional redevelopment proposals
for a 120-acre strategic site
adjoining the Civic Center.

City of Malibu
Ground Lease, Malibu Lumberyard
Retained by City for developer
solicitation, selection, and ground
lease negotiations

**Port of Los Angeles
Solicitation & Selection of Master
Developer**
Nearly 120 acres of prime
waterfront commercial property,
within the context of an
unsubordinated ground lease

**Port of Los Angeles
Analysis of Strategy for
Nonperforming Hotel Lease**
Advised the Port Property
Management Group as to
alternative techniques for
modifying the lease to facilitate
a possible workout if lender
and tenant were willing to make
certain concessions

**Ventura Port District
Multiple Lease Negotiations**

**Los Angeles County MTA (METRO)
Willow Street Station Ground
Lease**

**Ventura County
Channel Islands Harbor Leasing
Analysis**

PROJECT PERSONNEL: FSB Core Strategies



Jerry Amante

Senior Vice President & General Counsel

Based in Orange County, Jerry serves as General Manager of the Orange County office and leads business development efforts throughout the southern California region. Jerry possesses nearly 40 years of real estate and land use law, business and corporate law, political and government experience. Mr. Amante brings a wealth of contacts in transportation, land use, regional planning, water, and much more. He is the former Chairman of the Orange County Transportation Authority (OCTA) and served on a number of its committees, including the OCTA's Executive Committee, as Chair of the Legislative and Communication Committee, the Finance and Administration Committee, the ARTIC Ad Hoc Committee and the State Route 91 Advisory Committee. Jerry was also a member of the LOSSAN Board of Directors and a member of the Southern California Association of Governments (SCAG) Regional Council. Mr. Amante also served as Chair of the Transportation Corridor System Board of Directors and was a Past Chair of the Foothill/Eastern Transportation Corridor Agency (TCA) where he served on its Finance and Operations Committee, Federal Procurement Committee, Mobility Committee, Marketing Committee and its Legislative Committee. He also served as a member of TCA's Joint Ad Hoc Financial Options Committee, made up of members of the Boards of Directors from each of the toll road agencies. Mr. Amante was the past President and member of the Executive Committee of the Association of California Cities-Orange County. He also served as an alternate to the Orange County Sanitation District.

EDUCATION:

Bachelor of Arts,
Political Science, UCLA

Juris Doctor, Southwestern
University School of Law

ACTIVITIES:

Former Mayor, City of Tustin

Former Chairman of the Orange
County Transportation Authority
(OCTA) Board of Directors

Former Chairman of the
Transportation Corridor
Authority (TCA) Board of
Directors

Former Member of LOSSAN
Board of Directors

Past President, California
League of Cities, Orange County
Division

Past President, Association of
California Cities, Orange County

REFERENCES:

Available upon request

PROJECT ROLES & RESPONSIBILITIES

Jerry will serve as project lead conducting both grassroots and grasstops community outreach. He has experience working with local influencers, electeds and organizations that are crucial to the success of this project.

RELEVANT PROJECT EXPERIENCE

OCTA - SR-57

Anaheim & Orange, CA
FSB was an integral part of the public affairs and community outreach team tasked with educating residential and commercial neighbors of the 57 freeway through Anaheim and Orange about potential lane additions to the freeway.

Energy Reliability Center

Stanton, CA
FSB has been the community and government relations consultant on the privately held development of a battery and gas turbine energy reliability center for the Southern California Edison service area.

OCTA - 1-5 Central Santa Ana & Tustin, CA

FSB worked with OCTA to educate and communicate facts about the Interstate 5 project through one of the most densely populated and traveled sections of Orange County and one of its busiest sections of highway.

Liberty Aliso & Vintage Aliso

Aliso Viejo, CA
Provided Community Engagement and Government Affairs consulting to USA Properties Fund, Inc. for the entitlement, development, and construction of a high-profile project of a combined 402 units, with a project capitalization in excess of \$100 million

PROPOSED DEVELOPMENT SCOPE:

Project Summary:

Placentia TOD Partners will meet or exceed the development parameters for the Crowther TOD development set forth in the City of Placentia's RFP. The conceptual proposal contained herein requires no financial responsibilities on the part of the City of Placentia. The Development Team has carefully reviewed the development parameters of the RFP in order to capture the City's development goals for a transit-oriented development that leverages the significant investments of the City of Placentia and the Orange County Transportation Agency (OCTA). This new investment in luxury mixed-use multi-family housing will serve as a model TOD development in harmony with smart growth principles to create significant value for the City of Placentia and a project that promotes economic development in the surrounding community.

Constraints:

This proposal has been crafted with the following constraints in mind:

1. Removal of the permanent drain pipe connection between the pump to waste feature on the southerly portion of the Golden State Water Company water well site (and connection to the nearest catch basin located on Crowther Avenue in front of the Site);
2. Compliance with all applicable Orange County Fire Authority requirements;
3. Inclusion of the 15-space parking easement that benefits the adjacent property owner of the Packing House;
4. Inclusion of a minimum of 1,000 square feet of commercial retail on the ground floor;
5. Dedication of property for street and public utility purposes as depicted in the attached parcel merger plat map and labeled as "future street widening;"
6. Undergrounding of new utilities installed as part of the project, as well as removal of three existing utility poles located on the property and in the road-right-of way adjacent to the Golden State Water Company well site. The existing utilities attached to those poles will be placed underground;
7. Provision of a direct, private pedestrian connection to the south platform as will be required by the City for the residential tenants of this Project;
8. Provision of a storm drain access easement in order to maintain access to the existing storm water pump station and appurtenant equipment located on the western edge of the property;
9. Construction and installation of all street improvements and public amenities as depicted in the Streetscape Master Plan (Attachment G) along the entire property/project site frontage. This includes but is not limited to street and public right of way improvements, street furniture, light standards, and landscaping consistent with the attached Streetscape Master Plan;
10. Provision of a 15 foot temporary construction easement for access to the south Metrolink Platform during construction (dependent upon timing for the construction of the Platform).

Please refer to the "Development Program" portion of this Proposal for Project Graphics.

EXPERIENCE: Sample Recent Projects

EVIVA MIDTOWN (Sacramento, California)



The Development of EVIVA Midtown was a public/private venture with the Capital Area Development Authority (“CADA”). The project utilized modular construction techniques, and was financed with private placement bonds, EB5 financing, crowdfunding and private equity.

EVIVA Midtown is a premier apartment community in the growing urban core of Sacramento. The project’s location provides excellent proximity to mass transit, regional employment centers and lifestyle amenities such as restaurants, museums, art galleries and nightlife.

Completed in 2016, EVIVA Midtown consists of 118 condominium-style rental units in a six-story structure. The development team used Guerdon Modular Buildings, an established modular construction company that provided the wood-frame modular residential units which resulted in a greener construction process, reduced construction timeline, and lower operating costs.

Developer:	The Pinyon Group*
Development Scope:	New construction of 118 condominium-style rental units in a 5-story modular mid-rise building
Financial Characteristics:	\$41 million Project Capitalization — Sources included private equity (including developer equity), LIHTC equity, and below-market-rate debt
Public Sector Contact:	Marc de la Vergne Deputy Executive Director, Capitol Area Development Authority (916) 324-3913 mdelavergne@cadanet.org
Public - Private Partnership?:	Yes. The Capitol Area Development Authority contributed the land as well as a 15-year property tax abatement in order to ensure the site’s redevelopment / project financial feasibility.

*The Pinyon Group’s Principal (Jay Stark) served as Project Executive and co-developer for the Project along with a national multifamily developer.

EXPERIENCE: Sample Recent Projects

RAILYARDS (Sacramento, California)



One of the nation’s largest infill projects is transforming 244-acres of land into a thriving, mixed-use urban community that will double the size of downtown Sacramento and redefine the region.

Located at the corner of Railyards Boulevard and 6th Street, the first Railyards mixed-use residential project will consist of 277 residential rental units with another 5,000 square feet of ground floor retail. Amenities at the project will include a rooftop deck, courtyard pool, co-work space, fitness center and a community lounge.

The design for this mixed-use residential project is a modern interpretation of the historical elements inspired by the site. The project has been submitted for plan check to the City of Sacramento, with construction completion anticipated in 2020.

Developer / Owner / Manager:	USA Properties*
Development Scope:	277 units of new construction market-rate housing + 5,000 sqft. of retail
Financial Characteristics:	\$100M project capitalization - Sources include private equity, developer equity, mezzanine financing and taxable bonds
Public Sector Contact:	Bruce Monigha Urban Design Manager, City of Sacramento (916) 808-1241 bmonighan@cityofsacramento.org
Public Private Partnership?	No

*USA Properties is a co-developer / co-general partner for the Project, along with Downtown Railyard Venture, LLC.

EXPERIENCE: Sample Recent Projects

VINTAGE AND LIBERTY AT ALISO (Aliso Viejo, California)



Vintage Aliso (Phase I) & Liberty Aliso (Phase II) were developed through a public-private partnership, resulting in the creation of 402 units of new multifamily housing in the heart of Aliso Viejo, California.

Completed in 2017, Vintage Aliso is a 4-story, 202-unit senior affordable housing community that was financed with 4% Low-Income Tax Credits (LIHTC) and tax-exempt bonds. The property offers its residents a wide variety of recreational activities, including a sparkling swimming pool, community gardens, a recreation center where social events (such as potlucks and game nights are hosted), exercise equipment, and pet washing stations.

The second phase, Liberty Aliso, is scheduled for completion in 2018, and will provide an additional 200 units of multifamily housing in a 4-story elevator-serviced building constructed atop a podium parking garage.

USA Properties Fund, Inc. served as the Lead Developer. The Foundation for Affordable Housing served as a co-developer / co-general partner on the project. Financial Partners included Boston Financial and Citi Community Development.

Developer / Owner / Manager:	USA Properties and Foundation for Affordable Housing
Development Scope:	402 units of new construction multifamily housing in two phases
Financial Characteristics:	\$108.3 million combined project capitalization - Sources included 4% LIHTC (tax credits) & Tax-Exempt Bonds
Public Sector Contact:	Erica Roess, Senior Planner City of Aliso Viejo (949) 425-2528 eroess@cityofaliso Viejo.com
Public Private Partnership?	Yes, the City of Aliso Viejo contributed subsidy to this project in the form of a \$2.25 million housing trust fund loan, and a \$4.4 million park fee loan.

EXPERIENCE: Sample Recent Projects

EVIVA MISSION BAY (San Francisco, California)



Located in one of the largest transit oriented developments (TOD) in San Francisco, the Project is immediately adjacent to local and regional transportation hubs, San Francisco Business District and AT&T Park.

EVIVA Mission Bay consists of 129 mixed-income rental units (including 23 moderate income “workforce” housing units) in a 5-story mid-rise building. The project represented the opportunity to develop the last vacant parcel north of the channel in San Francisco’s Mission Bay Master Planned Community. The site is adjacent terminus of Caltrain (the major rail line connecting San Francisco to Silicon Valley).

The project was a re-entitlement effort with the City of San Francisco Redevelopment Agency. The project site was impacted by an adjacent freeway off-ramp and noise concerns. The development team was able to design architectural features to minimize the visual and acoustic impacts of the adjacent freeway off-ramp. The project was completed in 2016.

Developer:	The Pinyon Group*
Development Scope:	New Construction of 129 mixed-income rental units in a 5-story mid-rise podium transit-oriented development (TOD)
Financial Characteristics:	\$63 million Project Capitalization —Sources included private equity (including developer equity), LIHTC equity, and below-market-rate debt
Public Sector Contact:	Tiffany Bohee Executive Director, San Francisco Redevelopment Agency (formerly) (415) 963.1903 tiffany.bohee@lendlease.com
Public - Private Partnership?:	Yes. The City was responsible for re-zoning the property pursuant to a tri-party agreement (between the Master Developer, Developer, and City). This allowed for financially-feasible redevelopment of the site.

*The Pinyon Group’s Principal (Jay Stark) served as Project Executive and co-developer for the Project along with a national multifamily developer.

EXPERIENCE: Sample Recent Projects

Santana Terrace (Santa Clara, California)



Located a short walk from Santana Row, USA Properties Fund, Inc. is constructing a new 92-unit market-rate apartment community in Santa Clara, California. The 4-story podium building was designed by DAHLIN, and is expected to be completed later this year.

With construction completion expected later this year (2018), Santana Terrace is a 92-unit Class A multifamily community consisting for 4 stories of Type V wood-framed construction over a podium garage. Additional parking for the project is provided in a surface lot. The property will provide residents with top-notch housing within a short walk to Silicon Valley's famed Santana Row— with over 30 dining establishments, premier shopping establishments such as Gucci, Anthropologie, H&M, and the CinéArts Santana Row movie theater.

Developer / Owner / Manager:	USA Properties
Development Scope:	92 units of new construction market-rate housing (podium, surface & garage parked) - 50 du/acre
Financial Characteristics:	\$50M project capitalization - Sources included private equity, developer equity, traditional construction loan
Public Sector Contact:	Rajeev Batra City Manager (former) City of Santa Clara (510) 673-7130
Public Private Partnership?	No

FINANCIAL CAPACITY:

The Development Team unquestionably possesses the financial ability to undertake and successfully complete the proposed project.

Audited Financial Statements:

Pursuant to the terms of the RFP, the Lead Developer, USA Properties Fund, Inc., has submitted the most recent two years of audited financial statements as a confidential exhibit to this proposal.

Threshold Rate of Return Requirement:

The Development Team's threshold rate of return requirements vary along with market conditions, as well as idiosyncratic risks associated with project types and locations.

For the particular project contemplated in this proposal, and current market conditions, Placentia TOD Partners has determined that the appropriate mix of required thresholds to are as follows:

Stabilized Return on Cost (Stabilized Net Operating Income / Total Project Costs):

Six and one-tenths percent (6.10%)

Internal Rate of Return (Microsoft Excel XIRR function applied to net cash flows to equity):

Seventeen and one-half percent (17.5%)

Equity Multiple (Total Cash Inflows to Equity / Total Cash Outflows from Equity):

Two and two-tenths times invested equity (2.20x)

Litigation / Disputes:

No member of the development team is involved in any litigation or disputes that could result in a financial settlement that has a materially adverse effect on the ability of the development team to complete the proposed project.

Bankruptcies / Defaults / Foreclosures:

No member of the development team has ever filed for bankruptcy or had projects that have been declared in default or foreclosed upon.

DEVELOPMENT PROGRAM: Narrative



Project Overview:

Placentia TOD Partners will meet or exceed the development parameters for the Crowther TOD development set forth in the City of Placentia’s RFP. The Development Team has carefully reviewed the development parameters of the RFP in order to capture the City’s development goals for a transit-oriented development that leverages the significant investments of the City of Placentia and the Orange County Transportation Agency (OCTA). This new investment in luxury mixed-use multi-family housing will serve as a model TOD development in harmony with smart growth principles to create significant value for the City of Placentia and a project that promotes economic development in the surrounding community.

The proposed mixed-use, multi-family residential Project at 207 - 209 W. Crowther Avenue consists of a five-story building over a single subterranean parking level with a total height of approximately 65’. Roof-serving stairs and other building appurtenances reach a height of approximately 75’. The Project comprises 131 apartment units, primarily housed in the proposed four-story super-structure, and also include half a dozen dwelling units housed within the mixed-use ground floor base, offering live/work/home-occupation opportunities along Crowther Avenue—allowing for a complementary mix of land uses to create an environment that engages people at the pedestrian level, and encourages an active pedestrian-oriented streetscape along Crowther Avenue.

Roughly 252 on-site parking spaces are provided and housed on two structured parking levels. The street-level parking garage provides 113 parking spaces and is lined with 1,000 SF of neighborhood-serving retail, a 2,500 SF space including a leasing and management office, resident lounge and lobby, and resident bike storage and shop as well as apartment units along the Crowther Avenue frontage.

The street-level garage houses five (5) spaces serving retail customers while the remaining spaces are located behind a secured gate and serve apartment residents. The subterranean parking level

DEVELOPMENT PROGRAM: Narrative

houses approximately 139 spaces, 15 of which would benefit the adjacent property owner at the Packing House. The remaining spaces serve residents and their guests. The proposed total gross building area is approximately 275,000 SF, including apartments and resident-serving amenity uses, commercial space, and parking facilities.

The proposed site boundary along the western edge was reconfigured (the feasibility of which is a point of discussion) to optimize site geometry for a more coherent and efficient building layout, while maintaining ready access to the existing storm water pump station and associated equipment yard, as stipulated in the RFP. The proposed area of the above-described reconfigured site is approximately 1.62 acres.

Parking presents a limiting factor on the site. Based on extensive experience, and after careful analysis, the Development Team feels it is important to hit a 1.8 parking ratio inclusive of residents and guests, in order to ensure the Project is in line with other transit-oriented developments in the competitive submarket—thereby driving maximum value to the land / ground lease.

Site Organization:

Residential dwelling units consist of studio, one- and two-bedroom units organized around two outdoor courtyards elevated above the street, one facing south (Crowther), housing an active outdoor pool and spa area, while the other is facing north (future Metrolink station) with passive, landscaped outdoor “rooms”. This is in addition to approximately 3,500 SF of indoor amenities including a clubhouse, a fitness gym, and a work-share lounge. An open stairway runs along the eastern edge of the south courtyard, providing OCFA personnel direct access the Project while connecting residents to Crowther Avenue and the proposed public plaza featuring public art murals and other creative and interactive elements. An accessible ramp proposed along the northern edge of the north courtyard leads to a secured gate providing residents with a direct and convenience connection to the future Metrolink Station’s south platform.

Architecture:

Proposed building massing, scale, and architectural treatment are mindful of the mixed-use and transit-oriented nature of the Project—producing a high-quality, finely-detailed identifiable architectural style and urban form that provides interest and complexity at the level of the pedestrian and bicyclist

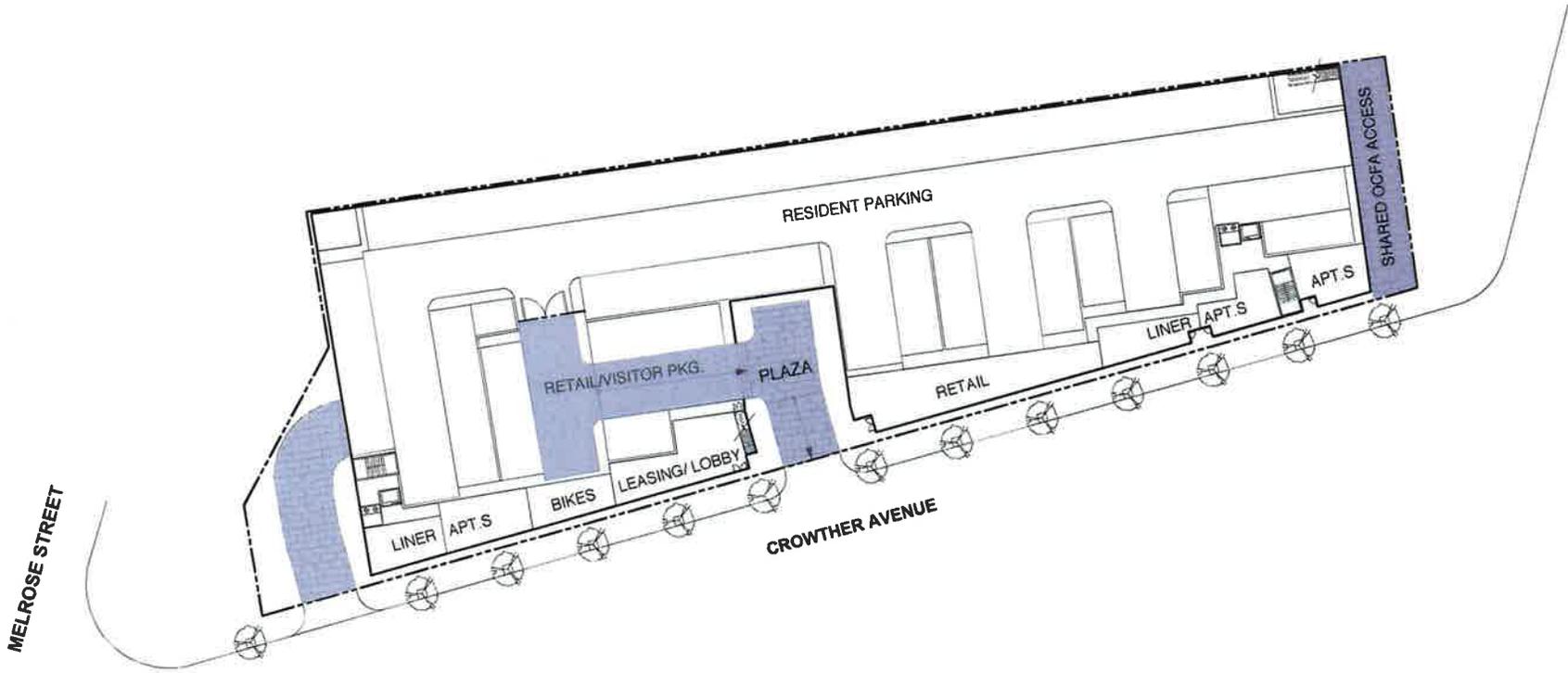
Building materials are durable and offer a range of textures, colors and three-dimensional architectural elements, such as deep roof overhangs, colorful shade trellises, and playful cantilevered balconies, resulting in dynamic and contemporary façade compositions. This articulation in building massing allows for a variety of uses, textures, and finishes, in an effort to activate both the Crowther Avenue and the future Metrolink station frontages and enhance the public right-of-way experience with a shaded, tree-lined sidewalk as illustrated in the Streetscape Master Plan.

In summary, the goal of Placentia TOD partners is to create a true state-of-the-art urban living experience which provides residents, guests and the citizens of Placentia an opportunity to experience great architecture and great urban living, while also providing the City of Placentia with a valuable community asset for decades to come.



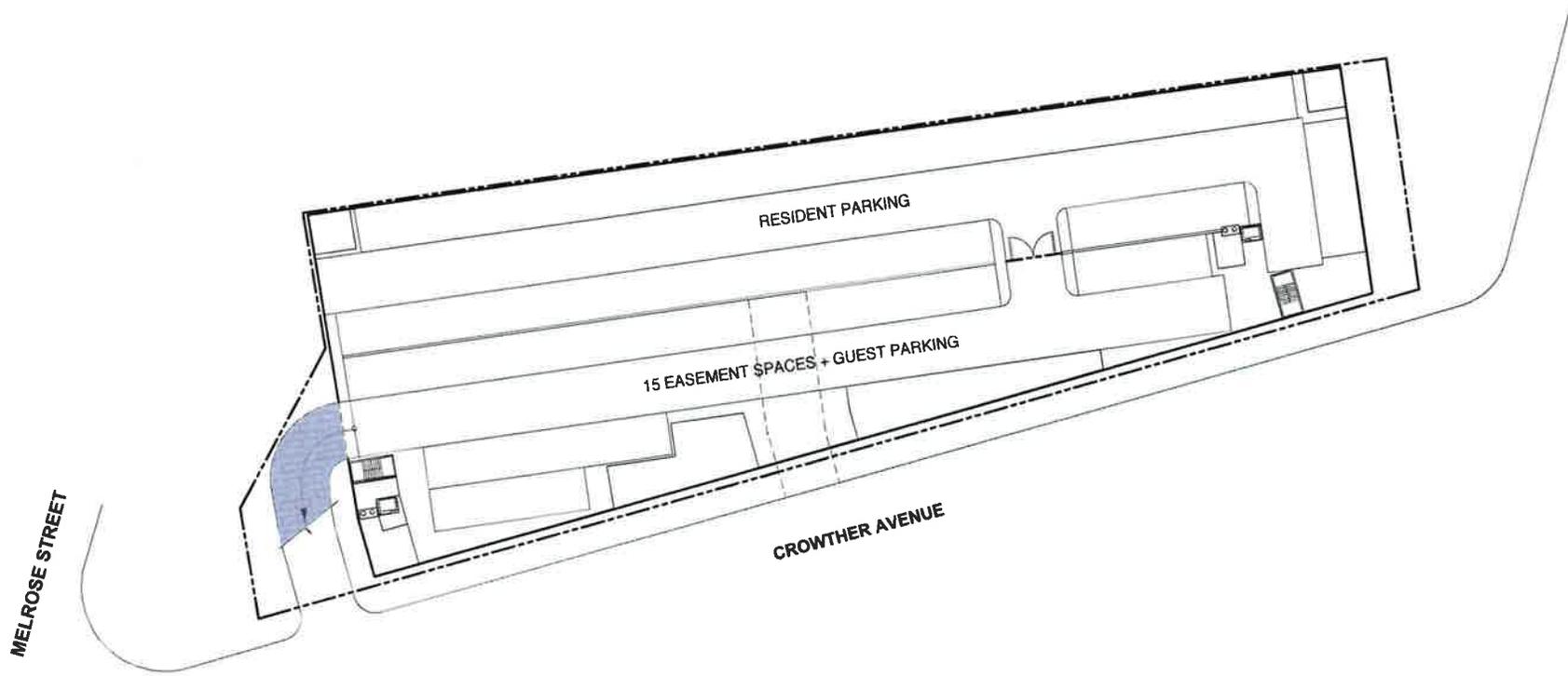
COLOR ILLUSTRATIVE SITE PLAN (PODIUM LEVEL)

CROWTHER DEVELOPMENT RFP, PLACENTIA, CA



GROUND (STREET) LEVEL PLAN

CROWTHER DEVELOPMENT RFP, PLACENTIA, CA

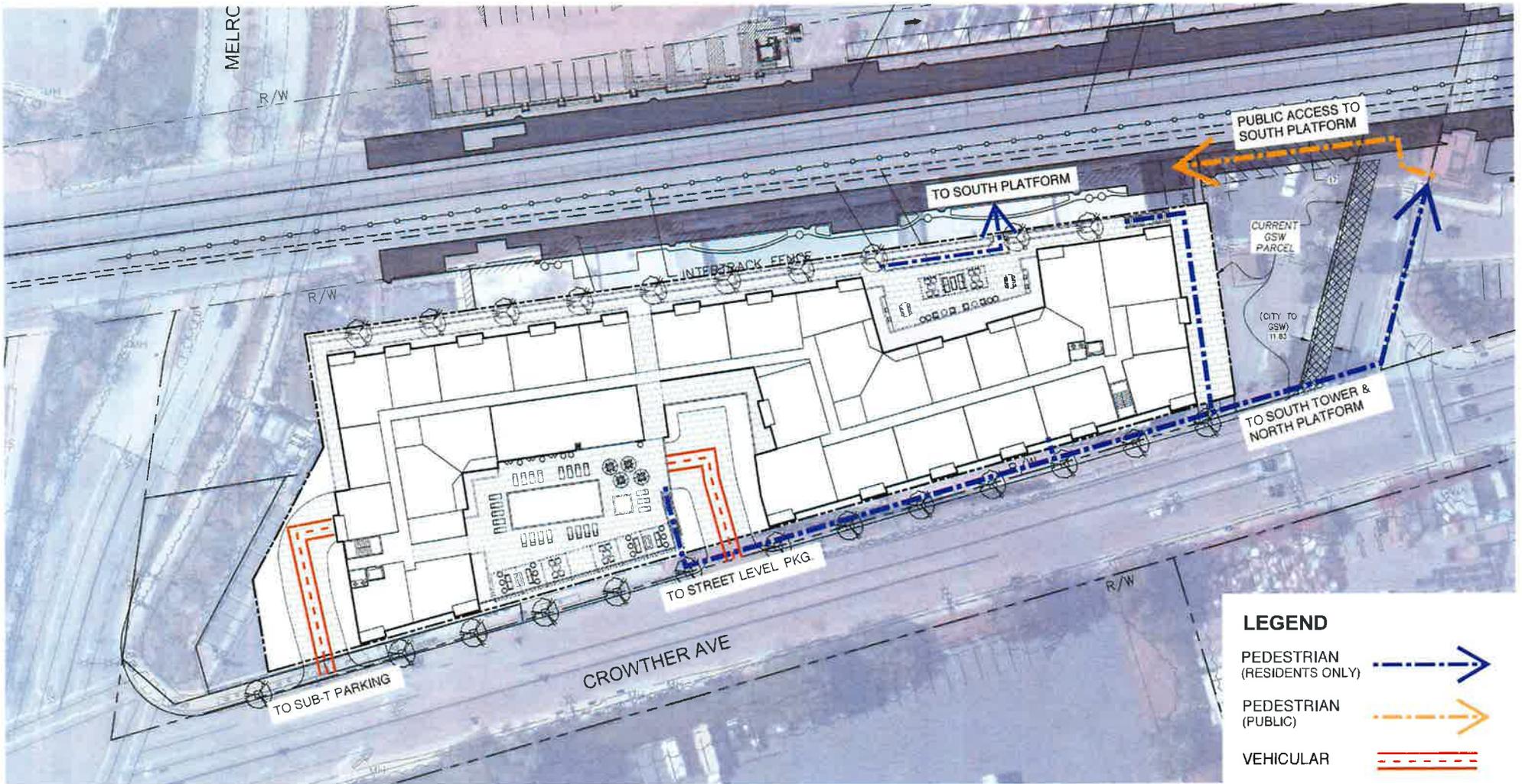


SUB-TERRANEAN PARKING LEVEL

CROWTHER DEVELOPMENT RFP, PLACENTIA, CA

DATE 03-29-2018





CIRCULATION PLAN

CROWTHER DEVELOPMENT RFP, PLACENTIA, CA



CROWTHER (SOUTH) ELEVATION

CROWTHER DEVELOPMENT RFP, PLACENTIA, CA



EAST ELEVATION

CROWTHER DEVELOPMENT RFP, PLACENTIA, CA



CROWTHER PERSPECTIVE

CROWTHER DEVELOPMENT RFP, PLACENTIA, CA

COMMUNITY ENGAGEMENT PLAN:

Outreach Engagement and Strategy:

The members of Placentia TOD Partners share a deep-rooted commitment to engaging local stakeholders and community members early in, and throughout, the development process. Placentia TOD Partners has brought on FSB Core Strategies to design and facilitate successful community engagement programs and processes for the Project.

As part of our outreach engagement we propose an aggressive public awareness campaign which includes both grass tops and grassroots strategies. To achieve the goals of the City of Placentia we believe an all-encompassing outreach plan to community influencers, local colleges, media and the affected communities is key. This outreach campaign will encompass a two-way communication strategy wherein the public is properly informed and educated—while feeling that their voices are being heard—in a timely and accurate manner. Our team’s relationships with key partners for this project will help deliver these messages efficiently and organically.

Local Partners:

Below, is an initial outreach list of local “influencers” and partners.

- Placita Santa Fe Merchants Association
(Rosalinda Davis, President)
- Placentia Chamber of Commerce
- Love Placentia
- Placentia Farmers Market
- North Orange County Chamber of Commerce
(FSB has a team member currently on the North OC Chamber board)
- Placentia Community Foundation
- Orange County Hispanic Chamber of Commerce
- Congressman Ed Royce
- Senator Josh Newman
- Assemblymember Philip Chen
- Supervisor Shawn Nelson

Local Colleges:

Because Placentia has become an extension of the many colleges, including students and faculty, we plan to maintain an active and ongoing relationship with college groups. Our team will stay relevant as it relates to current and upcoming housing, transportation and social trends impacting college life.

- Cal State Fullerton
- Fullerton College
- Hope International University
- Ketchum University
- Fullerton Dental Assistant School

COMMUNITY ENGAGEMENT PLAN:

Transportation Partners:

As a transit-oriented development project, having a robust list of transportation partners will be crucial to our outreach. Our team has extensive experience in transportation, from public to private, and will continue to create relationships as we move forward with this project.

- OC Wheelman
- OC Bicycle Coalition
- Bicycle Club of Irvine
- Orange County Transportation Authority (OCTA)
(Jerry Amante served on the OCTA board as Chairman for six years; Jerry has worked on community outreach campaigns for OCTA including the OCTA Diversity Campaign, I-57 community outreach campaign and the I-5 Central outreach campaign; Jerry holds a close professional and personal with the OCTA Chairman Darrell Johnson.)

Multicultural Outreach:

With Placentia's Hispanic population at over 36%, a diverse community engagement plan is central to this project. FSB has a strong background in Hispanic communications and outreach specifically in the Orange County community. FSB's scope of work in this regard will include:

- Content creation;
- Strategy development;
- Message development;
- In-language media interviews; and,
- In-language event coordination.

Media Relations:

Media relations will also be key to keeping the general public, as well as those who live inside the project limits, informed. This tactic will also serve as a good temperature-check for public opinion towards the project's progress. In coordination with the City of Placentia's media relations teams, we will work to develop appropriate media messages, drafting media materials including alerts and press releases, identify interview opportunities, draft and place op-eds and letters to the editor, and pitch media around milestone events. In addition to the storytelling and educational campaign with the tactics listed above, we will actively monitor media coverage for related to the project or the industry and flag news when necessary. We will then assess if that piece of news needs addressing and will advise our client on the appropriate next steps.

FSB's media team works closely with English and multicultural journalists, producers, and bloggers in Orange County on a variety of topics. Given the current media landscape where there are less reporters on staff who are covering more and more beats, relationships with the newest journalists is critical. Our team has stayed on top of this ever-changing market and our current relationships will serve the project well when it's time to garner coverage and respond to inquiries or crises if and when necessary.

PRELIMINARY SCHEDULE OF PERFORMANCE:

Placentia TOD Partners

Preliminary Schedule of Performance

Task/Milestone	2018				2019				2020				2021			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Submit RFP																
City Review & Interview Period																
Notice of RFP Award																
Initial Development and Lease Agreement Discussions																
Submit Entitlements																
Entitlements Processing and Review																
Receive Planning Approval																
Finalize agreements with City of Placentia																
Send financing package to lenders																
Placentia, OCTA, Developer Coordination Group Kick-off																
City of Placentia Preliminary Plan Review																
Submit Plan Check Documents																
Plan Check Review and Verification																
Ground Lease Execution																
Demo, Shoring, Grading, Foundation, Building Permits																
Senior Lender and Terms Confirmed																
Construction Period																
First Occupancy TCO																
Full Building TCO																
A/E Team Design Schedule																
Conceptual Design																
Schematic Design																
Design Development																
Construction Documents / Plan Check																
Construction Administration																
Construction Schedule																
Site Demolition, Shoring, and Grading																
Foundations and Concrete Work to Podium Underside																
Framing																
Rough In MEP																
Finishes																
Site Finishes																

FINANCIAL INFORMATION:

Placentia TOD Partners

Preliminary Proposed Ground Lease Terms & Conditions

GROUND LEASE SUMMARY	
Initial Ground Lease Term:	66 Years
Initial Ground Lease Rent:	The financial projections do not currently support a significant ground lease payment in Operating Year 8. The Development Team looks forward to working with the City to create a mechanism to provide value to the City if market factors improve materially.
Initial Ground Lease Adjustments(1):	Adjusted by CPI every Five (5) Years
Option Term:	33 Years
Option Period Base Ground Lease Rent:	Option Period Base Ground Lease Rent ("Option Period Base Ground Lease Rent") shall be Five Percent (5.00%) of the Land Value in the 66th year of the Ground Lease based on the following Method: The Ground Lease and Ground Lessor will each be required to commission an appraisal ("Option Appraisals") of the operating building and underlying land 180 days prior to the 66th anniversary of the ground lease. Upon completion of the two (2) Option Appraisals, the underlying land will be valued by the average of the two appraisals ("Land Value"). The Land Value will be multiplied by five percent which will set the Option Base Ground Lease Rent.
Option Period Adjustments:	Adjusted by CPI every Five (5) Years
Capital Repairs and Replacements Reserve:	\$250 per unit per year, or as otherwise required by lender / investor partners
Capital Repairs and Replacements Schedule:	The Development Team, in conjunction with its investor partner(s) are committed to maintaining a high-quality multifamily transit oriented development asset including making necessary capital improvements through the Initial and Option Terms of the Ground Lease.

(1) Based on financing guidelines.

In addition to the RFP-required "Summary of Terms" table above, the Development Team is proposing an initial lease payment in the amount of \$4,400,000, as requested by the City in the RFP.

FINANCIAL INFORMATION:

Placentia TOD Partners

Pro Forma Analysis / Assumptions

Pro Forma Analysis Summary					
Project Name	Placentia Metrolink Station				
Address	207-209 W. Crowther Ave.				
City/State	Placentia, CA				
Type	Multifamily/Mixed Use				
Acres	1.62 Acres				
Gross Square Footage	152,760				
Residential GSF	151,760				
Residential NSF	123,569				
Total Units	131				
Market Residential Rent PSF	2.55				
Parking Spaces	252				
Lease-Up Velocity	10				
Lease-Up Months	12				
Sources & Uses					
Construction Sources					
		%	\$/Unit	\$/GSF	\$/NSF
Equity	19,223,691	40.0%	146,746	126	156
Construction Loan	28,835,536	60.0%	220,119	189	233
Total Sources	48,059,226	100.0%	366,864	315	389
Construction Uses					
		%	\$/Unit	\$/GSF	\$/NSF
Land Cost	4,450,000	9.3%	33,969	29	36
Hard Costs	32,709,888	68.1%	249,694	214	265
Soft Costs	10,899,338	22.7%	83,201	71	88
Total Uses	48,059,226	100.0%	366,864	315	389
Stabilized Return on Cost			Ground Lease Summary		
Net Operating Income	2,936,044				
Cashflow	980,586				
Return on Cost	6.11%				
		Initial Payment	4,400,000		
		Net Present Value	4,400,000		
		per unit	33,588		

KEY ASSUMPTIONS			
Proforma Assumptions	Residential	Trending	Retail
Market Rate Units	2.55 PSF	2.75%	
Vacancy Loss	4.50%		10.00%
Bad Debt	0.50%		
Other Income	70/Unit/Month	2.00%	
Parking Income	50/Unit/Month	2.00%	
RUBS	90.00%	Capture	
Operating Expenses	See Cashflow	2.00%	0 PSF
Management Fee	2.50% of EGI	0.00%	
Replacement Reserve	250/Unit	2.00%	
Exit Assumptions			
Exit Cap Rate	5.00%		
Sales Costs	1.00%		

RENT ROLL			
Type	# of Units	Size (sqft)	Rent (Avg)
Studio	11	637	\$1,950
1-Bedroom	59	767	\$2,150
2-Bedroom	61	1169	\$2,725
Total	131	943	\$2,401

FINANCIAL INFORMATION:

Placentia TOD Partners

Estimated Construction / Development Costs

CONSTRUCTION BUDGET		
	Total	Per Unit
Up-Front Ground Lease Payment	4,400,000	33,588
Negotiation Fee	50,000	382
Total Acquisition Costs	4,450,000	33,969
Hard Costs		
Off-Site Work	625,000	4,771
Site Work (1)	2,822,688	21,547
Residential Construction	18,211,200	139,017
Parking Construction	7,686,000	58,672
Commercial Construction	175,000	1,336
Furniture, Fixtures & Equipment	250,000	1,908
General Contractor/ General Requirements	2,940,000	22,443
Construction Insurance	206,072	1,573
Hard Cost Contingency	1,635,494	12,485
Total Hard Costs	34,551,455	263,752
Soft and Financing Costs		
Permitting and Fees (2)	3,495,144	26,680
Architecture, Engineering & Consulting Fees	1,369,588	10,455
Taxes, Insurance, Legal & Accounting	375,000	2,863
Leasing Commissions	14,400	110
Developer's Fee	1,373,815	10,487
Marketing & Advertising	196,500	1,500
Construction Loan Interest	869,387	6,637
Construction Loan Fee (3)	369,855	2,823
Interest Reserve	360,444	2,751
Operating Reserve	257,921	1,969
Soft Cost Contingency	375,716	2,868
Total Soft Costs	9,057,772	69,143
Total Development Cost	48,059,226	366,864

(1) Includes Secure Walkway to South Platform

(2) Includes TOD Impact Fee, Public Safety Impact Fee, Park Fee, Quimby In-Lieu Fee and Affordable Housing Impact Fee

(3) Permanent Loan Fee paid at refinancing out of refinance proceeds

FINANCIAL INFORMATION:

Placentia TOD Partners

Stabilized Operating Pro Forma / Cash Flow Projection

15-YEAR CASHFLOW																
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
		Lease-Up		Stabilization												
Market Rate Gross Potential Rental Income	2.8%	\$ 2,405,414	\$ 4,206,915	\$ 4,322,605	\$ 4,441,477	\$ 4,563,617	\$ 4,689,117	\$ 4,818,068	\$ 4,950,564	\$ 5,086,705	\$ 5,226,589	\$ 5,370,321	\$ 5,518,004	\$ 5,669,750	\$ 5,825,668	\$ 5,985,874
Non-Revenue Producing Unit	2.8%	(27,988)	(28,757)	(29,548)	(30,361)	(31,196)	(32,053)	(32,935)	(33,841)	(34,771)	(35,727)	(36,710)	(37,719)	(38,757)	(39,823)	(40,918)
Retail Income	3.0%	8,343	12,360	12,731	13,113	13,506	13,911	14,329	14,758	15,201	15,657	16,127	16,611	17,109	17,622	18,151
RUBS	0.0%	119,386	121,774	124,209	126,693	129,227	131,812	134,448	137,137	139,880	142,677	145,531	148,441	151,410	154,438	157,527
Other Income	2.0%	106,387	184,706	188,400	192,168	196,012	199,932	203,931	208,009	212,169	216,413	220,741	225,156	229,659	234,252	238,937
Gross Income		2,611,542	4,496,998	4,618,397	4,743,091	4,871,167	5,002,718	5,137,840	5,276,628	5,419,184	5,565,609	5,716,009	5,870,493	6,029,171	6,192,158	6,359,571
Residential Rental Vacancy	4.5%	-	(189,311)	(194,517)	(199,866)	(205,363)	(211,010)	(216,813)	(222,775)	(228,902)	(235,197)	(241,664)	(248,310)	(255,139)	(262,155)	(269,364)
Bad Debt/Credit Loss	0.5%	(13,058)	(22,485)	(23,092)	(23,715)	(24,356)	(25,014)	(25,689)	(26,383)	(27,096)	(27,828)	(28,580)	(29,352)	(30,146)	(30,961)	(31,798)
Retail Vacancy	10.0%	(834)	(1,236)	(1,273)	(1,311)	(1,351)	(1,391)	(1,433)	(1,476)	(1,520)	(1,566)	(1,613)	(1,661)	(1,711)	(1,762)	(1,815)
Other Income Vacancy	4.5%	(10,160)	(13,792)	(14,067)	(14,349)	(14,636)	(14,928)	(15,227)	(15,532)	(15,842)	(16,159)	(16,482)	(16,812)	(17,148)	(17,491)	(17,841)
Effective Gross Income		2,587,490	4,270,174	4,385,448	4,503,849	4,625,462	4,750,375	4,878,678	5,010,462	5,145,824	5,284,860	5,427,670	5,574,357	5,725,027	5,879,789	6,038,753
Ground Lease		-	-	-	-	-	0	0	0	0	0	0	0	0	0	0
Management Fee		64,687	106,754	109,636	112,596	115,637	118,759	121,967	125,262	128,646	132,121	135,692	139,359	143,126	146,995	150,969
On-Site Services	2.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	2.0%	132,651	135,304	138,010	140,770	143,586	146,457	149,387	152,374	155,422	158,530	161,701	164,935	168,234	171,598	175,030
Controllable Operating Expenses	2.0%	518,253	528,618	539,190	549,974	560,973	572,193	583,637	595,309	607,216	619,360	631,747	644,382	657,270	670,415	683,823
Placentia TOD CFD	2.0%	17,751	18,106	18,468	18,837	19,214	19,598	19,990	20,390	20,798	21,214	21,638	22,071	22,512	22,963	23,422
Real Estate Taxes	2.0%	511,943	511,943	522,182	532,626	543,278	554,144	565,227	576,531	588,062	599,823	611,820	624,056	636,537	649,268	662,253
Total Operating Expenses		1,245,285	1,300,725	1,327,486	1,354,803	1,382,688	1,411,152	1,440,207	1,469,867	1,500,143	1,531,049	1,562,597	1,594,803	1,627,678	1,661,238	1,695,497
Replacement Reserve	2.0%	32,750	33,405	34,073	34,755	35,450	36,159	36,882	37,619	38,372	39,139	39,922	40,721	41,535	42,366	43,213
Total Replacement Reserve		32,750	33,405	34,073	34,755	35,450	36,159	36,882	37,619	38,372	39,139	39,922	40,721	41,535	42,366	43,213
Lease-Up Operating Reserves*		618,366														
Net Operating Income		1,927,821	2,936,044	3,023,888	3,114,291	3,207,324	3,303,065	3,401,589	3,502,976	3,607,309	3,714,672	3,825,151	3,938,834	4,055,814	4,176,185	4,300,043
Debt Service		1,441,777	1,955,457	1,955,457	1,955,457	1,955,457	1,955,457	1,955,457	1,955,457	1,955,457	1,955,457	1,955,457	1,955,457	1,955,457	1,955,457	1,955,457
Cash Flow		\$ 486,044	\$ 980,586	\$ 1,068,431	\$ 1,158,833	\$ 1,251,867	\$ 1,347,607	\$ 1,446,131	\$ 1,547,519	\$ 1,651,852	\$ 1,759,214	\$ 1,869,693	\$ 1,983,377	\$ 2,100,357	\$ 2,220,727	\$ 2,344,585

*Includes capitalized operating reserves and portion of capitalized interest reserve

FINANCIAL INFORMATION:

Placentia TOD Partners

Financing Plan / Sources & Uses

The Development Team is not proposing that the City accept any financial responsibilities and/or obligations.

FINANCING TERMS	
Construction Loan	
Term:	3 Years
Amortization:	Interest Only
Interest Rate:	5.00%
Loan to Cost:	60.00%
Origination Fee:	1.00%
Permanent Loan	
Term:	30 Years
Amortization:	30 Years
Interest Rate:	4.75%
Loan to Cost:	65.00%
Origination Fee:	0.75%
Stabilized DSCR:	1.50x

The expected stabilized return on investment for the project based on the assumptions provided herein is 6.12%. This is calculated as the net operating income of the developed stabilized property divided by the total project costs.

The Development Team's return thresholds are dependent upon market conditions and idiosyncratic investment risks. Based on recent project financings, the Project would be required to achieve a combination of a 17.5% internal rate of return (IRR), 6.10% Stabilized Return on Cost, and 2.20x equity multiple.

SOURCES AND USES - CONSTRUCTION			
	Total	%	Per Unit
Sources			
Equity	19,223,691	40.0%	146,746
Construction Debt	28,835,536	60.0%	220,119
Total Sources	48,059,226	100.0%	366,864
Uses			
Acquisition Costs	4,450,000	9.3%	33,969
Hard Costs	32,709,888	68.1%	249,694
Softs Costs	7,288,441	15.2%	55,637
Financing Costs	1,599,687	3.3%	12,211
Contingency	2,011,210	4.2%	15,353
Total Uses	48,059,226	100.0%	366,864

SOURCES AND USES - PERMANENT			
	Total	%	Per Unit
Sources			
Equity	17,105,018	35.4%	130,573
Permanent Debt	31,238,497	64.6%	238,462
Total Sources	48,343,515	100.0%	369,034
Uses			
Acquisition Costs	4,450,000	9.2%	33,969
Hard Costs	32,709,888	67.7%	249,694
Softs Costs	7,288,441	15.1%	55,637
Financing Costs	1,599,687	3.3%	12,211
Permanent Loan Costs	284,289	0.6%	
Contingency	2,011,210	4.2%	15,353
Total Uses	48,343,515	100.0%	369,034

FINANCIAL INFORMATION: Financing Letter



EAST WEST BANK

March 23, 2018

Ms. Jeannette Ortega
Assistant to City Administrator
City of Placentia
401 East Chapman Avenue
Placentia, CA 92870

Dear Ms. Ortega,

This letter serves as an expression of interest by East West Bank to provide construction financing to USA Properties Fund for the Crowther Development RFP that will be a mixed-use, multi-family project adjacent to the Metrolink station.

East West Bank has over \$36 billion in total assets and has a very strong presence in Southern California. East West Bank is very active in construction lending for all types of multi-family housing from affordable housing to student housing to luxury multi-family housing.

USA Properties Fund is a valued client of East West Bank and we have worked with USA Properties Fund on several multi-family projects.

East West would welcome the opportunity to partner with USA Properties Fund once again to provide construction financing for the Crowther project. Once the final development program is finalized, East West is ready, willing and able to issue a term sheet for the project.

Thank you in advance.

Sincerely,

Deborah Beveridge
Senior Vice President
East West Bank

ACKNOWLEDGEMENT: Receipt of Addendum

SUBJECT: REQUEST FOR PROPOSALS

**CROWTHER DEVELOPMENT
207-209 W. CROWTHER AVENUE**

DATE: March 1, 2018

ADDENDUM ACKNOWLEDGMENT:

Firm Name: USA Properties Fund

Authorized Signature: J. W. Gall, SVP

Date: March 12, 2018

Acknowledgment of Receipt of Addendum #1 is required by signing.

QUALIFICATIONS: DAHLIN

DAHLIN

Multifamily, mixed-use, and transit-oriented developments have both shared and unique challenges and inherent complexities through which DAHLIN has successfully guided many clients.

We partner with them to navigate the constraints of development realities—land and construction costs, pro forma requirements, and challenging entitlements. We design without losing sight of the opportunities for innovation that will translate into competitive advantage for the developer while also enhancing the lifestyle of residents and connecting to the neighborhood context.

DAHLIN has long offered collaborative residential architecture and planning services because architecture informs the community's design as much as a community's design dictates its architecture. This approach has resulted in numerous industry awards and, more significantly, memorable urban communities.

The expertise demonstrated in the breadth and depth of DAHLIN's residential and commercial work yields reliably marketable designs, and proactive anticipation of pitfalls that lead to creative solutions that a firm with a less diverse portfolio would be unlikely to develop.

Established in 1976, DAHLIN is a diverse architecture and planning practice of 150+ multicultural professionals with three offices in California, an office in Bellevue, Washington, and two offices in the People's Republic of China.



OFFICE LOCATIONS

PLEASANTON

5865 Owens Drive
Pleasanton, California 94588
925-251-7200
Pleasanton@Dahlingroup.Com

IRVINE

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SAN DIEGO

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BELLEVUE

Plaza Center
10900 NE 8th Street, Suite 1120
Bellevue, Washington 98004
+1-425-453-5388
bellevue@dahlingroup.com

QUALIFICATIONS: DAHLIN

SERVICES



PLANNING + URBAN DESIGN

Every great place starts with a plan. Our approach to land planning and urban design is based on our experience with real architectural prototypes and proven community design solutions.

SERVICES

- COMMUNITY VISION AND LAND USE PROGRAM
- LARGE-SCALE MASTER PLANNING AND NEIGHBORHOOD SITE PLANNING
- COMMUNITY LANDSCAPE DESIGN
- SPECIFIC PLANS AND DESIGN GUIDELINES
- ENTITLEMENTS
- COMMUNITY WORKSHOPS AND OUTREACH
- 3D SITE MODELING AND GRADING ANALYSIS



ARCHITECTURE

Solid design that stirs the soul and adds value to the bottom line. We provide a full range of architectural services to bring your project to completion on time and on budget.

SERVICES

- SITE DESIGN AND BUILDING PROGRAM
- CONCEPTUAL AND SCHEMATIC ARCHITECTURAL DESIGN
- DESIGN DEVELOPMENT AND CONSTRUCTION DOCUMENTS
- FULL SERVICE CONSTRUCTION ADMINISTRATION
- SUSTAINABLE AND LEED CERTIFIED DESIGN
- BUILDING INFORMATION MODELING (BIM)
- 3D SITE MODELING AND BUILDING DESIGN



INTERIOR DESIGN

The finish to a great building is the function and design of its interior space. At DAHLIN, we choreograph interior spaces whether they start a new or complete our architectural work and expertise, from theming to function, design, lighting and finishes.

SERVICES

- INTERIOR DESIGN THEME AND PROGRAM
- CONCEPTUAL AND SCHEMATIC INTERIOR ARCHITECTURAL DESIGN
- DESIGN DEVELOPMENT AND CONSTRUCTION DOCUMENTS
- FULL SERVICE CONSTRUCTION ADMINISTRATION
- SUSTAINABLE AND LEED CERTIFIED DESIGN
- 3D INTERIOR MODELING AND SPACE DESIGN
- INTERIOR DESIGN MATERIALS AND FINISH PALETTES

Multiple collaborative studios under one roof help to translate vision into reality.

QUALIFICATIONS: DAHLIN



SUSTAINABILITY

DAHLIN has an enduring commitment to real, achievable sustainability through the design of authentic and healthy communities. Our attitude results in the development of environmentally appropriate strategies and solutions.

SERVICES

EFFICIENT USE OF LAND THAT PROTECTS THE NATURAL ENVIRONMENT AND SIGNIFICANT RESOURCES
PEDESTRIAN-FRIENDLY AND TRANSIT-ORIENTED DESIGN
WATER CONSERVATION AND WASTE REDUCTION
BUILDING MATERIALS THAT UTILIZE RAPIDLY RENEWABLE RESOURCES
NATURAL LIGHTING AND INDOOR AIR QUALITY



DESIGN VISUALIZATION

A story and its ideas are only as compelling as their visual assets. Design visualization is a key component of our design process and expertise. We use multiple techniques to communicate the story behind a great idea.

SERVICES

HAND DRAWN PLAN ILLUSTRATIONS
WATERCOLOR RENDERINGS
3D SKETCHUP MODELING
3D PHOTOREALISTIC RENDERINGS
ANIMATION
BUILDING INFORMATION MODELING (BIM)
GRAPHICS PRESENTATION AND PACKAGING



DRONE SERVICES

We have certified drone pilots on staff available to provide drone mapping services. We will work with you to understand your needs while ensuring compliance with FAA/city ordinances and obtain flight request approval from the relevant jurisdictions.

SERVICES

AERIAL PHOTOGRAPHY AND VIDEOGRAPHY
SITE MAPPING AND 3D SITE MODELING
SITE VIEWS/SPECIFIC HEIGHT MEASUREMENTS



VTA TAMIEN STATION

SAN JOSE, CALIFORNIA, USA
SANTA CLARA VALLEY TRANSPORTATION AUTHORITY

Use/Type: Urban Residential TOD; Infill/Redevelopment

Site: 6.9 acres

Building: 5-story wrap construction with parking garage

Density/FAR: 48.1 du/ac

Units: 335 apartments/townhomes

Status: Ongoing

Tamien Station is a unique 6.9-acre redevelopment opportunity of an underutilized Santa Clara Valley Transportation Authority parking lot. The project envisions high density housing on the site to better align with the City of San Jose's Tamien Station Area Specific Plan and VTA's long term vision. DAHLIN is working with VTA in the rezoning, feasibility study and entitlement of the site. The mixture of housing types allows the design to respond and respect the surrounding context while also meeting the project's financial and long-term planning goals. The larger apartment building relates to the existing mid-rise building to the south, while the three-story townhomes front onto the proposed city park and relate more appropriately to the adjoining neighborhood of single-family homes.

TRANSIT-ORIENTED DESIGN TO SUPPORT SAN JOSE'S LONG-TERM GROWTH AND PLANNING GOALS.

QUALIFICATIONS: DAHLIN



DAHLIN

THE LINQ LOFTS + FLATS

KENMORE, WASHINGTON, USA
MAIN STREET PROPERTY GROUP

Use / Type: Urban Residential and Mixed-Use; Apartments

Site: 1 acre

Building: 5-story over parking garage; 20,000 sqft commercial

Density / FAR: 90 du/ac

Units: 94 apartment flats and lofts

Unit Plans: 613–1,302 sqft



Located directly across the street from Kenmore's new modern city hall, The Linq Lofts + Flats is a key piece of the downtown's revitalization efforts. 94 modern residential flats and lofts sit above 20,000 sqft of commercial space dedicated to healthcare services provided by Kirkland-based EvergreenHealth. The mixed-use project provides enhanced pedestrian sidewalks and connections to reinforce an increasingly walkable downtown Kenmore, and helps to meet healthcare needs of the local neighborhood.



DAHLIN GROUP ARCHITECTURE | PLANNING

QUALIFICATIONS: DAHLIN



SIX OAKS

BOTHELL, WASHINGTON, USA
MAIN STREET PROPERTY GROUP

Use/Type: Urban Residential and Mixed-Use; Apartments

Site: 2.7 acres

Building: 4- and 5-story over podium parking garage; 9,000 sqft commercial

Density/FAR: 75.1 du/ac

Units: 203 apartments

Unit Plans: 650–1,100 sqft



Getting its name from the six 85-foot-tall old-growth red oak trees preserved and integrated into the design of the site, Six Oaks is part of Bothell Landing's reincarnation. This mixed-use apartment community is highly walkable to downtown Bothell's amenities and nearby institutions, commuter-friendly to the region's top employment centers, and supported by onsite bike storage, bikeshare and electric car charging stations. The highly amenitized project has a state-of-the-art fitness center, resident's lounge, zen courtyard, bike workshop room, bocce ball court, outdoor fireplace, dining terrace, and multiple gathering spots.



BUILT GREEN 3-STAR with unique green features including eight repurposed trees for onsite community furniture and a rain garden capturing stormwater runoff and reuse.

DAHLIN GROUP ARCHITECTURE | PLANNING

QUALIFICATIONS: DAHLIN



DAHLIN

SLATER 116

KIRKLAND, WASHINGTON, USA
MAIN STREET PROPERTY GROUP

Use / Type: Urban Residential and Mixed-Use; Infill / Redevelopment

Site: 2 acres

Building: 4- and 5-story over podium parking garage; 12,326 sqft commercial

Density / FAR: 54 du/ac

Units: 108 apartments

Unit Plans: 693–1,332 sqft



Slater 116 is a welcome addition to the redevelopment plans of the North Rose Hill and Totem Lake Business Districts. The urban form of the building design visually anchors the gateway into these pedestrian-oriented zones, while serving as a neighborhood landmark with its articulated tower elements, elevated pedestrian terrace and commercial retail activity. The variety in massing and use of quality materials, balconies, plazas and landscaping, all contribute to the human scale of an activated streetscape.

2012 GOLD NUGGET MERIT AWARD,
ON-THE-BOARDS MIXED USE PROJECT

DAHLIN GROUP ARCHITECTURE | PLANNING

EXCLUSIVE NEGOTIATING AGREEMENT

This EXCLUSIVE NEGOTIATING AGREEMENT ("Agreement"), dated as of this ___ day of July, 2018 by and between the City of Placentia, a California Charter City ("City"), and USA Properties Fund, Inc., a California Corporation ("Developer"), together the "Parties." For and in consideration of the mutual covenants and promises set forth herein, the Parties agree as set forth below, with reference to the following facts:

RECITALS

A. The City is a charter city and California municipal corporation exercising powers and organized and existing under the California Constitution.

B. Developer has expressed interest to lease certain real property, located in the City of Placentia. The Property consists of the real property located at 207-209 West Crowther Avenue, Placentia, California (Assessor Parcel Numbers ("APN") 339-402-05, 339-402-08, and 339-402-11, which is within the City's municipal boundaries and more particularly shown and described in Exhibit 2 (the "Property" or "Site"). All of the parcels comprising the Property are owned by the City and will require a lot line adjustment which shall be undertaken by the Developer as part of the entitlement process with the City of Placentia or as otherwise agreed to by the Parties.

C. The Property is currently underutilized, falling substantially short of its mixed-use, transit-oriented, multi-family residential potential. City therefore wishes to enter into exclusive negotiations with Developer with the purpose of reaching an agreement for the lease and development of the Site thereby providing further economic and employment opportunities on and around the Site, which will maintain a high standard of development and environmental protection. City seeks to utilize the Site in a manner that will maximize public benefits and welfare, while encouraging the development of a well-planned and thoughtfully designed mixed-use, multi-family residential development.

In order to achieve the above-described goals of enhancing the Site's use, City and Developer are considering a conceptual plan to design and construct a mixed-use, multi-family residential development upon the Site (the "Project") pursuant to Chapter 23.111 of the Placentia Municipal Code. It is anticipated that the Project will consist of a concept plan (to be further refined as part of the related land use entitlement process), of a five (5) story building over a single subterranean parking level. The Project comprises of approximately 131 apartment units, primarily housed in the proposed four-story super-structure, and also includes half a dozen dwelling units housed within the mixed-use ground floor base, offering live/work/home-occupation opportunities along Crowther Avenue—allowing for a complementary mix of land uses to create an environment that engages people at the pedestrian level, and encourages an active pedestrian-oriented streetscape along Crowther Avenue. The Project also consists of approximately 252 on-site parking spaces that are housed on two structure parking levels. The Project concept plan under consideration is attached hereto as Exhibit 1 ("Site Plan").

D. Subject to the terms of this Agreement, City and Developer agree that the object of their negotiations is the preparation of one or more of the following agreements: lease agreement, development agreement, a disposition and development agreement, or other agreement(s) effecting the conveyance of ownership and/or occupancy rights for the Site to Developer (collectively "Conveyance Instrument"), and

otherwise setting forth the terms and conditions of a mutually acceptable arrangement that provides for the development of the Project. The specific details of the final Project shall be negotiated and incorporated into the final Conveyance Instrument, whichever the City determines to be most appropriate.

E. The term "Developer," as used herein, refers to USA Properties Fund, Inc., a California Corporation and its existing and any future affiliates. Developer represents and warrants to City that the Developer has expertise to acquire and develop the Project as generally described in this Agreement.

F. The Project shall be processed in accordance with the California Environmental Quality Act, at California Public Resources Code Section 21000 *et seq.* and regulations promulgated pursuant thereto ("CEQA"), and must be reviewed by City for its potential environmental impacts ("CEQA Review") at such time.

G. The Developer understands and acknowledges that the City is not obligated to lease the Property if, in good faith, the City Council determines that such lease is not in the public interest, not permitted by law, not consistent with the City of Placentia General Plan and/or zoning code, or for any other valid reason. Further, the Developer understands and acknowledges that the Parties are not obligated to reach agreement on the terms of the Conveyance Instrument.

NOW, THEREFORE, in consideration of performance by the Parties of the promises, covenants, and conditions herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Recitals Incorporated.

The recitals stated above are incorporated into this Agreement by this reference as if fully stated herein.

2. Exclusive Negotiation Period/Effectiveness of Agreement.

The "Exclusive Negotiating Period" shall commence as of the Effective Date of this Agreement and shall terminate on the date that is ninety (90) days after the Effective Date ("Termination Date"), if the Termination Date falls on a weekend or holiday, the Exclusive Negotiating Period shall be extended to the next business day. If upon the expiration of such Exclusive Negotiation Period a Conveyance Instrument has not been executed, the City Administrator and Developer may upon mutual written consent, extend the Exclusive Negotiating Period up to ninety (90) additional days. Any officer of Developer shall be authorized to grant such extension for and on behalf of Developer. If the Parties have mutually consented to an extension of the term of this Agreement as provided herein, then the Parties shall, within such extended term, continue to negotiate in good faith the proposed Conveyance Instrument. If City and Developer have not each approved and executed a Conveyance Instrument during the Exclusive Negotiating Period or extension as provided herein, this Agreement shall automatically terminate at the end thereof, and the Parties shall have no further rights or obligations hereunder.

3. Negotiations

a. During the Exclusive Negotiating Period, City shall not negotiate with any person or entity other than Developer regarding the lease of the Property or the development of the Project.

b. During the Exclusive Negotiating Period, Developer shall not negotiate with any person or

entity other than the authorized representative of the City concerning the lease of the Property or the development of the Project.

- c. Developer and City understand and agree that no Party is under any obligation whatsoever to enter into a Conveyance Instrument. In the event of the expiration or earlier termination of this Agreement, the City shall be free at the City's option to negotiate with any persons or entity with respect to the lease and/or development of the Property.
- d. This Agreement may not be assigned by Developer without the prior express written consent of the City in its sole and absolute discretion. In the event of any such assignment without such prior written consent, this agreement shall immediately terminate.

4. Obligations of Developer.

- a. Financial Information. Developer shall provide whatever reasonable evidence City may require to prove that Developer has the financial capacity to proceed with the contemplated transaction, which shall be provided to City in accordance with the timeframe established under Exhibit 4 – Estimated Timeframe for Negotiation/Schedule of Performance. Notwithstanding the foregoing, Developer is not required to provide personal financial information of Developer's management and investors unless relied upon by Developer as evidence of equity financing for the proposed Project.
- b. Partners. Developer shall disclose Developer's principals, partners, joint ventures, and consultants that will be materially involved in the leasing and development of the Property as may be reasonably requested by City; said disclosure shall be limited to information reasonably necessary to effectuate the transaction contemplated thereunder and shall be provided to City in accordance with the timeframe established under Exhibit 4 – Estimated Timeframe for Negotiation/Schedule of Performance.
- c. Site Plan. Developer shall provide a "Site Plan" will be further refined during the term of this Agreement as part of the Conveyance Instrument negotiations, which is herein defined as specifying the conceptual framework to guide the overall development of the Project, the approved land uses on the Site, including generalized area of building pads, height of structures, total square footage, and the conceptual parking and circulation system for the Site. The Site Plan shall be provided to City in accordance with the timeframe established under Exhibit 4 – Estimated Timeframe for Negotiation/Schedule of Performance.
- d. Preliminary Pro Forma. Developer shall provide a Preliminary Pro Forma of the Project, showing the following preliminary estimated information: an operating income and expense estimate, an estimated budget for development and construction of the Project, projected range of Project value at completion, and relevant market validation shall be provided to City in accordance with the timeframe established under Exhibit 4 – Estimated Timeframe for Negotiation/Schedule of Performance. Said pro- forma should also show the preliminary estimated economic benefits to City for at least a ten (10) year period after completion of the Project with respect to the lease payment for the Site, all taxes and fees, sales/property tax revenue generation, and an estimate of anticipated construction and permanent jobs, as appropriate. Provided, however, that the Parties acknowledge and agree that said pro-forma shall be based on information reasonably available during the term of the ENA and shall

reflect the Parties' understanding that such information is preliminary in nature. Said financial information shall be subject to the confidentiality provisions of Section 4(f) below.

- e. Public Outreach Plan. Developer shall prepare a "Public Outreach Plan" that describes Developer's anticipated plan and approach on educating and informing the public about the Project, consistent with the Parties' confidentiality obligations set forth in Section 4(f) below, shall be provided to City in accordance with the timeframe established under Exhibit 5 – Estimated Timeframe for Negotiation/Schedule of Performance. This plan shall detail, as appropriate, specific outreach efforts and methods, including public meetings, digital outreach, and/or individual contacts, to communicate with and receive input from local stakeholders, which shall include, but are not limited to, residents and business and property owners proximate to the proposed Project.

- f. Confidentiality. City agrees, to the maximum extent permitted by the California Public Records Act (Government Code Section 6253 *et seq.*) or other applicable local, state, or federal disclosure laws (collectively, "Public Disclosure Laws"), to keep confidential all proprietary financial and other information submitted by Developer to City in connection with Developer's satisfaction of its obligations under this Agreement and any Conveyance Instrument (collectively, "Confidential Information"). Notwithstanding the preceding sentence, City may disclose Confidential Information to its officials, employees, agents, attorneys and advisors, but only if and to the extent necessary to carry out the purpose for which the Confidential Information was disclosed consistent with the rights and obligations provided for hereunder. Developer acknowledges that City has not made any representations or warranties that any Confidential Information City receives from Developer will be exempt from disclosure under any Public Disclosure Laws. In the event the City Attorney determines that the release of any Confidential Information is required by Public Disclosure Laws, or by order of a court of competent jurisdiction, City shall promptly notify Developer in writing of City's intention to release the Confidential Information so that Developer has the opportunity to evaluate whether to object to said disclosure and/or to otherwise take whatever steps it deems necessary or desirable to prevent disclosure, provided that City shall not be liable for any damages, attorneys' fees and costs for any alleged failure to provide said notice. If the City Attorney, in his or her discretion, determines that only a portion of the requested Confidential Information is exempt from disclosure under the Public Disclosure Laws, City may redact, delete or otherwise segregate the Confidential Information that will not be released from the non- exempt portion to be released.

Developer acknowledges that in connection with the City Council's consideration of any Conveyance Instrument as contemplated by this Agreement, Developer will need to present a summary of Developer's anticipated costs of development, together with such other information as may be reasonably required for a staff report accompanying the proposed Conveyance Instrument. Provided, however, that to the extent Developer reasonably determines it is necessary to protect Confidential Information relating to financial data, said information may be delivered directly to a third party economic consultant, who may review the Confidential Information without disclosure to the extent permitted by law and who shall be permitted to provide to City a summary of said information consistent with the purposes of this Agreement. If this Agreement is terminated without the execution of a Conveyance Instrument, City shall return to Developer any Confidential Information.

Except for any disclosure that may be required under Public Disclosure Laws, during the Exclusive Negotiation Period, no public statements about the potential terms to be negotiated as part of the Conveyance Instrument shall be made by either Developer or City (other than those statements made to each party's respective agents, consultants and employees and, in the case of Developer, those statements made to prospective tenants or retailers for the Project, if any). Notwithstanding anything to the contrary in the foregoing, the Parties shall not be liable for any damages, attorneys' fees and costs to the other party for any alleged public statement as provided above.

- g. Additional Documentation. City reserves the right to and may reasonably request any additional documentation, including additional reports, studies, analyses, and other information, from Developer in order to negotiate the Conveyance Instrument as contemplated hereunder. Upon receiving such a request, Developer shall provide such additional documentation to City pursuant to a mutually agreed upon deadline.

5. Obligations of the City

- a. City shall cooperate fully in providing Developer with appropriate information, documentation and assistance as it relates to Developer's evaluation and due diligence of the Site and potential viability of the Project, but such assistance shall not include financial assistance unless specifically provided herein. City shall facilitate meetings with City departments as necessary to discuss entitlement and CEQA processes and requirements.
- b. The Conveyance Instrument shall include, among other relevant terms, the agreements between City and Developer regarding the design of the Project and other business terms mutually determined necessary or desirable by the Parties for inclusion therein. City shall provide Developer with an initial draft of the Conveyance Instrument; however, in no event shall City commence the actual drafting of a Conveyance Instrument unless and until Developer has chosen one, single concept plan for the Project (subject to Project revisions determined appropriate by the Parties) and submitted a single preliminary plan therefor. If the negotiations culminate in a Conveyance Instrument signed by Developer, such agreement shall become effective only after and if said Conveyance Instrument has been considered and approved by the City Council.
- c. Throughout the Exclusive Negotiating Period, City staff shall, upon reasonable notice by Developer, be available to meet with Developer to discuss the Project, the Site Plan, and any other issues pertinent to the preparation of a Conveyance Instrument pertaining to the development of the Project.
- d. Notwithstanding any other provision of this Agreement to the contrary, Developer acknowledges and expressly agrees as follows: (a) that this Agreement does not obligate City in any way to approve, in whole or in part, any of the matters described in this Agreement, including, (without limitation) matters pertaining to land use entitlements or approvals, permits, waivers or reduction of fees, development or financing of the Site or any other matters to be acted on by City, as applicable; (b) that all such matters shall be considered and processed by City in accordance with all otherwise applicable City requirements and procedures; and (c) that City reserve all rights to approve, disapprove or

approve with conditions all such matters in their sole discretion. Developer acknowledges that any and all expenditures made by it are not recoverable by Developer in the event that a subsequent Conveyance Instrument, agreement, land use entitlement application, or permit application is not approved.

6. Negotiation of Conveyance Instrument

The Parties hereby acknowledge and agree that, during the term of this Agreement, (as such term may be extended pursuant to Section 2 above), the Parties shall use their respective good faith efforts to negotiate and enter into a Conveyance Instrument, in accordance with the City's preference which shall include, but not be limited to, agreement on and implementation of the following:

- (i) The design of the Project by Developer;
- (ii) The construction of the Project by Developer in accordance with final plans and specifications to be provided by Developer and approved by the City, pursuant to a detailed schedule of performance by Developer;
- (iii) City requires a minimum initial lease payment of \$4,400,000 (Four Million, Four Hundred Thousand Dollars) due at the issuance of the first building permit by the City of Placentia. The terms and conditions of additional ground lease payments will be subject to negotiations during the Exclusive Negotiating Agreement Period and will be included in the final Conveyance Instrument.
- (iv) The operation and management of the Project by Developer in a good and professional manner, and subject to the covenants required by law;
- (v) The maintenance and renovation of landscaping, buildings and improvements in good condition and satisfactory state of repair so as to be attractive to local residents and to the community and maximize value of the property;
- (vi) The operation of the Project by Developer in compliance with all equal opportunity standards established by Federal, State and local law;
- (vii) Certain provisions made by Developer to the City as required by the City with respect to concepts, schematics, the final plans and working drawings for the Project and participation in presentations with respect thereto;
- (viii) Certain provisions required by individual contractors and/or subcontractors performing work on the Project with respect to performance, labor and materials payment bonds required to be obtained by such contractors or subcontractors or assurances assuring completion of the Project free of mechanics' liens;
- (ix) That the Project shall be of the highest quality and standard to the reasonable satisfaction of the City;
- (x) Removal of the permanent drain pipe connection between the pump to waste feature on the southerly portion of the Golden State Water Company water well site (and connection to the nearest

- (xi) catch basin located on Crowther Avenue in front of the Site);
- (xi) Inclusion of the 15-space parking easement that benefits the adjacent property owner of the Packing House;
- (xii) Inclusion of a minimum of 1,000 square feet of commercial retail on the ground floor;
- (xiii) Dedication of property for street and public utility purposes;
- (xiv) Undergrounding of new utilities installed as part of the project, as well as removal of three existing utility poles located on the property and in the road-right-of way adjacent to the Golden State Water Company well site. The existing utilities attached to those poles will be placed underground;
- (xv) Provision of a direct, private pedestrian connection to the south platform as will be required by the City for the residential tenants of this Project;
- (xvi) Provision of a storm drain access easement in order to maintain access to the existing storm water pump station and appurtenant equipment located on the western edge of the property;
- (xvii) Construction and installation of all street improvements and public amenities as depicted in the Streetscape Master Plan along the entire property/project site frontage. This includes but is not limited to street and public right of way improvements, street furniture, light standards, and landscaping consistent with the attached Streetscape Master Plan;
- (xviii) Provision of a 15 foot temporary construction easement for access to the south Metrolink Platform during construction (dependent upon timing for the construction of the Platform).
- (xix) A Schedule of Performance for the construction of the aforementioned attached as Exhibit 4 hereto;
- (xx) The terms and conditions upon which Developer shall acquire the Property; and
- (xxi) The terms and conditions upon which the City or the Developer may terminate the Conveyance Instrument.

7. Schedule of Performance.

It is the intention of City and Developer that the Project be completed in a timely and an expeditious manner. Accordingly, attached as Exhibit 4 is the Parties' estimated schedule to negotiate and finalize the Conveyance Instrument within the time-frame contemplated in this Agreement. The Parties also anticipate that an estimated schedule to pursue the necessary Project land use entitlements will be attached as an exhibit to the Conveyance Instrument, which will be negotiated during the term of this Agreement. In general, it is contemplated that said entitlement schedule will include estimated progress on critical elements of the Project's entitlement process (including any environmental review) and anticipated Project construction. The timeframes shown in attached Exhibit 4 are estimates only, and may be mutually amended by the Parties hereto from time-to-time, subject to the requirements in Section 2.

8. Good Faith Deposit.

Concurrent with the execution of this Agreement by City, Developer shall submit to City a

good faith deposit ("Deposit") in the amount of Fifteen Thousand Dollars (\$15,000) within five (5) days of execution of this Agreement, which shall be used to reimburse City its expenses incurred in the performance of this Agreement. If the Exclusive Negotiating Period is extended by the mutual written consent of both the City and the Developer up to ninety (90) additional days in accordance with Section 2, then Developer shall submit to City an additional Deposit in the amount of Ten Thousand Dollars (\$10,000), which shall be used to reimburse City its expenses incurred in the performance of this Agreement. The Deposit shall be in the form of cash or in a manner reasonably acceptable to the City. The City may apply such Deposit against expenses as they are incurred in its sole discretion without accounting or any obligation to refund any portion to Developer. Except as provided, Developer shall have no further Deposit obligations to City even if the Exclusive Negotiating Period is further extended.

9. Environmental.

Developer shall undertake the studies, reports and analysis contemplated in Section 4 (or as otherwise determined appropriate by Developer) to allow it to develop the Project, Project designs, environmental impact analysis (including a traffic analysis as well as other technical studies, as appropriate) and financing plans necessary to determine whether to undertake the Project, including further confirmation of the Site Plan that will be the subject of the Conveyance Instrument. Environmental analysis will occur when the Project's plans are sufficiently defined for purposes of CEQA, as and if required, and as otherwise required under applicable laws and regulations. Should Developer proceed with the Project, it will have the sole responsibility to pursue and obtain any necessary environmental approvals for the Project pursuant to CEQA. Developer is required to undertake environmental review of the Project (subject to City's lead agency responsibilities).

Therefore, the Conveyance Instrument will include provisions requiring Developer to deposit with City, as lead agency, all funds as reasonably necessary to cover the cost of such environmental review, and City agrees to assist Developer to the fullest extent reasonable in preparing any environmental documentation and processing any environmental review that may be necessary for the Project. Developer also agrees to provide all reasonable assistance to City necessary to carry out its obligations related to the proposed Project, including but not limited to any obligations it may have under CEQA. Any and all costs outside the scope of the obligations under this Agreement will be identified as costs to each party under an executed Conveyance Instrument between City and Developer. Nothing herein shall be construed as limiting the City's discretion to approve and/or disprove the Project or any iteration thereof. Furthermore, nothing in this Agreement shall be considered a promise or guarantee that any land use approvals will be issued by the City related to the development of the Project. At all times the City retains its right to independently review, and ultimately to grant or deny, any required land use entitlements for the Project when acting in its governmental capacity.

10. Access to Site.

During the term of this Exclusive Negotiating Period, City shall provide Developer reasonable access to all portions of the Site for the purpose of obtaining data and making surveys and tests necessary to evaluate the development potential of the Site and otherwise to conduct the land use due diligence relating to the Project as contemplated hereunder, including, without limitation, the right to make borings to investigate the soils and environmental condition of the Site. Said right of access shall be memorialized within five (5) business days of the Effective

Date by both Parties executing an access agreement (“Access Agreement”), which shall contain standard, mutually acceptable terms, including those relating to Developer’s indemnification obligations and City’s insurance requirements (as set forth in attached Exhibit 3).

11. Default.

Either party may terminate this Agreement if the other party should fail to comply with and perform in a timely manner any material obligation to be performed by such other party under this Agreement, provided the party seeking to terminate this Agreement shall provide at least ten (10) calendar days’ written notice to the other party of such failure or nonperformance and such other party shall have a ten (10) calendar day period within which to cure such failure or nonperformance (or such longer period as may be reasonably necessary to cure such failure or nonperformance if such failure or nonperformance cannot reasonably be cured with such 10-day period). Termination shall be the sole remedy for default. In no event shall either party be liable for monetary damages, attorney fees and costs, or any other cost or expense for the default or termination of this Agreement, and any such right to recover damages is expressly waived. Notwithstanding the foregoing, in no event shall any cure period hereunder extend the term of this Agreement and in no event shall City terminate this Agreement absent a finding of uncured material default on the part of Developer.

12. Termination of this Agreement.

Subject to the terms of Section 2, this Agreement shall terminate at the expiration of the Exclusive Negotiating Period (or at the end of any authorized extension thereof), and, provided a Conveyance Instrument has not been executed by the City and Developer, no party shall have any further duty or obligation to any other party. If a Conveyance Instrument has been executed by the City and the Developer, the Conveyance Instrument shall supersede this Agreement and thereafter govern the rights and obligations of the Parties with respect to the lease of the Property and the development of the Project.

13. Governing Law.

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 the County of Orange, State of California. This Agreement shall be interpreted and enforced under pursuant to California law.

14. No Other Agreement.

This Agreement constitutes the entire agreement of the Parties hereto with respect to the subject matter hereof and supersedes any and all prior agreements and understandings between the Parties. There are no agreements or understandings between the Parties and no representations by either party to the other as an inducement to enter into this Agreement, except as expressly set forth herein. Notwithstanding anything provided herein to the contrary, whether expressed or implied, the City and the Developer shall have no obligation to enter into a Conveyance Instrument with the other and neither the City or the Developer (nor its officers, members, staff or agents) have made any promises to the other than to exclusively negotiate a Conveyance Instrument for the Property in good faith during the Exclusive Negotiating Period, and no statements of City or Developer (or its officers, members, staff or agents) as to future obligations shall be binding upon either party unless and until a Conveyance Instrument has

been approved and executed by the City and the Developer.

15. Notices.

Any notice which is required or which may be given hereunder may be delivered or mailed to the party to be notified, as follows:

If to Developer: USA Properties Fund, Inc.
3200 Douglas Blvd., Suite 200
Roseville, CA 95661
Attention: Steve Gall, Senior Vice President

The Pinyon Group
949 South Hope Street, Suite 100
Los Angeles, CA 90015
Attn: Robert T. De Forest

If to City: City of Placentia
401 East Chapman Avenue
Placentia, CA 92870
Attention: Damien R. Arrula, City Administrator

With a copy to: Jones & Mayer
3777 North Harbor Boulevard
Fullerton, CA 92835
Attention: Christian Bettenhausen, City Attorney

16. Indemnification.

Developer shall indemnify, defend, and hold City and its respective elected and appointed officials, officers, attorneys, employees, and agents (collectively, "City Indemnitees") harmless from any and all claims, actions, suits and other liability (collectively, "Claims") asserted against City resulting from or in connection with Developer's execution of this Agreement and/or Developer's performance under this Agreement. This indemnity shall survive the expiration or termination of this Agreement. In the event that any Claim should be filed against any of the City Indemnitees which would require indemnification by Developer hereunder, City shall notify the Developer of such claim in a timely manner to permit Developer the opportunity to provide adequate representation to the City Indemnitees with respect to any such Claim. Notwithstanding anything in the foregoing to the contrary, this Section shall not be construed to mean that Developer shall hold any City Indemnitee harmless and/or defend them to the extent of any Claim(s) arising from the sole negligence, willful misconduct or illegal acts of any City Indemnitee, any claim by any third party asserting an interest in the Property by or through the City and/or the failure of the City Indemnitees to follow any procedure or law applicable to the City.

17. Counterparts.

This Agreement may be executed in counterparts, each of which when so executed shall be deemed an original, and all of which, together, shall constitute one and the same instrument.

18. Effect of Agreement.

All Parties expressly acknowledge and agree as follows: (a) City and Developer shall promptly commence the good faith negotiation of a Conveyance Instrument, in the City's discretion, upon execution of this Agreement; (b) upon the execution of a Conveyance Instrument by the Parties, if one is agreed to, then this Agreement shall be null and void and of no effect and shall be superseded by the terms and conditions of the Conveyance Instrument; and (c) if a Conveyance Instrument is not executed between the Parties by the expiration of the Exclusive Negotiating Period then this Agreement shall be of no further force and effect, and neither party shall have any further obligation to each other.

[Signatures of Parties on following page]

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

“City”

ATTEST:

CITY OF PLACENTIA

By: _____
Patrick Melia, City Clerk

By: _____
Damien R. Arrula, City Administrator

Approved as to form:

JONES & MAYER

By: _____
Christian Bettenhausen
City Attorney

“Developer”

USA Properties Fund, Inc.

By: _____

Its: _____

EXHIBIT 1
PRELIMINARY SITE PLAN



EXHIBIT 2

LEGAL DESCRIPTION

LEGAL DESCRIPTION OF PARCELS BEING MERGED

LOTS 3, 4, 5, 6, 7, 8, AND 9 IN BLOCK G OF THE TOWNSITE OF PLACENTIA, IN THE CITY OF PLACENTIA, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 6, PAGE 38, OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THAT PORTION OF SAID LOT 8 LYING WESTERLY OF THE EASTERLY LINE OF MELROSE AVENUE, HAVING AN EASTERLY HALF-WIDTH OF 40.00 FEET;

ALSO EXCEPT ANY PORTION OF SAID LAND WITHIN THE DEDICATED AREA OF CROWTHER AVENUE

ALSO EXCEPTING THEREFROM THAT PORTION AS DESCRIBED IN THE DEED TO THE CITY OF PLACENTIA RECORDED JUNE 26, 1985 AS INSTRUMENT NO. 85-234338 OF OFFICIAL RECORDS.

TOGETHER WITH A PARCEL OF LAND LYING IN LOT 2 OF BLOCK G OF THE KRAEMER TRACT AS SAID TRACT IS SHOWN ON MAP RECORDED IN BOOK 12, PAGE 87 OF MISCELLANEOUS RECORDS OF LOS ANGELES COUNTY, DESCRIBED AS FOLLOWS:

THE SOUTHERLY 6.5 FEET OF THAT CERTAIN 3.27 ACRE STRIP OF LAND DESCRIBED IN DEED DATED DECEMBER 6, 1909 TO SANTA FE LAND IMPROVEMENT COMPANY (PREDECESSOR IN INTEREST TO THE ATCHISON, TOPEKA, AND SANTA FE RAILWAY COMPANY) RECORDED IN BOOK 177 OF DEEDS, PAGE 267, RECORDS OF ORANGE COUNTY, CALIFORNIA, LYING EASTERLY OF THE NORTHERLY PROLONGATION OF THE WESTERLY LINE OF LOT 6, BLOCK G OF THE TOWNSITE OF PLACENTIA, AS SHOWN ON MAP RECORDED IN BOOK 6, PAGE 38 OF MISCELLANEOUS MAPS, RECORDS OF ORANGE COUNTY, CALIFORNIA.

LEGAL DESCRIPTION OF MERGED PARCEL

PARCEL A:

LOTS 3, 4, 5, 6, 7, 8, AND 9 IN BLOCK G OF THE TOWNSITE OF PLACENTIA, IN THE CITY OF PLACENTIA, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 6, PAGE 38, OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

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PREPARED UNDER MY SUPERVISION

David O. Knell 10-13-2016
DAVID O. KNELL PLS 5301 DATE



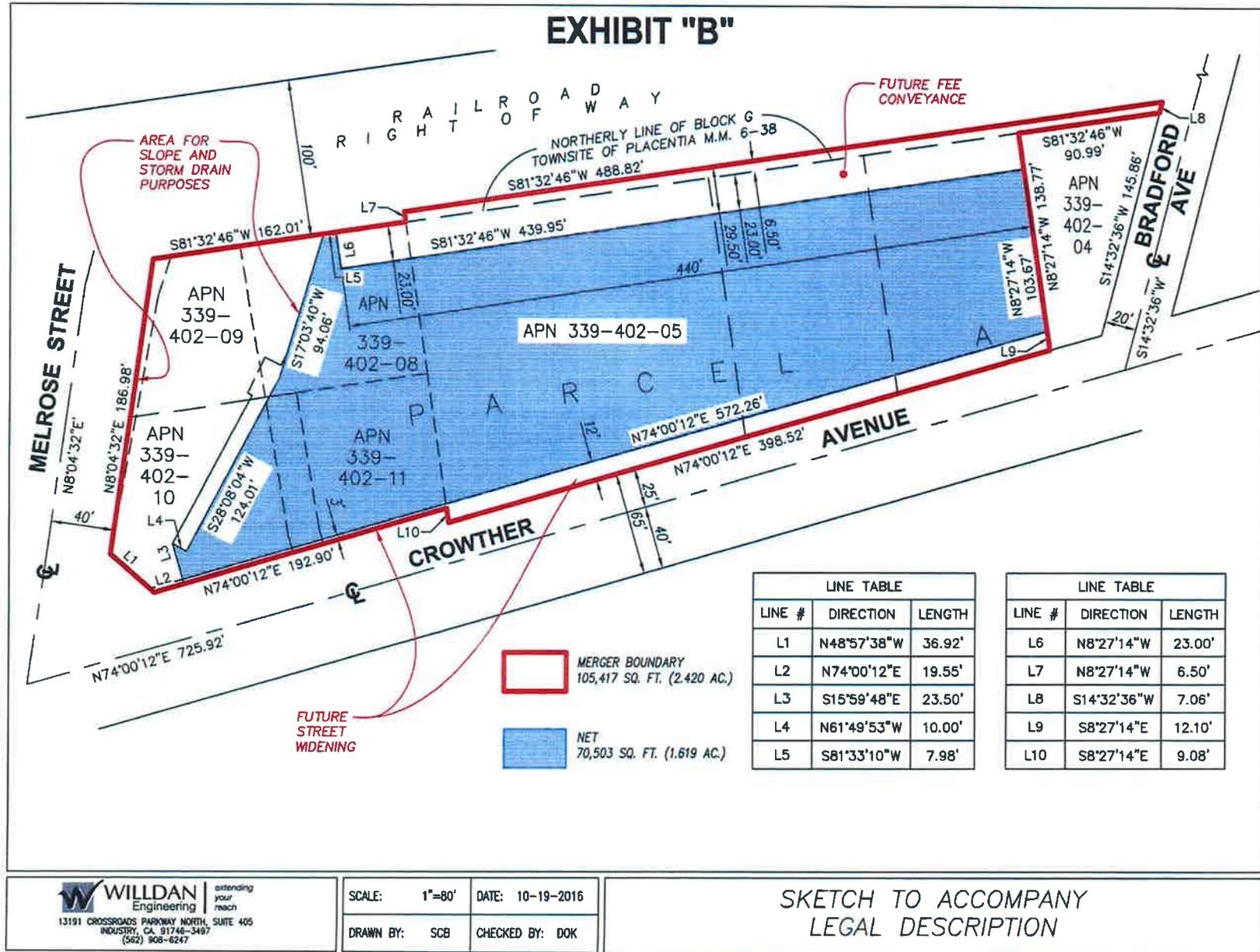


EXHIBIT 3

CITY INSURANCE REQUIREMENTS

[Insert]

EXHIBIT 4

ESTIMATED TIMEFRAME FOR NEGOTIATION/SCHEDULE OF PERFORMANCE

#	<u>Activity</u>	<u>Responsible Party</u>	<u>Date</u>
1.	City reviews and provides comments on ENA Attachment - Exhibit 1: Site Plan	City	Within 15 days from the Effective Date of the ENA
2.	Developer revises and submits proposed Site Plan to City (If necessary)	Developer	<p>Within 15 days from receipt of City's comments on draft Site Plan</p> <p>If third-party technical studies are required to respond to comments for the proposed Site Plan, the Schedule of Performance shall automatically be extended by such time period. The City and Developer shall mutually agree on an extension of the Schedule of Performance to complete such technical studies.</p>
3.	City shall commence drafting Conveyance Instrument	City	Within 15 days from the Effective Date of the ENA or Developer's submission of revised Site Plan, whichever occurs later
4.	Developer submits additional rent proposals to City (pursuant to Section 4(a) of the ENA)	Developer	Within 15 days from the Effective Date of the ENA
5.	Developer provides disclosure of Developer's principals, partners, and consultants to City (pursuant to Section 4(b) of the ENA)	Developer	Within 30 days from the Effective Date of the ENA

6.	Finalize the Site Plan in a manner such that these materials can serve as a sufficient CEQA project description in order to determine the appropriate CEQA process for the project during the ENA period. City and Developer to diligently and in good faith commence the CEQA process and conduct any requisite environmental review for the Conveyance Instrument	Developer and City	<p>Within 30 days from the Effective Date of the ENA</p> <p>If third-party technical studies are required to respond to comments to finalize the Site Plan, the Schedule of Performance shall automatically be extended by such time period. The City and Developer shall mutually agree on an extension of the Schedule of Performance to complete such technical studies.</p>
7.	Developer to conduct due diligence of the Project Site to determine Project feasibility	Developer	<p>Within 75 days from the Effective Date of the ENA</p> <p>If third-party technical studies are required to respond to comments to the Site Plan, the Schedule of Performance shall automatically be extended by such time period.</p>
8.	Developer submits preliminary proforma to City (pursuant to Section 4(d) of the ENA)	Developer	<p>Within 60 days from the Effective Date of the ENA or Developer's submission of revised Site Plan, whichever occurs later</p>
9.	Developer submits proposed Public Outreach Plan to City (pursuant to Section 4(e) of the ENA)	Developer	<p>Within 60 calendar days from the Effective Date of the ENA</p>

<p>10.</p>	<p>Complete preparation of any requisite CEQA review for the Conveyance Instrument in accordance with applicable laws and regulations</p>	<p>City and Developer</p>	<p>No later than 90 days after Effective Date of the ENA</p>
<p>11.</p>	<p>Developer will prepare and record all necessary lot line adjustments and easements for these parcels and that are acceptable by the City</p>	<p>Developer</p>	<p>Concurrently with Entitlements</p>



Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: DIRECTOR OF PUBLIC WORKS

DATE: JULY 10, 2018

SUBJECT: **RESOLUTION ADJUSTING THE BOUNDARIES OF UNDERGROUND UTILITY DISTRICT NO. 2018-01 ON CROWTHER AVENUE BETWEEN MELROSE STREET AND EAST OF CAMERON STREET**

FISCAL

IMPACT: There is no fiscal impact associated with the recommended action.

SUMMARY:

On January 23, 2018, after holding a public hearing, the City Council approved a resolution establishing Underground Utility District No. 2018-01 (District). The original boundaries of the proposed District are Crowther Avenue between Melrose Street and east of Cameron Street and was established to remove eight (8) existing utility poles and overhead utility lines within the eastern half of the City's Transit Oriented Development (TOD) District. The proposed District boundary adjustment will shift the District boundaries eastward eliminating three (3) utility poles and associated overhead lines located on the City's former packinghouse property and immediately adjacent to this property.

These three (3) poles and the associated utility lines will be removed and undergrounded by the future property developer of the City's packinghouse property. Utilizing funds from the Public Utility Commission's Rule 20A tariff, Southern California Edison will remove seven (7) existing utility poles east of the City's packinghouse property along with overhead utility lines and equipment, and place them underground. A public hearing adjusting the boundaries is not required since the boundary shift will not impact any new properties not already covered by the original public hearing and property owner notification. A resolution adjusting the boundaries along with a boundary map has been attached for City Council consideration. The purpose of undergrounding the existing overhead utilities is to improve safety, the aesthetics to the entrance into the City's planned TOD project area, and to facilitate the construction of planned TOD public streetscape improvements and amenities.

RECOMMENDATION:

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

**1.g.
July 10, 2018**

1. Adopt Resolution No. R-2018-XX, A Resolution of the City Council of the City of Placentia, California adjusting the boundaries of Underground Utility District No. 2018-01.

DISCUSSION:

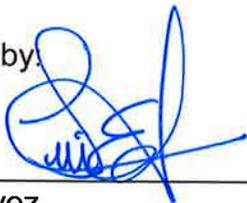
The California Public Utilities Commission's (CPUC) Rule 20 sets policies and procedures for the conversion of overhead power lines and other utility lines and equipment to underground facilities, a process called "undergrounding." The benefit of undergrounding overhead utilities is that it provides substantial aesthetic streetscape benefits as well as improves the health, safety and welfare of local communities. Under Rule 20, or specifically Tariff Rule 20A (Rule 20A), undergrounding projects are financed by utility customers and rate payers. A small portion of monthly electricity bills paid by ratepayers are allocated into individual accounts for all local governments in California which are managed by the CPUC and their respective electricity utility companies such as Southern California Edison (SCE). Over time, those accounts accumulate sufficient funds whereby utility companies are able to fund the cost of undergrounding projects. Placentia receives an annual Rule 20A allocation of approximately \$66,000 into its account. As of September 2017, the current balance in Placentia's Rule 20A account is \$607,789. Cities also have the option to mortgage an additional five (5) years' worth of future Rule 20A allocation funds to provide sufficient funds to fully fund proposed projects. These funds can only be used to convert overhead utilities to underground under a very specific set of criteria. All costs related to this work are paid for directly by SCE utilizing these funds.

Per PUC regulations, in order to utilize Rule 20A allocations for undergrounding projects, the local governing body must first adopt a resolution formally adopting an underground utility district with specific boundaries. On January 23, 2018, the City Council held a public hearing for this purpose and adopted Resolution No. R-2018-04 establishing Underground Utility District 2018-01. The District is located on Crowther Avenue between Melrose Street and east of Cameron Street as outlined in the attached revised project boundary map (Attachment 1). As part of the Request for Proposals to develop the City-owned packinghouse property located at 207-209 Crowther Avenue, a requirement that the developer remove three (3) existing utility poles and underground the overhead lines was included in the project proposal. By requiring the developer to remove these utility poles, the District boundaries can be shifted eastward to remove additional utility poles through the Rule 20A project. This allows a total of ten (10) utility poles and overhead utility lines to be removed instead of eight (8) through a combination of the Rule 20A program and the packinghouse property developer. The City's existing Rule 20A allocations will be used towards the cost of this project and SCE will mortgage an additional four (4) years of future Rule 20A allocations to cover the balance of the project cost, and provide for construction contingencies. There is no cost to the City for this project or any of the adjacent property owners.

The District is located within the eastern portion of the City's TOD District. Removal of these existing utility poles and overhead facilities will facilitate the construction of the planned TOD streetscape improvements. Currently, four (4) of these utility poles are located in existing or planned future sidewalks which will impact pedestrian access as well as the installation of new parkway trees and other streetscape amenities. In addition, removal of these overhead utilities

will improve the viewshed for area residents as well as motorists and pedestrians entering the TOD project area from the east along Crowther Avenue.

Prepared by:



Luis Estevez
Director of Public Works

Reviewed and approved:



Damien R. Arrula
City Administrator

Attachments:

1. Revised Project Boundary Map
2. Resolution No. R-2018-XX



Crowther Avenue

Cameron Street

RESOLUTION NO. R-2018-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLACENTIA, CALIFORNIA ADJUSTING THE BOUNDARIES OF UNDERGROUND UTILITY DISTRICT NO. 2018-01

A. Recitals

(i) On January 23, 2018, the City Council held a public hearing after notice was given to adjacent property owners per State and local law and, having received no protests from impacted property owners, the City Council determined that the formation of an underground utility district for the removal of poles, overhead wires and associated structures and equipment for supplying electric, communication, community antenna television, and similar associated services within the territory described in Exhibit A is a public necessity and improves the health, safety and welfare of the community and adopted Resolution No. R-2018-04 establishing Underground Utility District 2018-01; and

(ii) The Director of Public Works consulted with the affected electrical utility and submitted a report to the City Council identifying the extent of such utilities' participation and estimates of the total costs to the City under the Rule 20A program, and estimating the time required to complete the underground installation and removal of overhead facilities; and

(iii) The boundaries of Underground Utility District 2018-01 are hereby adjusted and now encompass the territory described in Exhibit A, attached hereto and incorporated herein by this reference; and

(iv) This adjustment of the boundaries of Underground Utility District 2018-01 is simply a technical revision of the project boundary map attached as Exhibit A to Resolution No. R-2018-04; and

(v) This adjustment neither changes the impact to adjacent properties previously given notice; nor does it impact additional adjacent properties not previously given notice and an opportunity to be heard on January 23, 2018.

B. Resolution

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

1. The public necessity, health, safety or welfare required the formation of an underground utility district for the removal of poles, overhead wires and associated overhead structures within the territory described in Exhibit A.

2. The undergrounding of utilities within the adjusted territory boundaries described in Exhibit A is in the general public interest for the following reason:

The location area qualifies as an arterial or major collector road in the City's General Plan.

3. The adjusted territory boundaries described in Exhibit A is hereby declared to be the revised boundaries of Underground Utility District No. 2018-01.

4. The City Council ordered the removal of all existing overhead poles, wires, and associated overhead facilities within Underground Utility District No. 2018-01 with its adoption of Resolution No. R-2018-04, for supplying electric, communications or associated service within said district. Such undergrounding installation and said removal of overhead facilities shall be accomplished, and affected property owners shall have underground service available, no later than January 30, 2021.

5. Pursuant to Southern California Edison's Rule 20 Tariff, Rule 20A funds/allocations will be used for the installation of no more than 100 feet of each customer's underground electric service lateral on private property, as well as the conversion of affected property owners meter panels from overhead to underground service. The cost of such meter conversions using Rule 20A funds/allocations shall be limited to existing meters, and shall not include permit fees and any upgrades requested by affected property owners.

6. Property owners shall grant each utility the necessary easements or land rights when it is necessary by the utilities to place their facilities on private property to complete the occasioned undergrounding.

7. Southern California Edison and all other affected utilities are hereby authorized to discontinue overhead service by Underground Utility District No. 2018-01, subject to the provision of underground service as specified in this resolution.

APPROVED and ADOPTED THIS 10th DAY OF JULY 2018.

Chad P. Wanke, Mayor

ATTEST:

Patrick J. Melia, City Clerk

STATE OF CALIFORNIA
COUNTY OF ORANGE

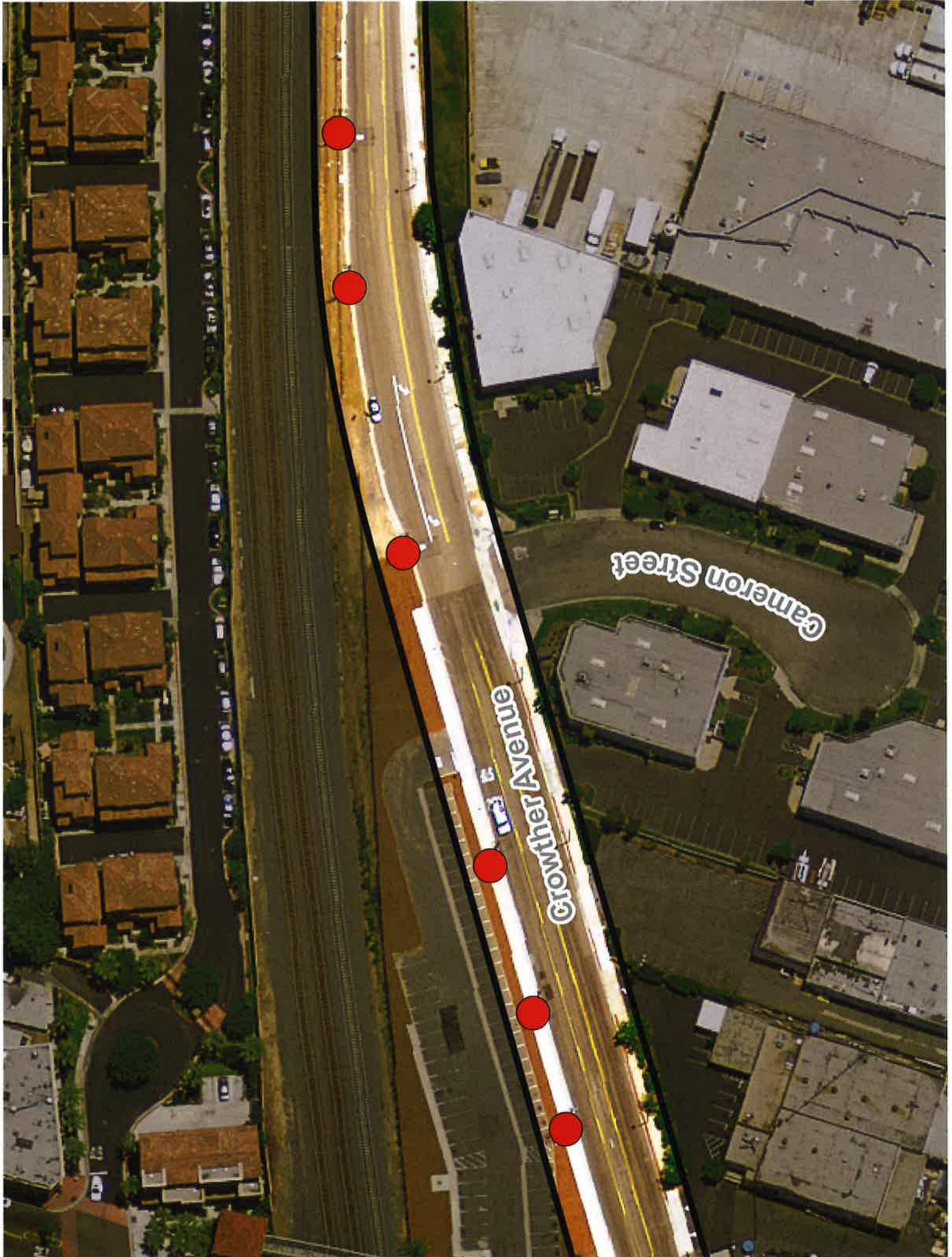
I, Patrick J. Melia, City Clerk of the City of Placentia do hereby certify that the foregoing Resolution was adopted at a regular adjourned meeting of the City Council held on the 10th day of July 2018 by the following vote:

AYES:	Councilmembers:
NOES:	Councilmembers:
ABSENT:	Councilmembers:
ABSTAIN:	Councilmembers:

Patrick J. Melia, City Clerk

APPROVED AS TO FORM:

Christian L. Bettenhausen, City Attorney



Cameron Street

Crowther Avenue



Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL
VIA: CITY ADMINISTRATOR
FROM: CHIEF OF POLICE
DATE: JULY 10, 2018
SUBJECT: **AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT WITH TURBO DATA SYSTEMS**

FISCAL

IMPACT: EXPENSE: NOT-TO-EXCEED AMOUNT: \$7,500 FY 2017-18
BUDGETED: 2017-18 POLICE DEPARTMENT BUDGET (SALARY SAVINGS)

SUMMARY:

In July 2017 the City entered into a Professional Services Agreement with Turbo Data Systems for an amount not-to-exceed twenty-two thousand dollars (\$22,000.00), to utilize their services as an independent contractor to provide parking citation processing services. Due to the increase in enforcement for the Civic Center parking lot and streets surrounding the Civic Center, the department has been writing more parking citations than usual. This action would increase the amount previously budgeted for these services by utilizing the salary savings in the over budgeted account for traffic part-time personnel.

RECOMMENDATION:

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

1. Approve Amendment No. 1 to Professional Services Agreement with Turbo Data Systems for an additional not-to-exceed amount of \$7,500; and
2. Authorize the City Administrator to execute the necessary documents, in a form approved by the City Attorney.

DISCUSSION:

Turbo Data Systems has provided the service of processing and collecting parking citations for over 30 years. The level of services provided to the Placentia Police 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.h.
July 10, 2018

FISCAL IMPACT:

The City has currently spent \$20,570.42 of the original budgeted amount of \$22,000.00. In order to pay the remaining three months (April, May, and June) the City will need an additional \$7,500.00. The additional \$7,500.00 will come from salary savings from the Fiscal Year 2017-18 Police Department Traffic Division budget to fund the contract amendment.

Prepared by:



Julie Kennicutt
Senior Management Analyst

Reviewed and approved:



Darin Lenyi
Chief of Police

Reviewed and approved:



Kim Krause
Director of Finance

Reviewed and approved:



Damien R. Arrula
City Administrator

Attachments:

1. Amendment No. 1 to Professional Services Agreement with Turbo Data Systems
2. Professional Services Agreement with Turbo Data Systems

**AMENDMENT NO. 1 TO
PROFESSIONAL SERVICES AGREEMENT
WITH TURBO DATA SYSTEMS**

This Amendment No. 1 (“Amendment”) to Professional Services Agreement is made and entered into effective the 10th day of July, 2018, by and between the CITY OF PLACENTIA, a Charter City and Municipal Corporation (“CITY”), and TURBO DATA SYSTEMS (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 July 1, 2017 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 increase compensation.

(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 2.1, Paragraph 1 of the Agreement is hereby amended to read as follows:

Consultant shall be paid in accordance with the fee schedule set forth in Exhibit “A.” Consultant’s total compensation shall not exceed an additional seven thousand, five hundred dollars (\$7,500.00) for the remainder of Fiscal Year 2017-2018.

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.

4. 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: _____
Roberta J. Rosen, President

By: _____
Damien R. Arrula
City Administrator

ATTEST:

By: _____
Patrick J. Melia,
City Clerk

APPROVED AS TO FORM:

By: _____
Christian L. Bettenhausen
City Attorney

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.

**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 provide parking citation processing services, 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 independently 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 Administrator 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

anceled 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 without any advance showing of negligence, recklessness, or willful misconduct 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, recklessness, or willful 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



Damien R. Arrula
City Administrator

Date: 10/25/17

ATTEST:



Gretchen Draelin
City Clerk and ex-officio Clerk
of the City of Placentia

CONSULTANT TURBO DATA SYSTEMS, INC.


Signature

Date: 9/19/2017

ROBERTA J. ROSEN, PRESIDENT
Name and Title

33-0105525
Social Security or Taxpayer ID Number

APPROVED AS TO FORM:


City Attorney

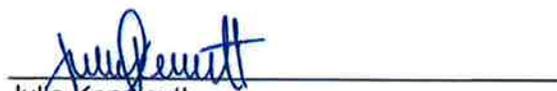
Date: 10/19/17

APPROVED AS TO INSURANCE:


Risk Management

Date: 10/31/17

APPROVED AS TO CONTENT:


Julie Kennicutt
Project Manager

Date: 11/02/17

DEPARTMENTAL APPROVAL


Darin Lenyi
Chief of Police

Date: 11/2/17

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).

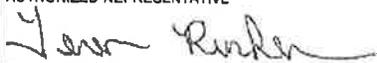
PRODUCER Alliant Insurance Services, Inc. 1301 Dove Street, Suite 200 Newport Beach CA 92660-2436		CONTACT NAME: Jennifer Lopez PHONE (A/C, No, Ext): 949-660-5916 E-MAIL ADDRESS: jlopez@alliant.com FAX (A/C, No): 949-809-1444	
INSURED Turbo Data Systems, Inc. Innovative Collection Services 18302 Irvine Blvd., Ste 200 Tustin CA 92780		INSURER(S) AFFORDING COVERAGE	
TURBDAT-01		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 CERTIFICATE 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	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GENL AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> 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/POP AGG \$2,000,000 Deductible \$0
F	<input checked="" type="checkbox"/> 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	<input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> 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 <input checked="" type="checkbox"/> Y <input type="checkbox"/> 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 A	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 \$1,000,000/\$5,000 Per Claim & Aggregate \$2,000,000 E&O Deductible \$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 City of Placentia 401 E Chapman Placentia CA 92870	CANCELLATION 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 
---	--

AGENCY CUSTOMER ID: TURBDAT-01

LOC #: _____



ADDITIONAL REMARKS SCHEDULE

Page 1 of 1

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**.

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- 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 INSURED - 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

SUBJECT

PROVISION NUMBER

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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:

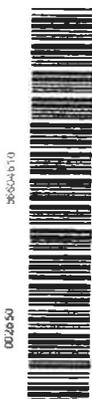
d. Any legally incorporated entity of which you own more than 50 percent of the voting stock during the policy period. However, "insured" does not include any organization that:

- (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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of 112

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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

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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ENDORSEMENT AGREEMENT
WAIVER OF SUBROGATION
BLANKET BASIS

9103640-17
RENEWAL
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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

ALLEFFECTIVE 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:

Kent R. Va. Carl
AUTHORIZED REPRESENTATIVE

Barbara Steiner
PRESIDENT AND CEO



ENDORSEMENT AGREEMENT
CERTIFICATE HOLDERS' NOTICE

9103640-17

NEW
SP

HOME OFFICE
SAN FRANCISCO

PAGE 1 OF 1

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

Kent R. Va. Kauf
AUTHORIZED REPRESENTATIVE

Warren Steiner
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.

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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of 246

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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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Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: DIRECTOR OF ADMINISTRATIVE SERVICES

DATE: JULY 10, 2018

SUBJECT: **EAGLE SCOUT SERVICE PROJECT FOR K-9 MEMORIAL WALL LIGHTING AND WAIVER OF CITY PLAN CHECK AND PERMIT FEES**

FISCAL IMPACT: NONE: ALL FUNDS FOR THE PROJECT ARE RAISED THROUGH PRIVATE DONATIONS; WAIVER OF PLAN CHECK AND PERMIT FEES AND IN-HOUSE STAFF SUPPORT

INTRODUCTION:

A Boy Scout Eagle Scout Candidate, Jack Hung, has proposed to install lighting at the Placentia Police Department's K-9 Memorial Wall for his Eagle Scout Service Project. The project entails installing two light poles on either side of the K-9 Memorial Wall which will allow people to enjoy the memorial wall in the evening. The Scout, who will plan, coordinate, and raise all necessary funds to construct the Project, seeks City Council approval and waiver of all permit and plan check fees for the Project.

RECOMMENDATION:

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

1. Approve the Eagle Scout Service Project for Placentia Police Department K-9 Memorial Wall Lighting; and
2. Waive all plan check and permit fees and authorize in-house staff support for this youth service project; and
3. Authorize the City Administrator and/or his designee to execute all necessary documents, subject to City Attorney approval.

DISCUSSION:

The City of Placentia encourages and supports the partnership with local volunteers to collaborate on various community outreach and service projects. Included in the list of partnership opportunities are Eagle Scout service projects. Eagle Scout candidates are required to plan, coordinate, and complete a significant project that will benefit others. The City has worked closely

1.i.
July 10, 2018

with the Scouts over the years on a myriad of projects that have both benefitted the community and provided an avenue for Eagle Scout candidates to successfully reach the pinnacle of scouting.

For the Police Department K-9 Memorial Wall Lighting Project, Eagle Scout Service Project Boy Scout Jack Hung approached members of the City Council and presented the concept of installing lighting for the K-9 Memorial Wall which is located in front of the Police Department. The memorial wall was originally constructed by Jay Jones and completed in December 2015. The area of the memorial is not well lit which makes it difficult for people visiting the Civic Center to enjoy the memorial in the evening. The project will serve as candidate Hung's Eagle Scout Service Project, which is required in order to achieve the status of "Eagle Scout" within the Boy Scouts of America. An Eagle Scout Service Project is a significant project that must present an opportunity for planning, development, and leadership. A Scout must coordinate all aspects of the project including all fund raising to pay for the proposed improvements. As typical with other eagle scout projects that benefit the City directly, the City waives all plan check and permit fees.

Upon City Council approval of the Project, Staff will work with Eagle Scout Candidate Hung on his preparation for installation of the lighting. In addition, Eagle Scout candidate Hung will be responsible for continued communication and coordination with City Staff throughout the balance of the project. All funding for the Project will be provided through private donations acquired by Eagle Scout candidate Hung.

Prepared by:



Rosanna Ramirez
Director of Administrative Services

Reviewed and approved:



Damien R. Arrula
City Administrator

Attachment:

Eagle Scout Project PowerPoint presentation

Eagle Scout Project City Council Presentation

July 10, 2018

Jack Hung

Troop 1613 Life Scout

Overall Project Goal: Install Lighting

Location: Placentia City Hall K-9 Memorial

Address: 401 E Chapman Ave, Placentia, CA 92870

- Lighting:

- Installation of two light poles on either side of the K-9 memorial wall
- Tiling around the base of the light poles for decoration

Purpose is to decorate and light up and liven the area so people can enjoy the memorial

Current K-9 Memorial Wall Area



Day

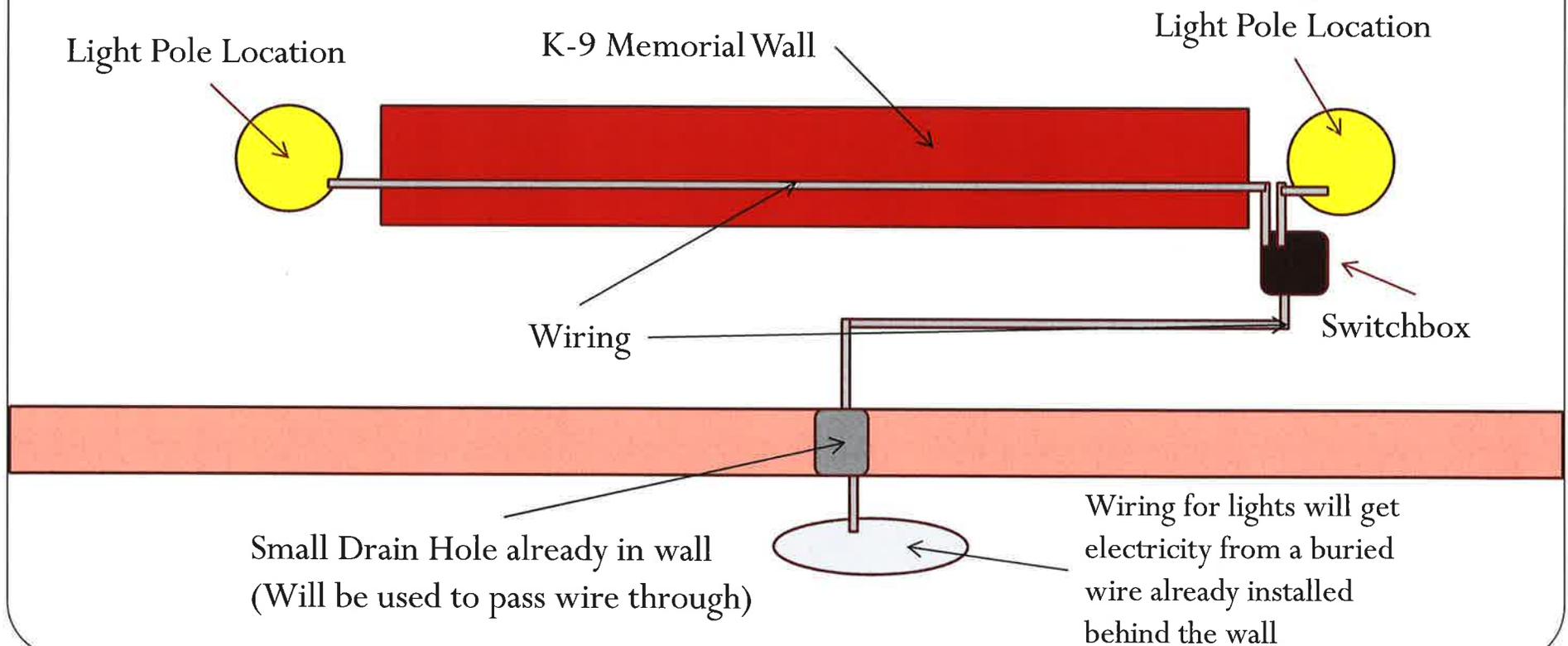


Night

Step 1: Wiring and electricity

*This part of the project will be completed by electricians

Top View



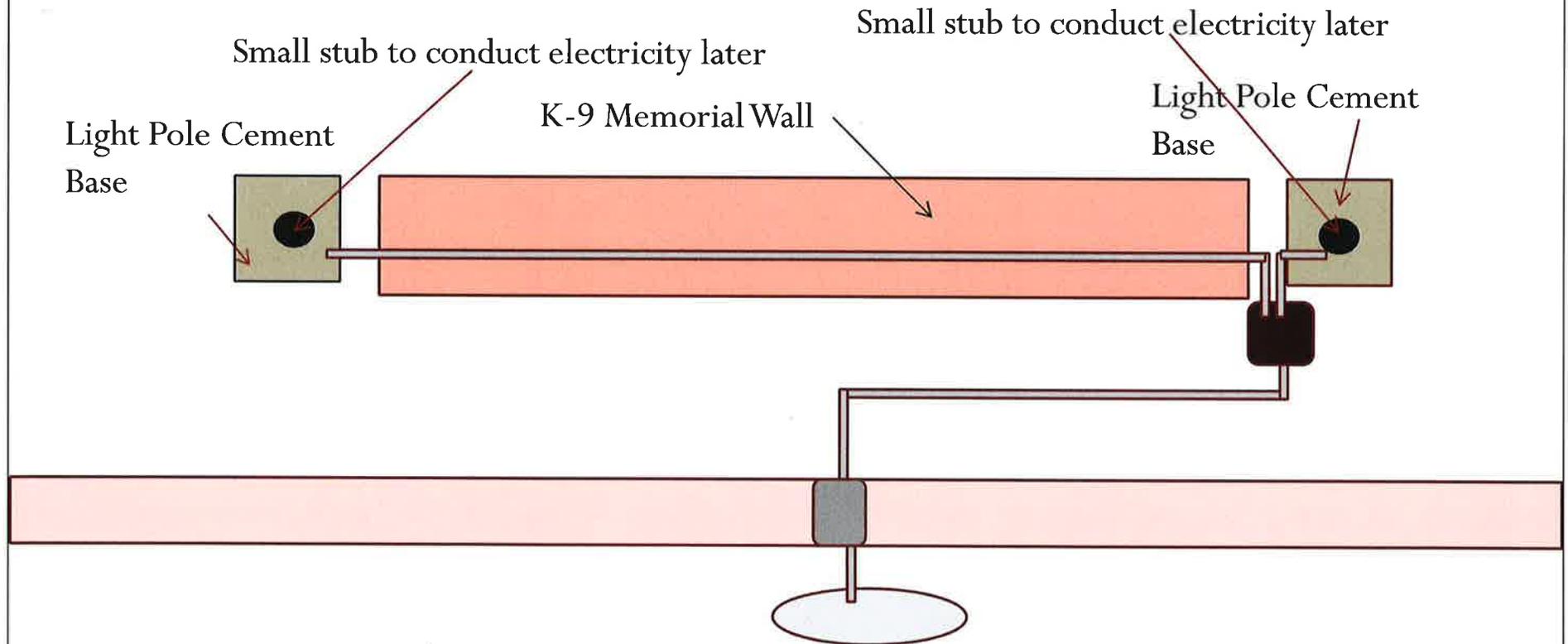
Step 2: Installing Cement Base

Dimensions of Cement Base

Depth: 18 inches with 6 inch protrusion

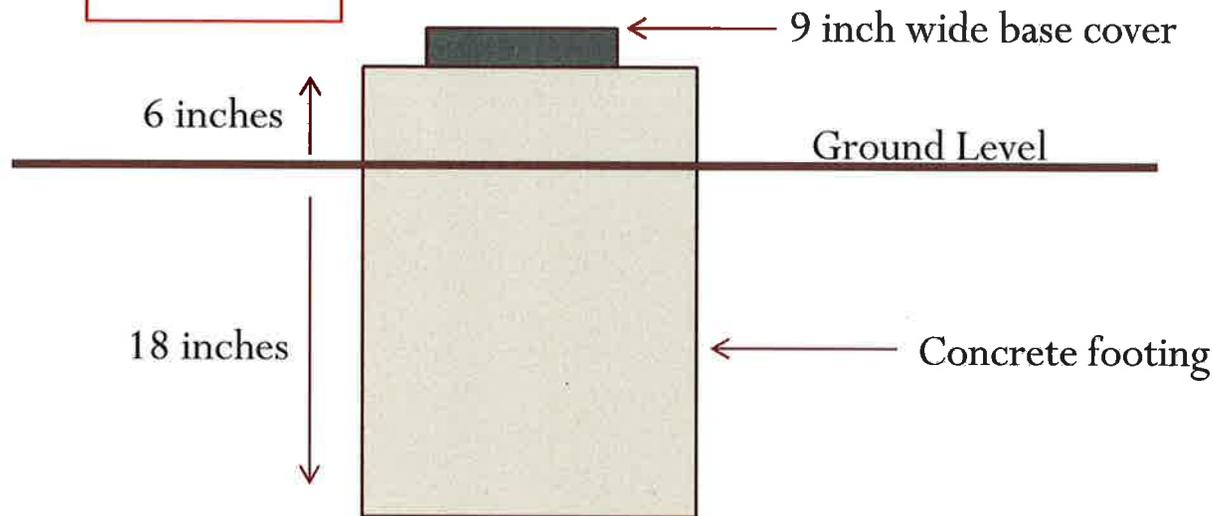
Width: 15 inches (All Sides)

Top View

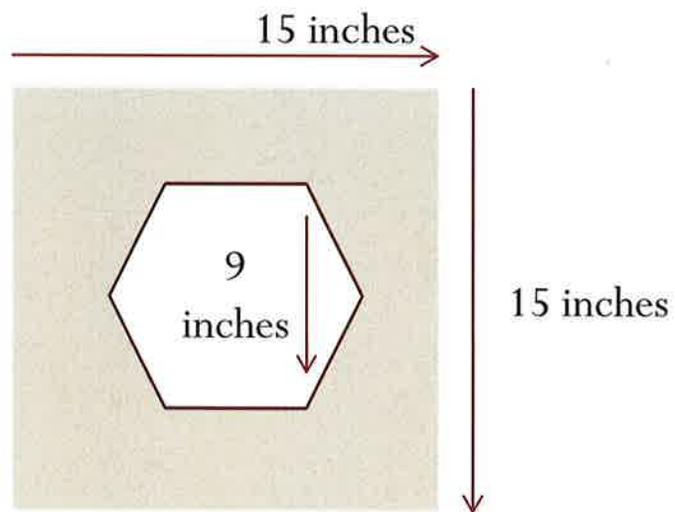


About the Base from Step 2

Side View



Top View



Step 3: Install Light Poles

Dimensions of Light Pole

Height: 6 feet

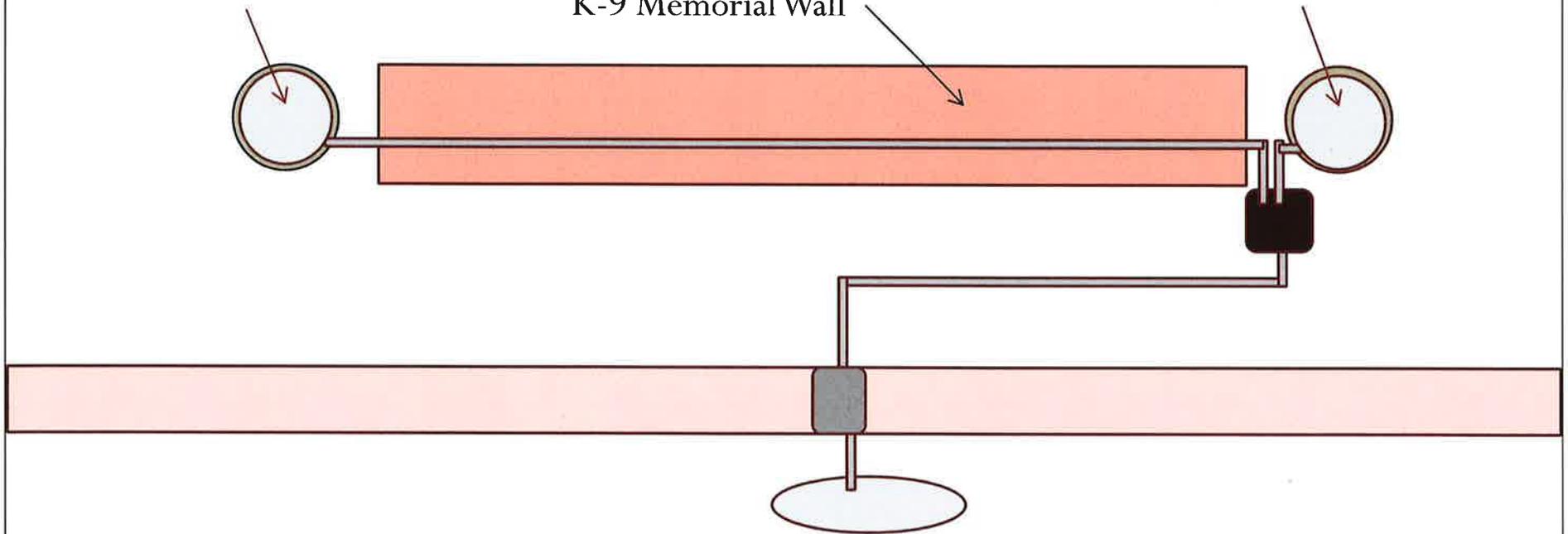
Width of base: 9 Inches side to side

Top View

Light Poles

K-9 Memorial Wall

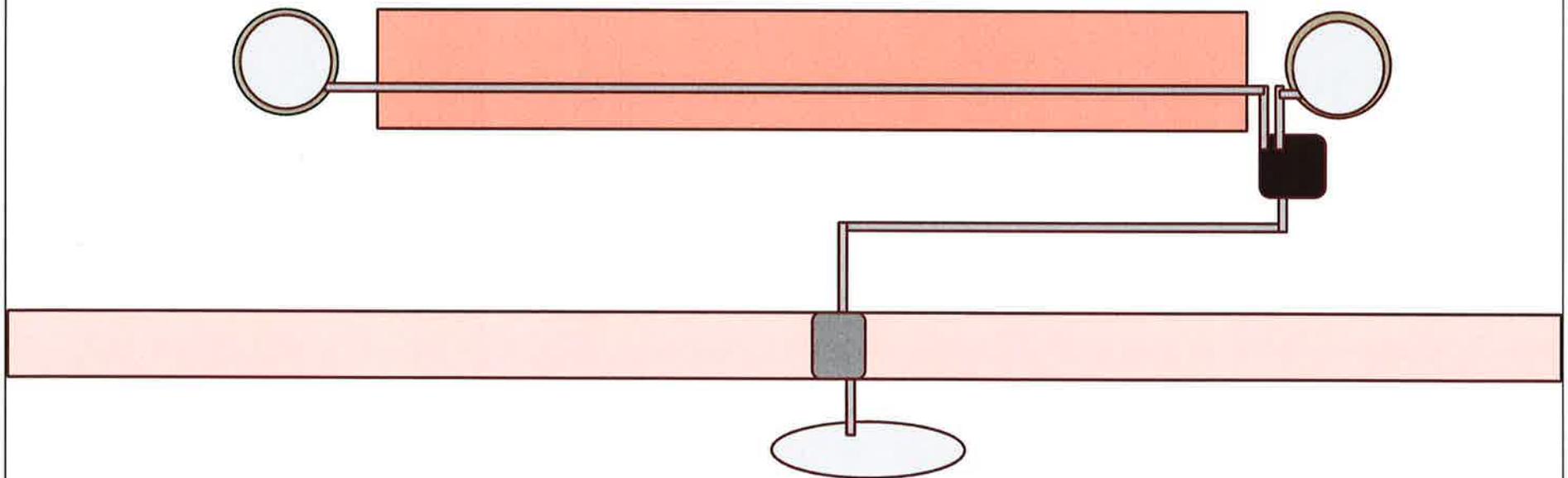
Light Poles



Step 4: Pull Wire to Top of Pole

*This part will also be done by electricians

Top View

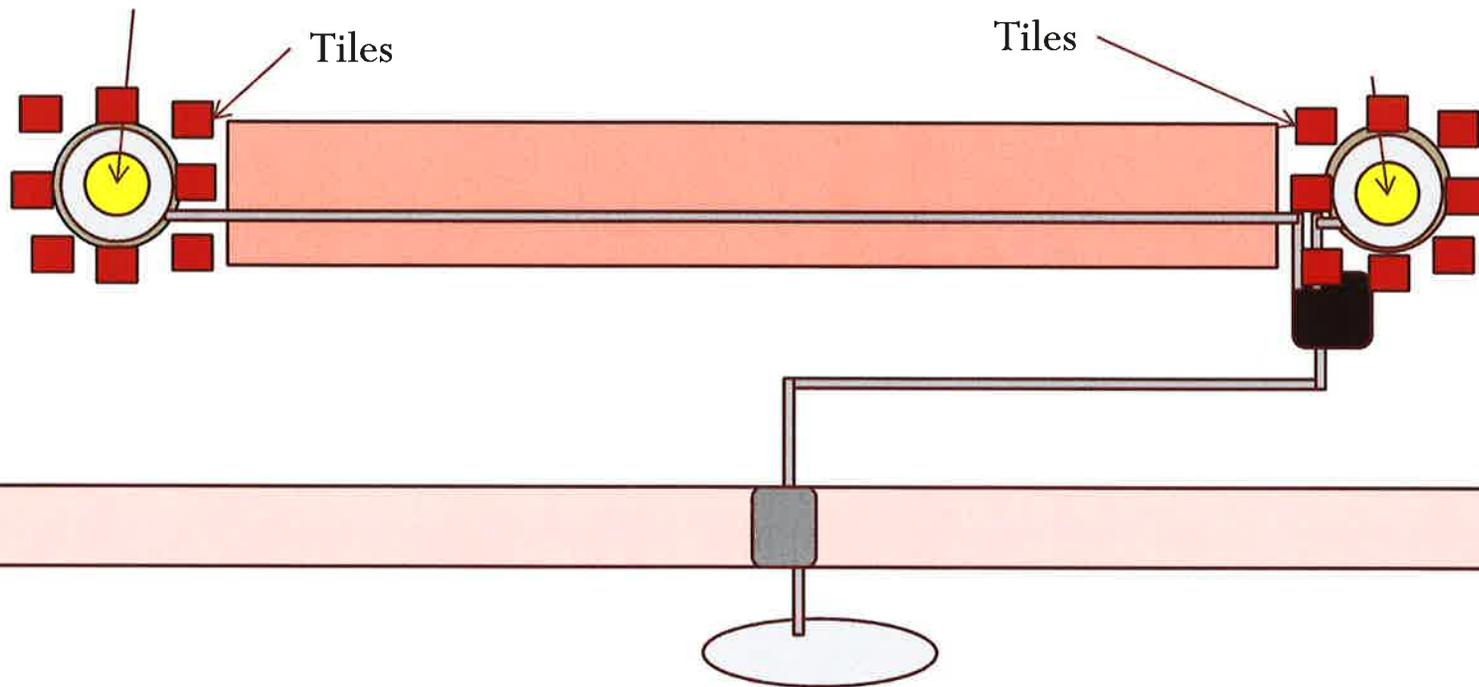


Step 5: Attach Lights and Tiling

Top View

Light Bulb, Globe, and
Globe Fitter Socket

Light Bulb, Globe, and
Globe Fitter Socket



Approximate Budget

Item Name	Quantity	Measurements	Cost Totals
Decorate 8' Pole 	2 poles	Height: 6 ft Base Width: 9 Inches Weight: 8 lbs	\$99 per pole \$198 Total
Globe Fitter with Socket	2 sockets	N/A	\$11 per socket \$22 Total
Acorn Globe 15" 	2 globes	N/A	\$45 per Globe \$90 Total
10watt A19 LED 	2 LED light	N/A	\$6 per bulb \$12 Total
Burke Tube 12" (Concrete Base Mold [Cardboard])	2 tubes	N/A	\$10 per tube \$20 Total
Quikrete 60 lb Concrete Mix	2 bags	N/A	\$4 per bag \$8 Total
Tiles	40.95 sq ft	N/A	\$3 per sq ft \$122.85
Total Cost			\$472.85



Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: DIRECTOR OF PUBLIC WORKS

DATE: JULY 10, 2018

SUBJECT: **ACCEPTANCE OF CONSTRUCTION WORK AND NOTICE OF COMPLETION FOR PEDESTRIAN ACCESSIBILITY PHASE VI – CITY PROJECT NO. 2017-03**

FISCAL
IMPACT:

EXPENSE:	\$ 119,523.75	FINAL PROJECT COST
BUDGETED:	\$ 68,500.00	2017-18 HOUSING & COMM. DEVELOP. FUND
	\$ 35,000.00	2017-18 GAS TAX FUND
	\$ 16,023.75	2017-18 GENERAL FUND

SUMMARY:

On March 20, 2018, the City Council awarded a contract to Horizons Construction Co. Int'l., Inc. in the amount of \$113,600 to demolish and reconstruct 7,953 square feet of damaged concrete sidewalk panels and 925 linear feet of curb/gutter. A change order in the amount of \$5,923.75 was issued to cover the cost of additional concrete, as some of the line items for quantities increased due to unforeseen field conditions. This action concludes the Project and authorizes filing a Notice of Completion with the Orange County Clerk-Recorder's Office in the amount of \$119,523.75.

RECOMMENDATION:

It is recommended that City Council take the following actions:

1. Accept the work performed by Horizons Construction Co. Int'l., Inc. for reconstruction of the damaged concrete sidewalks and curb/gutters in the total amount of \$119,523.75; and
2. Authorize the City Administrator to file a Notice of Completion with the Orange County Clerk-Recorder's Office for the Project; and
3. Authorize the City Administrator to release retention funds in accordance with the terms of the contract.

1.j.
July 10, 2018

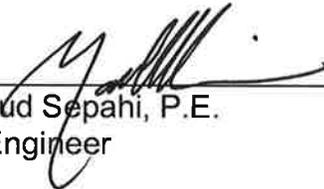
DISCUSSION:

The scope of this project entailed demolition and reconstruction of 7,953 square feet of damaged concrete sidewalk panels and 925 linear feet of curb/gutter. A change order in the amount of \$5,923.75 was issued to cover the cost of additional concrete quantities, as some of the bid items increased due to unforeseen field conditions. The change order was approved by the City Administrator as it was within his administrative approval limit. Work on this project was completed on June 6, 2018. The City is prepared to accept the contractor's work and file a Notice of Completion with the Orange County Clerk Recorder's Office for this project. In addition, the Director of Public Works is prepared to release \$5,976.19, which is the amount held in retention 30 days after the filing of the Notice of Completion.

FISCAL IMPACT:

The final project cost amounts to \$119,523.75. Sufficient funds exist to pay the contract retention amount of \$5,976.19 at the conclusion of the Notice of Completion period.

Prepared by:



Masoud Sepahi, P.E.
City Engineer

Reviewed and approved:



Luis Estevez
Director of Public Works

Reviewed and approved:



Kim Krause
Director of Finance

Reviewed and approved:



Damien R. Arrula
City Administrator

Attachment:

1. Notice of Completion

<p>RECORDING REQUESTED BY</p> <p>AND WHEN RECORDED MAIL TO</p> <div style="border: 1px solid black; padding: 5px; margin: 10px auto; width: 80%;"> <p>Name City Clerk</p> <p>Street City of Placentia</p> <p>Address 401 E. Chapman Ave.</p> <p>City & Placentia, CA 92870</p> <p>State</p> </div>	
--	--

SPACE ABOVE THIS LINE FOR RECORDER'S USE
Free Recording Per Government Code Section 6103.

City Council Approval:

Deputy City Clerk

NOTICE OF COMPLETION

Notice pursuant to Civil Code Section 3093, must be filed within 10 days after completion. (See reverse side for Complete requirements.)

Notice is hereby given that:

1. The undersigned is owner or corporate officer of the owner of the interest or estate stated below in the property hereinafter described;
2. The full name of the owner is City of Placentia
3. The full address of the owner is 401 East Chapman Avenue
Placentia, CA 92870

4. The nature of the interest or estate of the owner is: In fee.

N/A

(If other than fee, strike "In fee" and insert, for example, "purchaser under contract of purchase," or "lessee")

5. The full names and full addresses of all persons, if any, who hold title with the undersigned as joint tenants or as tenants in common are:

NAMES	ADDRESSES
-------	-----------

N/A

6. A work of improvement on the property hereinafter described was completed on May 31, 2018. The work done was:

The project consisted of the removal and replacement of 7,953 square feet of concrete sidewalk and 925 linear feet of curb/gutter.

The name of the contractor, if any, for such work of improvement was Horizons Construction Company International, Inc.

7. 432 W. Meats Avenue, Orange, CA 92865 03/20/2018

(If no contractor for work of improvement as a whole, insert "none".)

(Date of Contract)

8. The property on which said work of improvement was completed is in the city of Placentia

County of Orange, State of California, and is described as follows: Pedestrian Accessibility Project Phase VI Project 2017- 03

9. The street address of said property is "none"

(If no street address has been officially assigned, insert "none".)

CITY OF PLACENTIA

Dated: 07-10-2018

Verification for Individual Owner

Signature of owner or corporate officer of owner
named in paragraph 2 or his agent

VERIFICATION

I, the undersigned, say: I am the City Administrator the declarant of the foregoing
("President of", "Manager of", "Owner of", etc.)

Notice of completion; I have read said notice of completion and know the contents thereof; the same is true of my own knowledge.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on July 10, 2018, at Placentia, California.

(Date of Signature.)

(City where signed.)

(Personal signature of the individual who is swearing that the contents of the notice of completion are true.)

DO NOT RECORD

REQUIREMENTS AS TO NOTICE OF COMPLETION

A notice of completion must be filed for record WITHIN 10 DAYS after completion of the work of improvement (to be computed exclusive of the day of completion), as provided in Civil code Section 3093.

The "owner" who must file for record a notice of completion of a building or other work of improvement means the owner (or his successor in-interest at the date the notice is filed) on whose behalf the work was done, though his ownership is less than the fee title. For example, if A is the owner in fee, and B, lessee under a lease, causes a building to be constructed, then B, or whoever has succeeded to his interest at the date the notice is filed, must file the notice.

If the ownership is in two or more persons as joint tenants or tenants in common, the notice may be signed by any one of the co-owners (in fact, the foregoing form is designed for giving of the notice by only one cotenant), but the names and addresses of the other co-owners must be stated in paragraph 5 of the form.

Note that any Notice of Completion signed by a successor in interest shall recite the names and addresses of his transferor or transferors.

In paragraphs 3 and 5, the full address called for should include street number, city, county and state.

As to paragraphs 6 and 7, this form should be used only where the notice of completion covers the work of improvement as a whole. If the notice is to be given only of completion of a particular contract, where the work of improvement is made pursuant to two or more original contracts, then this form must be modified as follows (1) Strike the words "A work of improvement" from paragraph 6 and insert a general statement of the kind of work done or materials furnished pursuant to such contract (e.g., "The foundations for the improvements"); (2) Insert the name of the contractor under the particular contract in paragraph 7.

In paragraph 7 of the notice, insert the name of the contractor for the work of improvement as a whole. No contractor's name need be given if there is no general contractor, e.g., on so-called "owner-builder jobs."

In paragraph 8, insert the full, legal description, not merely a street address or tax description. Refer to deed or policy of title insurance. If the space provided for description is not sufficient, a rider may be attached.

In paragraph 9, show the street address, if any, assigned to the property by any competent public or governmental authority.

This standard form covers most usual problems in the field indicated. Before you sign, read it, fill in all blanks, and make changes proper to your transaction. Consult a lawyer if you doubt the form's fitness for your purpose.





Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: DIRECTOR OF PUBLIC WORKS

DATE: JULY 10, 2018

SUBJECT: **ACCEPTANCE OF CONSTRUCTION WORK AND NOTICE OF COMPLETION FOR CONSTRUCTION OF THE FY 2017-18 RESIDENTIAL SLURRY SEAL PROJECT (CITY PROJECT NO. 2018-02)**

FISCAL
IMPACT: EXPENSE: \$149,140.28 FINAL PROJECT COST
BUDGETED: \$149,140.28 2017-18 ROAD MAINT. & REHAB. (RMRA) FUND
No General Fund dollars were used on this project.

SUMMARY:

On May 15, 2018, the City Council awarded a contract to Petrochem Materials Innovation, LLC. (PMI), for a slurry seal project consisting of approximately 425,000 square feet of residential roadways. This action concludes the project and authorizes filing a Notice of Completion with the Orange County-Clerk Recorder's Office in the amount of \$149,140.28.

RECOMMENDATION:

It is recommended that City Council take the following actions:

1. Accept the work performed by Petrochem Materials Innovation, LLC. (PMI), for construction of the residential slurry seal project in the total amount of \$149,140.28; and
2. Authorize the City Administrator to file a Notice of Completion with the Orange County Clerk-Recorder's Office for the Project; and
3. Authorize the City Administrator to release retention funds in accordance with the terms of the contract.

DISCUSSION:

The project scope for this project entailed a slurry seal project consisting of approximately 425,000 square feet of residential roadways. Work on this project was completed on May 31, 2018. The City is prepared to accept the contractor's work and file a Notice of Completion with the Orange County Clerk-Recorder's Office for this project. In addition, the Director of Public Works is prepared to release \$7,457.01, which is the amount held in retention 30 days after the filing of the Notice of Completion.

1.k.
July 10, 2018

FISCAL IMPACT:

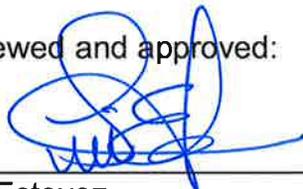
The final project cost amounts to \$149,140.28. Sufficient funds exist to pay the contract retention amount of \$7,457.01 at the conclusion of the Notice of Completion period.

Prepared by:



Masoud Sepahi, P.E.
City Engineer

Reviewed and approved:



Luis Estevez
Director of Public Works

Reviewed and approved:



Kim Krause
Director of Finance

Reviewed and approved:



Damien R. Arrula
City Administrator

Attachment:

Notice of Completion

<p>RECORDING REQUESTED BY</p> <p>AND WHEN RECORDED MAIL TO</p> <div style="border: 1px solid black; padding: 5px; margin: 10px auto; width: 80%;"> <p>Name City Clerk</p> <p>Street City of Placentia</p> <p>Address 401 E. Chapman Ave.</p> <p>City & State Placentia, CA 92870</p> </div>	
---	--

SPACE ABOVE THIS LINE FOR RECORDER'S USE
Free Recording Per Government Code Section 6103.

City Council Approval:

 Deputy City Clerk

NOTICE OF COMPLETION

Notice pursuant to Civil Code Section 3093, must be filed within 10 days after completion. (See reverse side for Complete requirements.)

Notice is hereby given that:

1. The undersigned is owner or corporate officer of the owner of the interest or estate stated below in the property hereinafter described:
2. The full name of the owner is City of Placentia
3. The full address of the owner is 401 East Chapman Avenue
Placentia, CA 92870
4. The nature of the interest or estate of the owner is: In fee.
N/A
(If other than fee, strike "In fee" and insert, for example, "purchaser under contract of purchase," or "lessee")
5. The full names and full addresses of all persons, if any, who hold title with the undersigned as joint tenants or as tenants in common are:

NAMES	ADDRESSES
<u>N/A</u>	
6. A work of improvement on the property hereinafter described was completed on June 6, 2018. The work done was:
The project consisted of the approximately 425,000 square feet of residential roadway slurry seal.
 The name of the contractor, if any, for such work of improvement was Petrochem Materials Innovation, LLC.
7. 6168 Innovation Way, Carlsbad, CA 92009 05/15/2018
(If no contractor for work of improvement as a whole, insert "none".) (Date of Contract)
8. The property on which said work of improvement was completed is in the city of Placentia
 County of Orange, State of California, and is described as follows: Citywide Street Resurfacing and Slurry Seal Project Cycle I – City Project No. 2018- 02
9. The street address of said property is none.
(If no street address has been officially assigned, insert "none".)

CITY OF PLACENTIA

Dated: 07-10-2018
 Verification for Individual Owner

 Signature of owner or corporate officer of owner
 named in paragraph 2 or his agent

VERIFICATION

I, the undersigned, say: I am the City Administrator the declarant of the foregoing
("President of", "Manager of", "Owner of", etc.)

Notice of completion; I have read said notice of completion and know the contents thereof; the same is true of my own knowledge.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on July 10, 2018, at Placentia, California.
(Date of Signature) (City where signed.)

 (Personal signature of the individual who is swearing
 that the contents of the notice of completion are
 true.)

DO NOT RECORD

REQUIREMENTS AS TO NOTICE OF COMPLETION

A notice of completion must be filed for record WITHIN 10 DAYS after completion of the work of improvement (to be computed exclusive of the day of completion), as provided in Civil code Section 3093.

The "owner" who must file for record a notice of completion of a building or other work of improvement means the owner (or his successor in-interest at the date the notice is filed) on whose behalf the work was done, though his ownership is less than the fee title. For example, if A is the owner in fee, and B, lessee under a lease, causes a building to be constructed, then B, or whoever has succeeded to his interest at the date the notice is filed, must file the notice.

If the ownership is in two or more persons as joint tenants or tenants in common, the notice may be signed by any one of the co-owners (in fact, the foregoing form is designed for giving of the notice by only one cotenant), but the names and addresses of the other co-owners must be stated in paragraph 5 of the form.

Note that any Notice of Completion signed by a successor in interest shall recite the names and addresses of his transferor or transferors.

In paragraphs 3 and 5, the full address called for should include street number, city, county and state.

As to paragraphs 6 and 7, this form should be used only where the notice of completion covers the work of improvement as a whole. If the notice is to be given only of completion of a particular contract, where the work of improvement is made pursuant to two or more original contracts, then this form must be modified as follows (1) Strike the words "A work of improvement" from paragraph 6 and insert a general statement of the kind of work done or materials furnished pursuant to such contract (e.g., "The foundations for the improvements"); (2) Insert the name of the contractor under the particular contract in paragraph 7.

In paragraph 7 of the notice, insert the name of the contractor for the work of improvement as a whole. No contractor's name need be given if there is no general contractor, e.g., on so-called "owner-builder jobs."

In paragraph 8, insert the full, legal description, not merely a street address or tax description. Refer to deed or policy of title insurance. If the space provided for description is not sufficient, a rider may be attached.

In paragraph 9, show the street address, if any, assigned to the property by any competent public or governmental authority.

This standard form covers most usual problems in the field indicated. Before you sign, read it, fill in all blanks, and make changes proper to your transaction. Consult a lawyer if you doubt the form's fitness for your purpose.





Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL
VIA: CITY ADMINISTRATOR
FROM: DIRECTOR OF FINANCE
DATE: JULY 10, 2018
SUBJECT: **THIRD QUARTER FISCAL YEAR 2017-18 FINANCIAL UPDATE**
FISCAL
IMPACT: NONE

SUMMARY:

The Finance Department routinely prepares financial reports to update the City Council and the community regarding the City's fiscal position. As directed by the City Council, Staff is to report the City's financial condition at the end of each quarter of the fiscal year. The attached quarterly financial update report contains information for the period ending March 31, 2018.

RECOMMENDATION:

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

1. Receive and file the Financial Quarterly Update for the period ending March 31, 2018.

DISCUSSION:

General Fund Revenues and Transfers In

As of March 31, 2018, the City has received 61.6% or \$19.0 million in General Fund revenues anticipated for Fiscal Year (FY) 2017-18. Total revenues collected for the current year are \$1,241,877, (7.0%) higher compared to the prior year.

Property Tax and Sales and Use Tax revenue make up approximately 64% of the City's budgeted General Fund revenue (excluding transfers in from other funds). Property Tax revenue collected for the current year is approximately \$779,000, (9.5%) higher compared to the same time last year. Substantially greater collections occurred during December and January this fiscal year when compared to last year. This is likely due to more people paying their full year of property taxes in December 2017, in response to the changes made to Federal tax law in 2018. Sales and Use Tax revenue collected for the current year is approximately \$215,000, (-5.1%) lower compared to the same time last year. This is a continuation of the trend we have seen in this revenue, due in large part to the rapid growth of online sales.

1.1.
July 10, 2018

Although 75% of the year has elapsed, the City has received 61.6% of the budgeted General Fund revenue. This is due to the fact that many of the City's revenues are not received evenly throughout the fiscal year. For instance, the majority of the City's Property Tax revenue is received in December, April and May. Another example is Sales and Use Tax revenue. While this revenue is received on a monthly basis, it is paid in arrears meaning that the payments received during July and August are applied to May and June of the prior fiscal year. As of March 31, only seven months of revenue has been recorded this year. A number of other revenue sources also lag by at least one month.

In addition to Property Taxes, three other General Fund revenue categories are running ahead of the 75% year-to-date percentage as of March 31: Business Licenses, Permits and Investment Income. Investment Income includes both interest earnings and facility rental revenue, and facility rental is up substantially over last year. All other revenue categories are running somewhat behind the 75% year-to-date percentage. Transfers in from other funds are at 72.5% of budget.

Staff will continue to monitor all revenue categories through the end of the fiscal year. Preliminary fiscal year-end results will be known in September after all revenue accruals have been recorded.

General Fund Expenditures and Transfers Out

General Fund expenditures through March 31, 2018 were 71.5% or approximately \$24.2 million of the \$33.8 million that has been appropriated for FY 2017-18. Total expenditures through March 31 this year are approximately \$438,000, (1.8%) greater than at this same time last year. Just two of the City's 11 departments had expenditures greater than 75% of the annual budgets as of March 31: Public Safety at 75.4% and Community Services at 79.5%. Many Community Services activities do not occur evenly throughout the year.

Through March 31, operating transfers out were only 39.0% or approximately \$204,000 of the \$523,548 appropriated for the year. One reason for the low year-to-date percentage of transfers out is due in part to the fact that transfers out to the City Capital Projects Fund (to reimburse that fund for project expenditures funded from the General Fund) have only been recorded through December 31.

Other Funds

Of the 32 other funds of the City, seven funds had actual revenues exceeding 75% of their annual budgets as of March 31, and five funds had expenditures exceeding 75% of their annual budgets. Corrections will be made as part of the year-end closeout process to address the negative fund balance in the Asset Seizure -15% Training Fund and expenditures in excess of appropriations in the Public Safety CFD 2014-01 Fund.

Cost Savings Measures

The adopted FY 2017-18 budget is balanced due to some cost-saving measures being taken by the City. The City has reviewed and either eliminated or reduced contracts for services where it was determined that City Staff could provide the same or a higher level of service with no additional cost as well as where there were no potential savings to be found in utilizing outside

services. The City has also decreased its usage of fossil fuels by increasing usage of electric vehicles, reducing expenditures for gasoline and diesel fuel. Gas Tax Funds are being utilized for the Pedestrian Accessibility Project, eliminating the need for General Fund contributions. Staff is continually looking for new cost savings programs or revenue enhancements to aid in the City's fiscal sustainability challenges. It continues to be imperative that the City find a new, local sustainable revenue source in order to meet the ongoing challenges of maintaining a full service City.

Prepared by:



Irwin B. Bornstein, CPA
Senior Financial Consultant

Reviewed and approved:



Kim Krause
Director of Finance

Reviewed and approved:



Damien R. Arrula
City Administrator

Attachments:

1. General Fund Revenues, Expenditures and Changes in Fund Balance – Budget and Actual, Period Ending March 31, 2018
2. Revenues, Expenditures & Fund Balances–All Funds Summary (July 1, 2017 through March 31, 2018)

**CITY OF PLACENTIA
REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (0010)**

PERIOD ENDED MARCH 31, 2018

	Budget Amounts		Actual 3/31/2018	% of Budget	Actual 3/31/2017	Change from Prior Year
	Original	Amended				
REVENUES						
Property Taxes	\$ 14,589,000	\$ 14,589,000	\$ 9,012,347	61.8%	\$ 8,233,499	\$ 778,847
Sales & Use Taxes	6,835,000	6,734,000	3,983,214	59.2%	4,197,788	(214,573)
Real Property Taxes	297,000	219,700	127,805	58.2%	179,830	(52,025)
Transient Occupancy Taxes	1,021,000	975,000	569,491	58.4%	562,848	6,642
Franchise Fees	2,228,000	2,344,000	1,151,030	49.1%	1,083,121	67,909
Business License	967,000	925,000	813,561	88.0%	863,779	(50,218)
Lease Revenues	1,827,000	1,266,120	891,510	70.4%	745,198	146,312
Per Barrel Tax	40,000	40,000	27,305	68.3%	32,135	(4,830)
Permits	600,078	600,078	497,887	83.0%	449,752	48,135
Fines & Forfeitures	553,000	553,000	379,035	68.5%	387,604	(8,568)
Investment Income	110,800	110,800	156,027	140.8%	73,304	82,723
Intergovernmental	1,672,726	350,399	76,360	21.8%	252,844	(176,484)
Charges for Services	971,496	1,103,823	690,086	62.5%	611,558	78,528
Sales of Real Property	75,290	75,290	45,475	60.4%	65,003	(19,528)
Refund & Reimbursements	1,481,042	949,406	584,996	61.6%	25,990	559,005
Sub-total	33,268,432	30,835,616	19,006,137	61.6%	17,764,260	1,241,877
Transfer-In	4,310,000	3,859,207	2,799,654	72.5%	1,855,423	944,230
Total Revenues	37,578,432	34,694,823	21,805,791	62.9%	19,619,684	2,186,107
EXPENDITURES						
Legislative	898,600	910,600	587,800	64.6%	897,535	(309,734)
Administration	2,249,025	1,801,912	1,284,704	71.3%	1,136,873	147,830
Finance	1,160,454	1,098,546	705,499	64.2%	743,857	(38,358)
Development Services	879,630	853,523	609,577	71.4%	640,770	(31,193)
Public Safety	19,122,145	18,764,068	14,146,486	75.4%	13,240,423	906,063
Public Works	442,488	498,632	336,267	67.4%	246,936	89,331
Maintenance Services	2,742,689	2,678,515	1,916,928	71.6%	2,147,424	(230,495)
Community Services	1,549,262	1,489,267	1,183,823	79.5%	928,743	255,080
Environmental Services	102,680	102,680	29,020	28.3%	30,841	(1,821)
Debt Service	1,748,230	1,873,333	620,530	33.1%	674,413	(53,883)
General Government	3,876,204	3,719,529	2,756,517	74.1%	3,051,728	(295,210)
Sub-total	34,771,407	33,790,606	24,177,156	71.5%	23,739,547	437,609

**CITY OF PLACENTIA
REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (0010)**

PERIOD ENDED MARCH 31, 2018

	<u>Budget Amounts</u>		<u>Actual 3/31/2018</u>	<u>% of Budget</u>	<u>Actual 3/31/2017</u>	<u>Change from Prior Year</u>
	<u>Original</u>	<u>Amended</u>				
Operating Transfers-Out	2,541,393	523,548	204,361	39.0%	-	204,361
Total Expenditures	37,312,800	34,314,154	24,381,517	71.1%	23,739,547	641,970
Net Increase (Decrease) in Fund Balance	\$ 265,632	\$ 380,668	\$ (2,575,726)	-676.6%	\$ (4,119,863)	\$ 1,544,137

CITY OF PLACENTIA
REVENUES, EXPENDITURES AND FUND BALANCES - ALL FUNDS SUMMARY
JULY 1, 2017 THROUGH MARCH 31, 2018

	(a)	(b)	(c)		(d)	(e)		(f)	(g)
	ACTUAL	BUDGET	ACTUAL		BUDGET	ACTUAL		= (a)+(b)-(d)	= (a)+(c)-(e)
	OPENING FUND BALANCES	REVENUES & TRANSFERS IN	REVENUES & TRANSFERS IN		EXPENDITURES & TRANSFERS OUT	EXPENDITURES & TRANSFERS OUT		ENDING FUND BALANCES	ENDING FUND BALANCES
	7/1/17	FY 2017-18	3/31/18		FY 2017-18	3/31/18		6/30/18	3/31/18
General Fund:									
101 General Fund (0010)- Unassigned	\$ (220,053)	\$ 34,694,823	\$ 21,805,791	63%	\$ 34,314,154	\$ 24,381,517	71%	\$ 160,616	\$ (2,795,779)
101 General Fund (0010)- Committed	3,600,000	-	-		3,600,000	-	0%	-	3,600,000
116 Rehab Reimbursement Fd (0059)	276,264	-	-		138,071	40,103	29%	138,193	236,161
Sub-Total	3,656,211	34,694,823	21,805,791	63%	38,052,225	24,421,620	64%	298,809	1,040,382
Special Revenues Funds:									
201 Utility User Tax (0016)	-	2,494,000	1,791,069	72%	2,494,000	1,843,500	74%	-	(52,431)
205 State Gas Tax (0017)	1	1,150,097	783,095	68%	1,150,098	605,192	53%	-	177,904
207 Housing Successor Agency (0053)	1,452,371	137,394	135,696	99%	-	-		1,589,765	1,588,067
209 State Gas Tax-RMRA (0060)	-	298,094	68,254	23%	295,291	37,528	13%	2,803	30,726
210 Measure M (0018)	912,143	1,096,733	383,353	35%	2,003,332	791,547	40%	5,544	503,949
211 PEG Fund (0058)	214,897	90,000	44,161	49%	233,899	129,289	55%	70,998	129,769
215 Air Quality Management (0019)	217,817	65,000	32,492	50%	229,248	40,075	17%	53,569	210,234
224 Asset Seizure-15% Training (0073)	-	30,000	1,982	7%	100,000	-	0%	(70,000)	1,982
225 Asset Seizure (0021)	1,118,936	170,600	13,263	8%	1,281,436	660,506	52%	8,100	471,693
226 Traffic Offender Fund (0051)	50,729	1,888	794	42%	48,864	-	0%	3,753	51,523
228 NOC-Public Safety Grant (0061)	-	310,000	310,000	100%	310,000	75,559	24%	-	234,441
229 Comm Based Trans Housing (0062)	-	2,000,000	2,000,000	100%	886,142	24,999	3%	1,113,858	1,975,001
230 Suppl Law Enforcement (0022)	-	107,939	158,507	147%	107,939	78,970	73%	-	79,537
235 Park Development (0023)	31,835	2,240	1,120	50%	17,200	-	0%	16,875	32,955
240 Sewer Construction (0024)	20,743	-	-		-	-		20,743	20,743
241 Public Safety Mitigation Fee (0057)	40,274	203,674	17,135	8%	241,539	221,539	92%	2,409	(164,130)
245 Storm Drain Construction (0025)	23,044	-	-		-	-		23,044	23,044
250 Thoroughfare Construction (0026)	73,635	-	-		73,000	-		635	73,635
260 Street Lighting District (0028)	27,713	389,937	279,227	72%	369,000	216,515	59%	48,650	90,425
261 Public Safety CFD 2014-01 (0055)	6,941	28,912	20,986	73%	-	14,878		35,853	13,050
265 Landscape Maintenance (0029)	148,540	427,909	265,043	62%	563,046	365,679	65%	13,403	47,904
270 CDBG (0030)	(37,921)	432,300	37,921	9%	394,378	91,463	23%	1	(91,463)
280 Misc Grants Fund (0050)	374,809	232,449	21,429	9%	384,462	133,000	35%	222,796	263,238
405 Affordable Housing In Lieu (0034)	25,000	76,000	76,000	100%	40,000	40,000	100%	61,000	61,000
Sub-Total	4,701,507	9,745,166	6,441,528	66%	11,222,874	5,370,239	48%	3,223,799	5,772,796
Debt Service Fund:									
206 Gas Tax Bond Fund (0052)	482,963	486,592	119,760	25%	484,544	117,722	24%	485,011	485,001
Sub-Total	482,963	486,592	119,760	25%	484,544	117,722	24%	485,011	485,001
Capital Projects Fund:									
401 City Capital Projects (0033)	(329,873)	10,114,563	2,116,471	21%	9,784,690	2,724,356	28%	0	(937,757)
Sub-Total	(329,873)	10,114,563	2,116,471	21%	9,784,690	2,724,356	28%	0	(937,757)
Enterprise Funds:									
275 Sewer Maintenance (0048)	1,858,397	747,000	532,307	71%	1,886,936	700,623	37%	718,461	1,690,081
501 Refuse Administration (0037)	85,811	2,984,438	2,018,015	68%	3,027,539	1,943,989	64%	42,710	159,837
Sub-Total	1,944,208	3,731,438	2,550,322	68%	4,914,475	2,644,612	54%	761,171	1,849,918

**CITY OF PLACENTIA
REVENUES, EXPENDITURES AND FUND BALANCES - ALL FUNDS SUMMARY
JULY 1, 2017 THROUGH MARCH 31, 2018**

	(a)	(b)	(c)		(d)	(e)		(f)	(g)
	ACTUAL	BUDGET	ACTUAL		BUDGET	ACTUAL		BUDGET	ACTUAL
	OPENING FUND BALANCES	REVENUES & TRANSFERS IN	REVENUES & TRANSFERS IN		EXPENDITURES & TRANSFERS OUT	EXPENDITURES & TRANSFERS OUT		ENDING FUND BALANCES	ENDING FUND BALANCES
	7/1/17	FY 2017-18	3/31/18		FY 2017-18	3/31/18		6/30/18	3/31/18
Internal Service Funds:									
601 Employee Health & Welfare	21,855	1,060,746	830,532	78%	1,060,745	968,459	91%	21,856	(116,072)
605 Risk Management	(235,564)	1,205,577	914,399	76%	1,205,577	1,026,674	85%	(235,564)	(347,839)
610 Equipment Replacement	14,179	-	90		-	-		14,179	14,269
Sub-Total	(199,530)	2,266,323	1,745,021	77%	2,266,322	1,995,133	88%	(199,529)	(449,642)
Grand Total - All Funds	\$ 10,255,486	\$ 61,038,905	\$ 34,778,893	57%	\$ 66,725,130	\$ 37,273,682	56%	\$ 4,569,261	\$ 7,760,698



Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL
VIA: CITY ADMINISTRATOR
FROM: FINANCE DEPARTMENT
DATE: JULY 10, 2018
SUBJECT: **THIRD QUARTER FISCAL YEAR 2017-18 TREASURER'S REPORT**
FISCAL
IMPACT: NONE

SUMMARY:

The Finance Department has prepared a Treasurer's Report and a comparable Cash and Investment Summary for the third quarter of Fiscal Year (FY) 2017-18. The Treasurer's Report includes all investments managed by the City and investments held by trustees.

RECOMMENDATION:

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

1. Receive and file the third quarter Fiscal Year 2017-18 Treasurer's Report.

DISCUSSION:

Government Code § 53646 states that the Treasurer or Finance Director of the City may render a report on investments at least quarterly to the legislative body.

The attached Treasurer's Report reflects the City's investment portfolio for the third quarter FY 2017-18. The City Treasurer has reviewed and signed the attached report.

Prepared by:

A blue ink signature of Henry Chao.

Henry Chao
Senior Accountant II

Reviewed and approved:

A blue ink signature of Kim Krause.

Kim Krause
Director of Finance

1.m.
July 10, 2018

Reviewed and approved:



Damien R. Arrula
City Administrator

Attachments:

1. Third Quarter FY 2017-18 Treasurer's Report
2. Third Quarter FY 2017-18 Cash and Investment Summary

City of Placentia

CITY TREASURER'S REPORT

**MARCH 2018
(Preliminary)**

FISCAL YEAR 2017-18



CITY OF PLACENTIA TREASURER'S REPORT
**CASH AND INVESTMENT DETAIL - CITY
AS OF MARCH 31, 2018 (Preliminary)**

HELD BY CITY						
Agency	Investment Description	Current Yield	Purchase Date	Maturity Date	Purchase Price	Market Value
CASH:						
Bank of America - General Checking	Account No. 143128-0221	N/A	N/A	On Demand	\$ 2,001,378.24	\$ 2,001,378.24
Bank of America - Workers' Comp	Account No. 143188-0525	N/A	N/A	On Demand	\$ 72,329.49	\$ 72,329.49
Bank of America - Healthcare	Account No. 143138-0513	N/A	N/A	On Demand	\$ 6,344.51	\$ 6,344.51
Bank of America - Successor Agency	Checking Acct	N/A	N/A	On Demand	\$ 128,500.51	\$ 128,500.51
Banc of California - General Checking	Account No. 203-015-2660	N/A	N/A	On Demand	\$ 2,152,730.29	\$ 2,152,730.29
Multi-Bank Securities Cash Account	Cash / Bank Deposits	N/A	N/A	On Demand	\$ 6,304.22	\$ 6,304.22
Total Cash					\$ 4,367,587.26	\$ 4,367,587.26
INVESTMENTS:						
Local Agency Investment Fund	City Account No. 98-30-678	1.52%	N/A	On Demand	\$ 6,014,235.75	\$ 6,014,235.75
Multi-Bank Securities Ally Bank	Certificate of Deposit	1.45%	2/4/2016	2/4/2019	\$ 245,000.00	\$ 244,265.00
Multi-Bank Securities American Federal Bk	Certificate of Deposit	1.50%	2/10/2016	2/10/2020	\$ 245,000.00	\$ 240,619.40
Multi-Bank Securities Morgan Stanley	Certificate of Deposit	2.50%	2/1/2018	2/1/2021	\$ 245,000.00	\$ 244,095.95
Multi-Bank Securities Goldman Sachs	Certificate of Deposit	2.00%	2/3/2016	2/3/2021	\$ 245,000.00	\$ 240,744.35
Total Investments					\$ 6,994,235.75	\$ 6,983,960.45
TOTAL CASH & INVESTMENTS HELD BY CITY					\$11,361,823.01	\$ 11,351,547.71
HELD BY FISCAL AGENT						
Agency	Investment Description	Current Yield	Purchase Date	Maturity Date	Purchase Price	Market Value
2011 Gas Tax Certificates of Participation						
Wells Fargo	Wells Fargo Money Market	0.03%	N/A	N/A	\$ 485,673.40	\$ 485,673.40
2003 Certificate of Participation						
US Bank	US Bank Money Market	0.03%	N/A	N/A	\$ 489,071.81	\$ 489,071.81
2013 Tax Allocation Refunding Bond						
US Bank	First American Treasury Fund	0.01%	N/A	N/A	\$ 556,031.39	\$ 556,031.39
2009 Lease Revenue Bond						
US Bank	US Bank Money Market	0.03%	N/A	N/A	\$ 439,807.19	\$ 439,807.19
TOTAL INVESTMENTS HELD BY FISCAL AGENT					\$ 1,970,583.79	\$ 1,970,583.79
Cash & Investments Held by City and Fiscal Agent - Market Value					\$ 13,322,131.50	

CITY OF PLACENTIA TREASURER'S REPORT



CASH BALANCES

AS OF MARCH 31, 2018 (Preliminary)

CITY		
101	General Fund	1,530,690.43
116	Rehab Reimbursements Fund	236,161.59
201	Utility User Tax	(52,430.94)
205	State Gas Tax	177,903.22
206	Gas Tax Bond Fund	0.14
207	Housing Authority	(173,734.39)
209	Gas Tax - RMRA	30,725.79
210	Measure M	503,949.00
211	PEG Fund	129,769.63
215	Air Quality Management	210,234.42
224	Asset Seizure 15% Training	1,982.25
225	Asset Seizure	471,698.77
226	Traffic Offender Fund	51,522.32
228	NOC-Public Safety Grant	238,103.65
229	Comm Based Trans Hous Grant	1,975,001.00
230	Supplemental Law Enforcement	79,538.09
235	Park Development	32,955.05
240	Sewer Construction	20,743.43
241	Public Safety Mitigation Fee	(164,129.59)
245	Storm Drain Construction	23,043.99
250	Thoroughfare Construction	73,634.91
260	Street Lighting District	90,426.12
261	Public Safety CFD 2014-01	13,060.26
265	Landscape Maintenance	52,571.07
270	CDBG Fund	(91,463.35)
275	Sewer Maintenance	1,753,435.90
280	Miscellaneous Grants	263,237.75
401	City Capital Projects	(937,757.70)
405	In-Lieu Low/Mod Housing	61,000.00
501	Refuse Administration	168,995.60
505	CNG Fueling Station	-
601	Employee Health & Welfare	(137,927.29)
605	Risk Management	2,289,996.03
610	Equipment Replacement	14,269.53
701	Special Deposits	547,891.70
715	Community Facilities District	35,113.01
	Sub-Total	<u>9,520,211.39</u>
SUCCESSOR AGENCY TO THE RDA		
208	Successor Agency Retirement Fund	55,559.19
	TOTAL CASH	<u>\$ 9,575,770.58</u>

CITY OF PLACENTIA TREASURER'S REPORT

DEFICIT CASH TRANSFERS AS OF MARCH 31, 2018 (Preliminary)



DEFICIT CASH BALANCES					
Fund	Deficit Amount	Misc Grant	Measure M	Sewer Maintenance	Total Funding Source
Utility User Tax	(52,430.94)	52,430.94			52,430.94
Housing Authority	(173,734.39)		173,734.39		173,734.39
Public Safety Mitigation Fee	(164,129.59)		164,129.59		164,129.59
CDBG Fund	(91,463.35)		91,463.35		91,463.35
City Capital Projects	(937,757.70)			937,757.70	937,757.70
Employee Health & Welfare	(137,927.29)			137,927.29	137,927.29
Total Transfers	(1,557,443.26)	52,430.94	429,327.33	1,075,684.99	1,557,443.26
Cash Balance <i>Before</i> Transfer		263,237.75	503,949.00	1,753,435.90	2,520,622.65
Cash Available <i>After</i> Transfer		210,806.81	74,621.67	677,750.91	963,179.39

**City of Placentia
Changes in Cash Balances
For the Month of March 2018**

RPT FUND	Data FUND	FUND	CASH BALANCE 3/1/2018	RECEIPTS	DISBURSEMENTS	TRANSFERS IN & OUT	CASH BALANCE 3/31/2018
101	10	GENERAL FUND	\$ 2,337,000.00	\$ 2,568,435.72	\$ (3,768,461.14)	\$ 393,715.85	\$ 1,530,690.43
116	59	REHAB REIMBURSEMENTS FUND	\$ 236,161.59	\$ -	\$ -	\$ -	\$ 236,161.59
201	16	UTILITY TAX FUND	\$ 406,402.14	\$ 191,666.92	\$ -	\$ (650,500.00)	\$ (52,430.94)
205	17	GAS TAX FUND	\$ 230,502.87	\$ 72,697.35	\$ -	\$ (125,297.00)	\$ 177,903.22
206	52	GAS TAX BOND FUND	\$ 0.14	\$ -	\$ -	\$ -	\$ 0.14
207	53	HOUSING AGENCY FUND	\$ (175,533.73)	\$ 1,799.34	\$ -	\$ -	\$ (173,734.39)
208	54	SUCCESSOR AGENCY FUND	\$ 78,018.47	\$ -	\$ (22,459.28)	\$ -	\$ 55,559.19
209	60	GAS TAX - RMRA FUND	\$ (28,712.94)	\$ 59,438.73	\$ -	\$ -	\$ 30,725.79
210	18	MEASURE "M" FUND	\$ 476,004.39	\$ 95,490.61	\$ -	\$ (67,546.00)	\$ 503,949.00
211	58	PEG FUND	\$ 133,493.67	\$ -	\$ (3,724.04)	\$ -	\$ 129,769.63
215	19	AIR QUALITY FUND	\$ 198,916.25	\$ 15,536.47	\$ -	\$ (4,218.30)	\$ 210,234.42
224	73	ASSET SEIZURE 15% TRAINING	\$ -	\$ 1,982.25	\$ -	\$ -	\$ 1,982.25
225	21	ASSET SEIZURE FUND	\$ 500,580.95	\$ 11,232.74	\$ (40,114.92)	\$ -	\$ 471,698.77
226	51	TRAFFIC OFFENDER FUND	\$ 51,522.32	\$ -	\$ -	\$ -	\$ 51,522.32
228	61	NOC-PUBLIC SAFETY GRANT FUND	\$ 258,398.32	\$ -	\$ (20,294.67)	\$ -	\$ 238,103.65
229	62	COMM. BASED TRANS. GRANT FUND	\$ 1,975,001.00	\$ -	\$ -	\$ -	\$ 1,975,001.00
230	22	COPS/SUPPL LAW ENFORCE. FUND	\$ 104,738.44	\$ 3,769.65	\$ -	\$ (28,970.00)	\$ 79,538.09
235	23	PARK DEVELOPMENT FUND	\$ 32,955.05	\$ -	\$ -	\$ -	\$ 32,955.05
240	24	SEWER CONSTRUCTION FUND	\$ 20,743.43	\$ -	\$ -	\$ -	\$ 20,743.43
241	57	PUBLIC SAFETY MITIGATION FUND	\$ (164,129.59)	\$ -	\$ -	\$ -	\$ (164,129.59)
245	25	STORM DRAIN CONSTRUCTION FUND	\$ 23,043.99	\$ -	\$ -	\$ -	\$ 23,043.99
250	26	THOROUGHFARE CONST. FUND	\$ 73,634.91	\$ -	\$ -	\$ -	\$ 73,634.91
260	28	PLACENTIA LIGHTING DISTRICT FUND	\$ 52,667.26	\$ 9,466.88	\$ (30,426.77)	\$ 58,718.75	\$ 90,426.12
261	55	PUBLIC SAFETY CFD 2014-01 FUND	\$ 11,178.49	\$ 2,479.37	\$ (597.60)	\$ -	\$ 13,060.26
265	29	LANDSCAPE MAINT. DISTRICT	\$ 42,334.02	\$ 23,207.59	\$ (21,500.32)	\$ 8,529.78	\$ 52,571.07
270	30	HOUSING & COMMUNITY DEVELOP.	\$ (67,118.35)	\$ -	\$ -	\$ (24,345.00)	\$ (91,463.35)
275	48	SEWER MAINTENANCE FUND	\$ 1,815,711.45	\$ 69,010.19	\$ (83,285.74)	\$ (48,000.00)	\$ 1,753,435.90
280	50	MISC. GRANTS FUND	\$ 263,237.75	\$ -	\$ -	\$ -	\$ 263,237.75
401	33	CAPITAL PROJECTS FUND	\$ (518,923.71)	\$ -	\$ (418,833.99)	\$ -	\$ (937,757.70)
405	34	IN-LIEU LOW/MOD HOUSING FUND	\$ 61,000.00	\$ -	\$ -	\$ -	\$ 61,000.00
501	37	REFUSE FUND	\$ 419,435.74	\$ 216,747.62	\$ (467,187.76)	\$ -	\$ 168,995.60
505	38	CNG FUELING STATION FUND	\$ -	\$ -	\$ -	\$ -	\$ -
601	39	HEALTH & WELFARE INS. FUND	\$ (110,751.96)	\$ 495.64	\$ (223,207.97)	\$ 195,537.00	\$ (137,927.29)
605	40	RISK MANAGEMENT FUND	\$ 2,000,472.17	\$ -	\$ (6,339.14)	\$ 295,863.00	\$ 2,289,996.03
610	41	EQUIPMENT REPLACEMENT FUND	\$ 14,269.53	\$ -	\$ -	\$ -	\$ 14,269.53
615	42	INFORMATION TECHNOLOGY FUND	\$ -	\$ -	\$ -	\$ -	\$ -
701	44	TRUST & AGENCY FUND	\$ 547,178.51	\$ 15,633.46	\$ (14,920.27)	\$ -	\$ 547,891.70
715	47	COMMUNITY FAC. DISTRICT FUND	\$ 35,113.01	\$ -	\$ -	\$ -	\$ 35,113.01
TOTAL PER GENERAL LEDGER			\$ 11,334,545.58	\$ 3,359,090.53	\$ (5,121,353.61)	\$ 3,488.08	\$ <u>9,575,770.58</u>



CITY OF PLACENTIA TREASURER'S REPORT
CERTIFICATION
AS OF MARCH 31, 2018 (Preliminary)

TREASURER'S REPORT

3 Month Projected Cash Requirements (March - May):	\$ 9,200,000
3 Month Projected Cash Revenues (March - May):	\$ 10,000,000

In compliance with the California Government Code Section 53646 et seq., I hereby certify that sufficient investment liquidity and anticipated revenues are available to meet the City's expenditure requirements for the next six months and that all investments are in compliance with the City's Investment Policy.

Submitted By: 
Kim Krause, Finance Director

Approved By: 
Kevin A. Larson, City Treasurer

**CITY OF PLACENTIA TREASURER'S REPORT
CASH AND INVESTMENT SUMMARY
AS OF MARCH 31, 2018**



Cash Accounts Held by City

Financial Agency	Account Type	Current Yield	Purchase Date	Maturity Date	Purchase Price	Market Value
Bank of America	General Checking	N/A	N/A	On Demand	\$ 2,001,378.24	\$ 2,001,378.24
Bank of America	Workers Compensation	N/A	N/A	On Demand	\$ 72,329.49	\$ 72,329.49
Bank of America	Health Care	N/A	N/A	On Demand	\$ 6,344.51	\$ 6,344.51
Bank of America	Successor Agency	N/A	N/A	On Demand	\$ 128,500.51	\$ 128,500.51
Banc of California	General Checking	N/A	N/A	On Demand	\$ 2,152,730.29	\$ 2,152,730.29
Multi-Bank Securities	Cash Account	N/A	N/A	On Demand	\$ 6,304.22	\$ 6,304.22
Total Cash Held by City:					\$ 4,367,587.26	\$ 4,367,587.26

Investment Accounts Held by City

Financial Agency	Account Type	Current Yield	Purchase Date	Maturity Date	Purchase Price	Market Value
Local Agency Investment Fund (LAIF)	State Investment Pool	1.52%	N/A	On Demand	\$ 6,014,235.75	\$ 6,014,235.75
Multi-Bank Securities Ally Bank	Certificate of Deposit	1.45%	2/4/2016	2/4/2019	\$ 245,000.00	\$ 244,265.00
Multi-Bank Securities American Federal Bank	Certificate of Deposit	1.50%	2/10/2016	2/10/2020	\$ 245,000.00	\$ 240,619.40
Multi-Bank Securities Morgan Stanley	Certificate of Deposit	2.50%	2/1/2018	2/1/2021	\$ 245,000.00	\$ 244,095.95
Multi-Bank Securities Goldman Sachs	Certificate of Deposit	2.00%	2/3/2018	2/3/2021	\$ 245,000.00	\$ 240,744.35
Weighted Average Yield of Investments:		1.57%	Total Investments Held by City:		\$ 6,994,235.75	\$ 6,983,960.45

Total Cash and Investments Held by City: **Purchase Price** **Market Value**
\$ 11,361,823.01 **\$ 11,351,547.71**

General Fund
Cash Balance as of March 31, 2018: **\$ 1,530,690.43**
Prior Year Cash Balance as of March 31, 2017: **\$ 1,909,651.36**
Net Change in General Fund Cash Balance Compared to Prior Year: **\$ (378,960.93)**

3 Month Projected Cash Requirements (March - May): **\$ 9,200,000.00**
3 Month Projected Cash Revenues (March - May): **\$ 10,000,000.00**



Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: DIRECTOR OF FINANCE

DATE: JULY 10, 2018

SUBJECT: **SETTING THE ANNUAL SPECIAL TAX RATE FOR FISCAL YEAR 2018-19 FOR COMMUNITY FACILITIES DISTRICT NO. 2014-01**

FISCAL
IMPACT: REVENUE: MAXIMUM OF \$33,092 FOR FISCAL YEAR 2018-19

SUMMARY:

On February 18, 2014, the City Council adopted Resolution No. 2014-10, establishing Community Facilities District No. 2014-01 (Public Services) (CFD) to provide a financing mechanism to sustain the delivery of public safety services to new residential developments. On March 4, 2014, the City Council adopted Ordinance No. 2014-03 authorizing the City Council to determine, by resolution, on or before August 1 of each year, the specific special tax to be levied on each parcel of land within the CFD.

The CFD is subject to an annual escalation factor beginning on July 1, 2015, which shall be the greater of five percent (5%) or the annual percentage increase, if any, of the Consumer Price index – All Urban Consumers (CPI-U) for Los Angeles-Long Beach-Anaheim, CA as determined by the Bureau of Labor Statistics for the twelve (12) months ending the preceding December 31.

RECOMMENDATION:

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

1. Adopt Resolution R-2018-XX, a Resolution of the City Council of the City of Placentia, California setting the levy of an Annual Special Tax for Community Facilities District No. 2014-01 (Public Services); and
2. Authorize inclusion of the Annual Special Tax for Community Facilities District No. 2014-01 (Public Services) for Fiscal Year 2018-19 on the Orange County Secured Property Tax Roll.

DISCUSSION:

In 2014 the City Council created a CFD to assist in the financing of providing police, fire and life-safety services to new residential developments. This type of financing program, which is

1.n.
July 10, 2018

authorized under the Mello-Roos Community Facilities Act of 1982, envisioned the participation of all future additional new development projects, either by formation of new districts or annexation into the existing CFD. The special tax that is currently being assessed on properties within the CFD is based upon a Fiscal Impact Analysis (FIA) that was prepared for the initial formation of the CFD in 2014. Based on the FIA, the tax rate needed to support public safety services for new development was established at \$225.00 for each single-family residential unit per year. Therefore, the special tax rates for 2014-15 were \$225.00 per residential unit for single-family residential property and \$170.00 per residential unit for multi-family residential property.

The CFD is subject to an Annual Escalation Factor beginning on July 1, 2015, which shall be the greater of five percent (5%) or the annual percentage increase, if any, of the Consumer Price index for the twelve (12) months ending the preceding December 31. The index identified in the Rate and Method of Apportionment from 2014 was the All Urban Consumers (CPI-U) for the Los Angeles-Riverside-Orange County area. However, in January 2018 the Bureau of Labor and Statistics split the index geographically into a Los Angeles-Long Beach-Anaheim area and a Riverside-San Bernardino-Ontario area. The City has determined that the Los Angeles-Long Beach-Anaheim index is the most appropriate index as it includes both Los Angeles and Orange Counties. The CPI for the twelve (12) months ending the preceding December 31 was 3.61%. Therefore, the special tax rates are being increased by five percent (5%) as allowed. The adjusted special tax rates for Fiscal Year 2018-19 are \$273.49 per residential unit for single-family residential property and \$206.64 per residential unit for multi-family residential property.

FISCAL IMPACT:

In order for the assessment to be applied to a parcel, either construction must be completed or a building permit for the home needs to be issued by the City. Currently all 33 parcels of the Olsen Development and all 78 parcels in the Beazer Homes/Schaner Ranch Development are within CFD 2014-01 for a total of 111 parcels – all of which have been issued building permits or are completed. All the 111 parcels are single family properties and will be assessed at the \$273.49 rate. An additional ten (10) single-family residential parcels located in the HQT Homes Development on Spruce Street are anticipated to be added in the 2018-19 fiscal year. This will add an additional \$2,734.90 in revenue. As new development of townhomes, condos and single-family dwelling units occur throughout the City and receive a certificate of occupancy, additional parcels will be assessed accordingly.

Prepared by:

Reviewed and approved:

Matt Reynolds by MK

Kim Krause

Matt Reynolds,
Senior Management Analyst

Kim Krause
Finance Director

Reviewed and approved:



Damien Arrula,
City Administrator

Attachments:

1. Resolution R-2018-XX
2. Rate and Method of Apportionment of Special Tax

RESOLUTION NO. R-2018-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLACENTIA, CALIFORNIA SETTING THE LEVY OF AN ANNUAL SPECIAL TAX FOR COMMUNITY FACILITIES DISTRICT NO. 2014-01 (PUBLIC SERVICES)

A. Recitals.

(i) The City Council of the City of Placentia ("City Council"), has initiated proceedings, held a public hearing, conducted an election and received a favorable vote from the qualified electors to authorize the levy of a special tax in a community facilities district, all as authorized pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982", being Chapter 2.5, Part 1, Division 2, Title 5 of the California Government Code ("Act") denominated COMMUNITY FACILITIES DISTRICT NO. 2014-01 (Public Servicers) ("District").

(ii) The City Council, by adoption of Ordinance No. 2014-03 ("Ordinance") as authorized by § 53340 of the California Government Code, has authorized the levy of special taxes with the District to finance the authorized service in accordance with the Rate and Method of Apportionment of the Special Tax ("RMA") set forth in Exhibit "B" to the Resolution of Formation, which is on file in the office of the City Clerk and incorporated by reference herein.

(iii) California Government Code § 53340 provides that the City Council may provide, by resolution, for the levy of the special tax in the current tax year or future tax years at the same rate or at a lower rate than the rate provided by the Ordinance, if the resolution is adopted and a certified list of all parcels subject to the special tax levy including the amount of the tax to be levied on each parcel for the applicable tax year, is filed by the Clerk or other official designated by the legislative body with the county auditor on or before the 10th day of August of that tax year.

(iv) The RMA provides for an annual escalation factor of the greater of five percent (5%) or the annual percentage increase, if any, of the All Urban Consumers Consumer Price Index ("CPI") for the Los Angeles – Riverside – Orange County, CA area as determined by the Bureau of Labor Statistics for the twelve (12) months ending the preceding December 31.

(v) the All Urban Consumers Consumer Price Index ("CPI") for the Los Angeles–Long Beach-Anaheim, CA area (part of the former Los Angeles-Riverside-Orange County, CA area) as determined by the Bureau of Labor Statistics for the twelve (12) months ending the preceding December 31 was 3.61%.

B. Resolution.

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

1. The facts set forth in the Recitals, Part A of this Resolution, are true and correct.

2. This City Council does hereby find and determine as follows:

A. The annual escalation for FY 2018-19 shall be five percent (5%).

B. The City Council hereby levies a special tax within the District for Fiscal Year 2018-19 at the rate of \$273.49 per residential unit for single-family residential property and \$206.64 per residential unit for multi-family residential property.

C. The CFD Administrator hereby is authorized and directed to file with the County Auditor on or before the 10th day of August a certified copy of this Resolution accompanied by a list of all parcels subject to the special tax levy with the taxes to be levied on each parcel based on the 2018-19 special tax rates set forth in Part B of this Resolution.

D. The special tax shall be collected in the same manner as ordinary ad valorem property taxes are collected, and shall be subject to the same penalties and same procedure and sale in cases of any delinquency for ad valorem taxes, and the Tax Collector is hereby authorized to deduct reasonable administrative costs incurred in collecting any said special tax.

E. The County Auditor is hereby directed to enter in the next County assessment roll on which taxes will become due, opposite each lot or parcel of land affected, in a space marked "Public Services Special Tax" or by any other suitable designation, the installment of the special tax.

F. The County Auditor shall, at the close of the tax collection period, promptly render to the District a detailed report showing the amount and/or amounts of such special tax installments, interest, penalties and percentages so collected and from what property collected, and also provide a statement of any percentages retained for the expense of making any such collection.

G. This Resolution shall become effective upon its adoption.

PASSED, ADOPTED AND APPROVED this 10th day of July 2018.

Chad P. Wanke, Mayor

ATTEST:

Patrick J. Melia, City Clerk

I, Patrick J. Melia, City Clerk of the City of Placentia do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council held on the 10th day of July 2018 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

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

CITY OF PLACENTIA COMMUNITY FACILITIES DISTRICT NO. 2014-01 (PUBLIC SERVICES)

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels within the City of Placentia Community Facilities District No. 2014-01 (Public Services), ("CFD No. 2014-01"), other than Assessor's Parcels classified as Exempt Property as defined herein, and collected each Fiscal Year commencing in Fiscal Year 2014-2015, in an amount determined by the CFD Administrator through the application of the procedures described below. All of the real property within CFD No. 2014-01, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to CFD No. 2014-01, unless a separate Rate and Method of Apportionment of Special Tax is adopted for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre or Acreage" means the land area of an Assessor's Parcel, expressed in acres, as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Subdivision Map, other final map, other parcel map, other condominium plan, or functionally equivalent map or instrument recorded in the Office of the County Recorder. The square footage of an Assessor's Parcel is equal to the Acreage multiplied by 43,560.

"Act" means the Mello-Roos Communities Facilities Act of 1982 as amended, being Chapter 2.5, Part 1, Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means the following actual or reasonably estimated expenses related to the administration of CFD No. 2014-01: the costs of determining the amount of the levy of Special Taxes, the collection of Special Taxes, including the expenses of collecting delinquencies and pursuing foreclosures, the payment of a proportional share of salaries and benefits of any City employee and City overhead whose duties are directly related to the administration of CFD No. 2014-01, fees and expenses for counsel, audits, costs associated with responding to public inquiries regarding CFD No. 2014-01, and any and all other costs incurred in connection with the administration of CFD No. 2014-01.

"Annual Escalation Factor" means the greater of five percent (5%) or the annual percentage increase, if any, of the All Urban Consumers Consumer Price Index ("CPI"). The annual CPI used shall be for the area of Los Angeles – Riverside – Orange County, CA as determined by the Bureau of Labor Statistics for the twelve (12) months ending the preceding December 31.

"Assessor's Parcel" means a Condominium lot, Lot, or parcel shown in an Assessor's Parcel Map with an assigned assessor's parcel number.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by assessor's parcel number.

"Base Year" means Fiscal Year beginning July 1, 2014 and ending June 30, 2015.

“Boundary Map” means the map of the boundaries of CFD No. 2014-01 recorded on January 21, 2014 in the Orange County Recorder’s Office in Book 94, Pages 46, of Maps of Assessments and Community Facilities Districts (instrument number 2014-24969), as the same may be amended by annexation from time to time hereafter.

“Building Permit” means a permit issued for new construction of a residential dwelling. For purposes of this definition, “Building Permit” shall not include permits for construction or installation of retaining walls, grading, utility improvements, or other such improvements not intended for human habitation.

“CFD Administrator” means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement for Services and providing for the levy and collection of the Special Taxes for CFD No. 2014-01.

“CFD No. 2014-01” means City of Placentia Community Facilities District No. 2014-01 (Public Services) established by the City Council under the Act.

“City” means the City of Placentia.

“City Council” means the Council of the city of Placentia, acting as the legislative body of CFD No. 2014-01.

“Condominium” means an estate in real property consisting of an undivided interest in common in a portion of a parcel of real property together with a separate interest in space in a residential, industrial or commercial building on such real property, such as an apartment, office or store. A condominium may include in addition a separate interest in other portions of such real property. Such estate may, with respect to the duration of its enjoyment, be either:

- (1) An estate of inheritance or perpetual estate;
- (2) An estate for life; or
- (3) An estate for years, such as a leasehold or a sublease hold.

“County” means the County of Orange.

“Developed Property” means an Assessor’s Parcel of Taxable Property for which a Building Permit was issued on or before **June 1** preceding the Fiscal Year for which Special Taxes are being levied.

“Developed Residential Property” means an Assessor’s Parcel of Taxable Property for which a Building Permit was issued on or before **June 1** preceding the Fiscal Year for which Special Taxes are being levied and which Building Permit was issued for purposes of constructing one or more Residential Unit(s).

“Exempt Property” means all Assessor’s Parcels within CFD No. 2014-01 that are exempt from the Special Taxes pursuant to law or Section F herein.

“Final Map” means an Assessor’s Parcel Map, a Final Subdivision Map, condominium plan, lot line adjustment, or any other map functionally considered to be an equivalent development map that has been recorded in the Office of the County Recorder.

“Final Subdivision Map” means a subdivision of property creating single family residential buildable Lots by recordation of a final subdivision map or parcel map pursuant to the Subdivision Map Act (California Government Code § 66410, et seq.), or recordation of a condominium plan pursuant to California Civil Code § 1352, that creates individual Lots or condominium lots for which building permits may be issued without further subdivision and is recorded prior to **June 1** preceding the Fiscal Year in which the Special Tax is being levied.

“Fiscal Year” means the period commencing on July 1 of any year and ending the following June 30.

“Future Annexation Area” means the areas designated for potential future annexation to CFD No. 2014-01 as shown in the “Map of Proposed Boundaries of City of Placentia Future Annexation Area of Community Facilities District No. 2014-01 (Public Services)” recorded and on file with the Orange County Recorder’s Office.

“Land Use Type” means any of the land use types listed in Table 1 below.

“Lot” means property within a Final Map identified by a lot number or condominium number for which a Building Permit has been issued or may be issued.

“Maximum Special Tax” means the maximum Special Tax determined in accordance with Section C, which may be levied in any Fiscal Year on an Assessor’s Parcel of Taxable Property.

“Multi-Family Residential Property” or “MFR Property” means all Assessor’s Parcels of Developed Property for which a Building Permit has been issued for purposes of constructing a residential structure consisting of five (5) or more residential units that share common walls, including, but not limited to, condominiums, and apartment units.

“Property Owner Association Property” means for each Fiscal Year any property within the boundaries of CFD 2014-01 that was owned by, or irrevocably dedicated as indicated in an instrument recorded with the County Recorder to, a property owner association, including any master or sub-association, as of **June 1**.

“Proportionately” means in a manner such that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels within each Land Use Type.

“Public Property” means any property that is owned by, dedicated or irrevocably dedicated to a city, the federal government, the State of California, the County, or any other public agency (each, a “Public Entity”); provided, however, that if any such property is leased by such a Public Entity to a private entity and is thereby subject to taxation pursuant to § 53340.1 of the Act, such leasehold estate shall be classified and taxed according to the use thereof.

“Residential Property” means all Assessor’s Parcels of Developed Property within CFD No. 2014-01 for which a Building Permit has been issued for purposes of constructing one or more Residential Unit(s).

“Residential Unit” means any residence in which a person or persons may live, which is not considered to be used for non-residential purposes.

“Services” means those authorized services that may be funded by CFD No. 2014-01 pursuant to the Act, as amended, including, without limitation, those services authorized to be funded by CFD No. 2014-01 as set forth in the documents adopted by the City Council at the time CFD No. 2014-01 was formed.

“Single-Family Residential Property” or “SFR Property” means an Assessor’s Parcel classified as Developed Property for which a Building Permit(s) has been issued for purposes of constructing one or more single-family residential dwelling units including residential structures or Condominium structures that consist of 4 or fewer units which share common walls.

“Special Tax” means the special tax authorized to be levied within CFD No. 2014-01 pursuant to the Act to fund the Special Tax Requirement.

“Special Tax Requirement” means the amount, as determined by the CFD Administrator, for any Fiscal Year to: (i) pay the costs of providing the Services during such Fiscal Year, (ii) pay Administrative Expenses associated with the Special Tax, (iii) establish or replenish any operational reserve fund established for Services, (iv) pay incidental expenses related to the Services as authorized pursuant to the Act, (v) fund an amount equal to a reasonable estimate

of delinquencies expected to occur in the Fiscal Year in which the Special Tax will be levied (“Estimated Special Tax Delinquency Amount”) and (vi) fund the shortfall, if any, in the Special Tax revenues collected in the preceding Fiscal Year necessary to fund the Special Tax Requirement for Services for such Fiscal Year where such shortfall resulted from delinquencies in the payment of Special Taxes in such Fiscal Year that exceeded the Estimated Special Tax Delinquency Amount included in the Special Tax Requirement for Services for such Fiscal Year.

“**Taxable Property**” means all Assessor’s Parcels that are not exempt from the Special Tax pursuant to law or Section F.

“**Undeveloped Property**” means an Assessor’s Parcel of Taxable Property for which a Building Permit has not been issued on or before **June 1** preceding the Fiscal Year for which Special Taxes are being levied.

B. CLASSIFICATION OF ASSESSOR’S PARCELS

Each Fiscal Year, beginning with Fiscal Year 2014-2015, using the definitions above, each Assessor’s Parcel within CFD 2014-01 shall be classified by the CFD Administrator as Taxable Property or Exempt Property. In addition, each such Fiscal Year, each Assessor’s Parcel of Taxable Property shall be further classified by the CFD Administrator as Developed Property or Undeveloped Property. Developed Property shall be further classified as Single-Family Residential Property or Multi-Family Residential Property. Commencing with Fiscal Year 2014-2015 and for each subsequent Fiscal Year, Developed Residential Property shall be subject to the levy of Special Taxes pursuant to Section C below.

C. MAXIMUM ANNUAL SPECIAL TAXES

1. Developed Residential Property

Each Fiscal Year commencing in Fiscal Year 2014-2015, each Assessor’s Parcel of Developed Residential Property shall be subject to the Special Tax. The Maximum Special Tax for Developed Residential Property for Fiscal Year 2014-2015 is shown below in Table 1.

**TABLE 1
DEVELOPED RESIDENTIAL PROPERTY
MAXIMUM SPECIAL TAX RATES**

Land Use Type	Maximum Special Tax
Residential	
SFR Property	\$225 per Residential Unit
MFR Property	\$170 per Residential Unit

For each subsequent Fiscal Year following the Base Year, the Maximum Special Tax rate shall be increased from the Maximum Special Tax rate in effect for the prior Fiscal Year by the Annual Escalation Factor.

2. Annexed Property

Each Fiscal Year commencing in Fiscal Year 2014-2015, each Assessor's Parcel of Developed Residential Property that has been annexed into CFD 2014-01 shall be subject to the prevailing Special Tax in effect during the then current Fiscal Year and as determined by Section C.1 above.

3. Undeveloped Property

Each Fiscal Year commencing in Fiscal Year 2014-2015, each Assessor's Parcel classified as Undeveloped Property shall be exempt from the levy of the Special Tax

4. Exempt Property

No Special Tax shall be levied on Exempt Property as defined in Section F.

For each Fiscal Year, if the use or ownership of an Assessor's Parcel or Exempt Property changes so that such Assessor's Parcel is no longer classified as one of the uses set forth in Section F, therefore making such Assessor's Parcel no longer eligible to be classified as Exempt Property, such Assessor's Parcel shall be deemed to be Taxable Property and shall be taxed pursuant to the provisions of Section C.

D. METHOD OF APPORTIONMENT OF SPECIAL TAX

Commencing in Fiscal Year 2014-2015 and for each subsequent Fiscal Year, the CFD Administrator shall levy the Special Tax on all Taxable Property of CFD No. 2014-01 until the total amount of Special Tax levied equals the Special Tax Requirement. The Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property within CFD No. 2014-01 up to 100% of the applicable Maximum Special Tax to satisfy the Special Tax Requirement.

Notwithstanding any provision of this Section D to the contrary, under no circumstances will the Special Tax levied against any Assessor's Parcel of Developed Property that is classified as Residential Property be increased by more than ten percent (10%) per Fiscal Year as a consequence of delinquency or default in the payment of Special Taxes by the owner of any other Assessor's Parcel, excluding therefrom the increased amount levied pursuant to the Annual Escalation Factor.

E. PREPAYMENT OF SPECIAL TAX

The Special Tax shall be levied in perpetuity for the purpose of financing ongoing authorized services and therefore may not be prepaid.

F. EXEMPTIONS

The City Council shall classify as Exempt Property: (i) Public Property, (ii) Property Owner Association Property, (iii) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement, including but not limited to property designated for open space, trails, pathways, parks or park and recreation related facilities, (iv) property reasonably designated by the City or CFD Administrator as Exempt Property due to deed restrictions, conservation easement, or similar factors.

G. APPEALS

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the CFD Administrator not later than twelve months after having paid the first installment of the Special Tax that is disputed. The CFD Administrator shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the decision of the CFD Administrator requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made but an adjustment shall be made to the Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s) to compensate for the overpayment of the Special Tax.

H. MANNER OF COLLECTION

The annual Special Taxes shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that the Special Taxes may be billed and collected at a different time or in a different manner if necessary to meet the financial obligations of CFD No. 2014-01.