AGENDA
EL SEGUNDO CITY COUNCIL
COUNCIL CHAMBERS - 350 Main Street

The City Council, with certain statutory exceptions, can only take action upon properly posted and listed agenda items. Any writings or documents given to a majority of the City Council regarding any matter on this agenda that the City received after issuing the agenda packet are available for public inspection in the City Clerk's office during normal business hours. Such Documents may also be posted on the City's website at www elsegundo.org and additional copies will be available at the City Council meeting.

Unless otherwise noted in the Agenda, the Public can only comment on City-related business that is within the jurisdiction of the City Council and/or items listed on the Agenda during the Public Communications portions of the Meeting. Additionally, the Public can comment on any Public Hearing item on the Agenda during the Public Hearing portion of such item. The time limit for comments is five (5) minutes per person.

Before speaking to the City Council, please come to the podium and state: Your name and residence and the organization you represent, if desired. Please respect the time limits.

Members of the Public may place items on the Agenda by submitting a Written Request to the City Clerk or City Manager's Office at least six days prior to the City Council Meeting (by 2:00 p.m. the prior Tuesday). The request must include a brief general description of the business to be transacted or discussed at the meeting. Playing of video tapes or use of visual aids may be permitted during meetings if they are submitted to the City Clerk two (2) working days prior to the meeting and they do not exceed five (5) minutes in length.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact City Clerk, 524-2305. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

REGULAR MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, FEBRUARY 16, 2016 – 5:00 PM

5:00 P.M. SESSION

CALL TO ORDER

ROLL CALL

PUBLIC COMMUNICATION – (Related to City Business Only – 5 minute limit per person, 30 minute limit total) Individuals who have received value of $50 or more to communicate to the City Council on behalf of another, and employees speaking on behalf of their employer, must so identify themselves prior to addressing the City Council. Failure to do so shall be a misdemeanor and punishable by a fine of $250.
SPECIAL ORDER OF BUSINESS:

CLOSED SESSION:

The City Council may move into a closed session pursuant to applicable law, including the Brown Act (Government Code Section §54960, et seq.) for the purposes of conferring with the City’s Real Property Negotiator; and/or conferring with the City Attorney on potential and/or existing litigation; and/or discussing matters covered under Government Code Section §54957 (Personnel); and/or conferring with the City’s Labor Negotiators; as follows:

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Gov’t Code §54956.9(d)(1): -1- matter

1. City of El Segundo vs. City of Los Angeles, et.al. LASC Case No. BS094279

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code §54956.9(d)(2): -1- matter.


DISCUSSION OF PERSONNEL MATTERS (Gov’t Code §54957): -0- matter

APPOINTMENT OF PUBLIC EMPLOYEE (Gov’t. Code § 54957): -0- matter

PUBLIC EMPLOYMENT (Gov’t Code § 54957) -0- matter
CONFERENCE WITH CITY'S LABOR NEGOTIATOR (Gov't Code §54957.6): -6-matters

1. **Employee Organizations**: Police Management Association; Police Officers Association; Police Support Services Employees Association; Supervisory and Professional Employees Association; City Employees Association; Executive Management Group (Unrepresented Group).

   Agency Designated Representative: Steve Filarsky and City Manager

CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov't Code §54956.8): -0-matters
AGENDA
EL SEGUNDO CITY COUNCIL
COUNCIL CHAMBERS - 350 Main Street

The City Council, with certain statutory exceptions, can only take action upon properly posted and listed agenda items. Any writings or documents given to a majority of the City Council regarding any matter on this agenda that the City received after issuing the agenda packet, are available for public inspection in the City Clerk's office during normal business hours. Such Documents may also be posted on the City's website at www.elsegundo.org and additional copies will be available at the City Council meeting.

Unless otherwise noted in the Agenda, the Public can only comment on City-related business that is within the jurisdiction of the City Council and/or items listed on the Agenda during the Public Communications portions of the Meeting. Additionally, the Public can comment on any Public Hearing item on the Agenda during the Public Hearing portion of such item. The time limit for comments is five (5) minutes per person.

Before speaking to the City Council, please come to the podium and state: Your name and residence and the organization you represent, if desired. Please respect the time limits.

Members of the Public may place items on the Agenda by submitting a Written Request to the City Clerk or City Manager's Office at least six days prior to the City Council Meeting (by 2:00 p.m. the prior Tuesday). The request must include a brief general description of the business to be transacted or discussed at the meeting. Playing of video tapes or use of visual aids may be permitted during meetings if they are submitted to the City Clerk two (2) working days prior to the meeting and they do not exceed five (5) minutes in length.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact City Clerk, 524-2305. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

REGULAR MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, FEBRUARY 16, 2016 - 7:00 P.M.

7:00 P.M. SESSION

CALL TO ORDER

INVOCATION – Pastor Rob McKenna, The Bridge

PLEDGE OF ALLEGIANCE – Mayor Pro Tem Jacobson
PRESENTATIONS

a) Presentation – Introducing new El Segundo Police Officer Brian Slover.

ROLL CALL

PUBLIC COMMUNICATIONS – (Related to City Business Only – 5 minute limit per person, 30 minute limit total) Individuals who have received value of $50 or more to communicate to the City Council on behalf of another, and employees speaking on behalf of their employer, must so identify themselves prior to addressing the City Council. Failure to do so shall be a misdemeanor and punishable by a fine of $250. While all comments are welcome, the Brown Act does not allow Council to take action on any item not on the agenda. The Council will respond to comments after Public Communications is closed.

CITY COUNCIL COMMENTS – (Related to Public Communications)

A. PROCEDURAL MOTIONS

Consideration of a motion to read all ordinances and resolutions on the Agenda by title only.

Recommendation – Approval.

B. SPECIAL ORDERS OF BUSINESS (PUBLIC HEARING)

1. Consideration and possible action to adopt an Ordinance for an Environmental Assessment (EA-1140), a Zone Text Amendment (ZTA 15-02) adding Chapter 11 to Title 7 and Chapter 13B to Title 15 of the El Segundo Municipal Code (ESMC) to clarify that commercial cannabis activities, cultivation of medical cannabis, delivery of medical cannabis, medical marijuana dispensaries, and medical marijuana collectives are prohibited in all zones and specific plan areas of the City. Applicant: City of El Segundo (Fiscal Impact: None)

Recommendation – 1) Open the Public Hearing; 2) Introduce and waive the first reading of a proposed Ordinance; 3) Schedule a second reading for the adoption of a proposed Ordinance; 4) Alternatively, discuss and take other action related to this item.

C. UNFINISHED BUSINESS
2. Consideration and possible action to authorize the City Manager to execute a contract amendment with Michael Baker International, Inc. (formerly RBF) for additional alternatives analysis and environmental review of the Park Place Grade Separation and Gap Closure Project. 
(Fiscal Impact: $108,745.00 in additional grant fund expenditures)
Recommendation – 1) Authorize the City Manager to execute a contract amendment with Michael Baker International Company, in a form approved by the City Attorney, for additional alternatives analysis and environmental review for the Park Place Grade Separation and Gap Closure Project; 2) Alternatively, discuss and take other action related to this item.

D. REPORTS OF COMMITTEES, COMMISSIONS AND BOARDS

E. CONSENT AGENDA

All items listed are to be adopted by one motion without discussion and passed unanimously. If a call for discussion of an item is made, the item(s) will be considered individually under the next heading of business.

3. Warrant Numbers 3009613 through 3009802 on Register No. 9 in the total amount of $874,348.76 and Wire Transfers from 1/25/2016 through 2/7/2016 in the total amount of $1,016,001.10.
Recommendation – Approve Warrant Demand Register and authorize staff to release. Ratify Payroll and Employee Benefit checks; checks released early due to contracts or agreement; emergency disbursements and/or adjustments; and wire transfers.

Recommendation – Approval.

5. Consideration and possible action to receive and file this report regarding emergency work to repair dwelling units at the Park Vista Senior Housing Facility due to water intrusion without the need for bidding in accordance with Public Contracts Code §§ 20168 and 22050 and El Segundo Municipal Code (“ESMC”) §§ 1-7-12 and 1-7A-4.
(Fiscal Impact: $50,000.00)
Recommendation – 1) Receive and file this report regarding emergency work to repair dwelling units at the Park Vista Senior Housing Facility due to water intrusion without the need for bidding in accordance with Public Contracts Code §§ 20168 and 22050 and El Segundo Municipal Code (“ESMC”) §§ 1-7-12 and 1-7A-4 2) Alternatively, discuss and take other action related to this item.
6. Consideration and possible action regarding adoption of Plans and Specifications for the FY 15-16 Slurry Seal Project in the area bounded by the north City boundary, Sheldon Street, Mariposa Avenue, and Sepulveda Boulevard. Project No.: PW 16-09
   (Fiscal Impact: $400,000.00)
   Recommendation – 1) Adopt Plans and Specifications; 2) Authorize staff to advertise the project for receipt of construction bids; 3) Alternatively, discuss and take other action related to this item.

7. Consideration and possible action regarding the acceptance of grant funding from the U.S. Department of Homeland Security, through the Office of Grants and Training, under Fiscal Year 2014 State Homeland Security Grant Program (SHSGP).
   (Fiscal Impact: $4,932.00)
   Recommendation – 1) Authorize the acceptance of $4,932 in grant funds from the SHSGP 2014 grant program; 2) Authorize the City Manager to sign an Agreement with the County of Los Angeles who will serve as the grant administrator for the grant; 3) Alternatively, discuss and take other action related to this item.

F. NEW BUSINESS

8. Consideration and possible action regarding acceptance of the terms and conditions from a grant award by Chevron U.S.A., Inc. in the amount of $200,000.00 to assist in Economic and Business Development within the City of El Segundo over the next two fiscal years.
   (Fiscal Impact: $200,000.00 Revenue for the Economic Development Grant Account)
   Recommendation – 1) Authorize the City Manager to execute the Grant Agreement with Chevron U.S.A., Inc.; 2) Appropriate grant funding for FY2015-16 in the Economic Development Grant Account; 3) Alternatively, discuss and take other action related to this item.

G. REPORTS – CITY MANAGER

H. REPORTS – CITY ATTORNEY

I. REPORTS – CITY CLERK
J. REPORTS – CITY TREASURER

K. REPORTS – CITY COUNCIL MEMBERS

Council Member Fellhauer –

Council Member Atkinson –

Council Member Dugan –

Mayor Pro Tem Jacobson –

Mayor Fuentes –

PUBLIC COMMUNICATIONS – (Related to City Business Only – 5 minute limit per person, 30 minute limit total) Individuals who have receive value of $50 or more to communicate to the City Council on behalf of another, and employees speaking on behalf of their employer, must so identify themselves prior to addressing the City Council. Failure to do so shall be a misdemeanor and punishable by a fine of $250. While all comments are welcome, the Brown Act does not allow Council to take action on any item not on the agenda. The Council will respond to comments after Public Communications is closed.

MEMORIALS –

CLOSED SESSION

The City Council may move into a closed session pursuant to applicable law, including the Brown Act (Government Code Section §54960, et seq.) for the purposes of conferring with the City’s Real Property Negotiator; and/or conferring with the City Attorney on potential and/or existing litigation; and/or discussing matters covered under Government Code Section §54957 (Personnel); and/or conferring with the City’s Labor Negotiators.

REPORT OF ACTION TAKEN IN CLOSED SESSION (if required)

ADJOURNMENT
POSTED:

DATE: 2.10.16
TIME: 2:10 pm
NAME: [Handwritten name]

9
Presentation
Introducing
El Segundo Police Officer Brian Slover.
AGENDA DESCRIPTION:

Consideration and possible action to adopt an Ordinance for an Environmental Assessment (EA-1140), a Zone Text Amendment (ZTA 15-02) adding Chapter 11 to Title 7 and Chapter 13B to Title 15 of the El Segundo Municipal Code (ESMC) to clarify that commercial cannabis activities, cultivation of medical cannabis, delivery of medical cannabis, medical marijuana dispensaries, and medical marijuana collectives are prohibited in all zones and specific plan areas of the City. (Fiscal Impact: None) Applicant: City of El Segundo.

RECOMMENDED COUNCIL ACTION:

1) Open the public hearing;
2) Introduce and waive the first reading of a proposed Ordinance;
3) Schedule a second reading for the adoption of a proposed Ordinance; and/or
4) Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

2. Planning Commission Resolution No. 2786
3. Proposed Ordinance

FISCAL IMPACT: None

<table>
<thead>
<tr>
<th>Amount Budgeted</th>
<th>$0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Appropriation</td>
<td>N/A</td>
</tr>
<tr>
<td>Account Number(s)</td>
<td>N/A</td>
</tr>
</tbody>
</table>

ORIGINATED BY: Paul Samaras, Acting Planning Manager

REVIEWED BY: Sam Lee, Director of Planning and Building Safety
Mitch Tavera, Chief of Police

APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:

On October 9, 2015 Governor Brown signed three bills into law (AB 266, AB 243, and SB 643) which collectively are known as the Medical Marijuana Regulation and Safety Act ("MMRSA"). MMRSA established a State licensing scheme for commercial medical marijuana uses while protecting local control by requiring that all such businesses must have a local license or permit to operate in addition to a State license. MMRSA allows the City to prohibit commercial medical marijuana activities.

MMRSA contains language that requires the City to prohibit cultivation uses either expressly or otherwise under the principles of permissive zoning, or the State will become the sole licensing
authority.\textsuperscript{1} The MMRSA also contains language that requires delivery services to be expressly prohibited by local ordinance, if the City wishes to do so. MMRSA is silent as to how the City must prohibit other type of commercial medical marijuana activities.

Although all medical marijuana-related uses and activities are already prohibited in the City pursuant to principles of permissive zoning and pursuant to the prohibition of illegal uses in ESMC § 15-2-2, staff nevertheless recommends adoption of an ordinance expressly stating that all such medical marijuana-related uses and activities are prohibited in all zones throughout the City. The ordinance is intended to clarify the City’s longstanding prohibition on medical marijuana uses and does not state a new or different rule of law.

The proposed Ordinance provisions
The proposed Ordinance a) adds a new Chapter 11 (Medical Marijuana) to ESMC Title 7 (Nuisances and Offenses); and b) adds a new Chapter 13B (Medical Cannabis Cultivation and Distribution) to ESMC 15. The proposed new Chapter 13B establishes definitions for medical marijuana-related land uses and activities, and expressly prohibits these uses and activities in all zones and all specific plan areas in the City of El Segundo.

PLANNING COMMISSION DISCUSSION:

On January 28, 2016, the Planning Commission held a duly noticed public hearing at which the Planning Commission considered the proposed Ordinance. In particular, the Planning Commission discussed the definition of “medical marijuana collective” in the proposed Ordinance, and the exceptions listed in the definition. Staff advised the Planning Commission that the definition was written as broadly as possible under state law. Based on the evidence presented at the hearing, the Planning Commission adopted Resolution No. 2786 recommending that the City Council approve the proposed Ordinance.

ENVIRONMENTAL REVIEW:

The proposed ordinance does not have the potential to cause significant effects on the environment and, therefore, the project is exempt from the California Environmental Quality Act (CEQA) pursuant to 14 Cal. Code Regs. § 15061(b)(3). The ordinance amends the Municipal Code to make clear that commercial cannabis activities, medical cannabis deliveries, and medical marijuana dispensaries and collectives are not permitted in the City. The ordinance does not portend any development or changes to the physical environment. Following an evaluation of possible adverse impacts, Staff has concluded with certainty that there is no possibility that the ordinance will have a significant effect on the environment. In addition to the foregoing general exemption, the following categorical exemption applies: 14 Cal. Code Regs. § 15308 (actions taken for protection of the environment).

\textsuperscript{1} The new law originally included a March 1, 2016 deadline for cities to prohibit marijuana cultivation; however, urgency legislation (AB 21) was recently signed by the Governor that eliminated the deadline.
RECOMMENDATION:

Staff recommends that the City Council introduce and waive the first reading of a proposed Ordinance to establish regulations expressly prohibiting medical marijuana-related land uses and activities. If introduced by the City Council, the non-urgency ordinance would be scheduled for second reading and adoption at the March 1, 2016 City Council meeting.
AGENDA DESCRIPTION:

Consideration and possible action regarding an Environmental Assessment (EA-1111), a Zone Text Amendment (ZTA 15-02) adding Chapter 11 to Title 7 and Chapter 13B to Title 15 of the El Segundo Municipal Code (ESMC) to clarify that commercial cannabis activities, cultivation of medical cannabis, delivery of medical cannabis, medical marijuana dispensaries, and medical marijuana collectives are prohibited in all zones and specific plan areas of the City. Applicant: City Initiated

RECOMMENDED PLANNING COMMISSION ACTION: It is recommended that the Planning Commission open the public hearing, receive testimony, consider the evidence, and then adopt Resolution No. 2786 recommending the City Council approve Environmental Assessment No. EA-1140 and Zone Text Amendment No. ZTA 15-02 regarding an express city-wide prohibition on medical marijuana-related land uses and activities.

ATTACHED SUPPORTING DOCUMENTS:

1. Draft Planning Commission Resolution No. 2786
2. Draft Ordinance

ORIGINATED BY: Paul Samaras, Principal Planner
REVIEWED BY: Mitch Tavera, Chief of Police
REVIEWED BY: Sam Lee, Director of Planning and Building Safety
APPROVED BY: Sam Lee, Director of Planning and Building Safety

I. INTRODUCTION:

Land uses and activities associated with medical marijuana are not permitted in the City of El Segundo. Recently enacted State legislation reaffirms the ability of cities to regulate and/or prohibit medical marijuana-related uses and activities. Proposed for the Planning Commission’s consideration is a resolution recommending the City Council approve the addition of Chapter 11 ("Medical Marijuana") to Title 7 and Chapter 13B ("Medical Cannabis Cultivation and Distribution") to Title 15 of the Municipal Code to expressly prohibit all types of commercial cannabis activity and cannabis cultivation citywide.
II. BACKGROUND AND DISCUSSION:

In 1996, the voters of the State of California approved Proposition 215, also known as the Compassionate Use Act ("CUA") (codified as Health and Safety Code section 11362.2 et seq.) The purpose of the Act was to ensure that seriously ill patients could obtain and use marijuana for medical purposes, even though the use and possession of marijuana remains illegal under the federal Controlled Substances Act. In 2003, the state Legislature enacted SB 420 (the "Medical Marijuana Program Act" or "MMPA"), which provided additional statutory guidance for those involved with medical marijuana use and also allowed local governing bodies to adopt and enforce rules and regulations regarding the operation or establishment of medical marijuana facilities. The CUA and MMPA do not "legalize" marijuana, but rather provide limited defenses to certain categories of individuals with respect to certain conduct and certain state criminal offenses.

Neither the CUA nor the MMPA preempt or limit local zoning regulations on medical marijuana cultivation and distribution. The California Supreme Court has ruled that a city has the power to ban facilities that distribute medical marijuana (City of Riverside v. Inland Empire Patient’s Health & Wellness Center (2013) 56 Cal.4th 729) and an appellate court has ruled that a City may prohibit all marijuana cultivation. (Maral v. City of Live Oak (2013) 221 Cal.App.4th 975 (review denied March 26, 2014)).

El Segundo’s zoning ordinance is a “permissive” zoning ordinance, meaning only uses or facilities that are expressly listed are allowed absent an administrative determination. ESMC § 15-1-3. Section 15-2-2 also provides that “it is unlawful to...use any real property for any purpose other than is specifically permitted in the zone in which the building or land is located.” No medical marijuana-related uses are permitted or conditionally permitted in any zone. Consequently, they are prohibited under the principles of permissive zoning.

Section 15-2-2 of the El Segundo Municipal Code also prohibits the use of any real property for a purpose that is prohibited by federal or state law. Since marijuana remains illegal to use, possess, or sell under federal law, marijuana-related uses are also prohibited by that section. Likewise, because marijuana use and possession is illegal under federal law, no business license could be issued for any such activity in the City.

On October 9, 2015 Governor Brown signed three bills into law (AB 266, AB 243, and SB 643) which collectively are known as the Medical Marijuana Regulation and Safety Act ("MMRSA"). MMRSA established a State licensing scheme for commercial medical marijuana uses while protecting local control by requiring that all such businesses must have a local license or permit to operate in addition to a State license. MMRSA allows a City to prohibit commercial medical marijuana activities.

MMRSA contains language that requires the city to prohibit cultivation uses by March 1, 2016 either expressly or otherwise under the principles of permissive zoning, or the State will become the sole licensing authority.\(^1\) The MMRSA also contains language that requires delivery services

\(^1\) The author of the legislation said recently that the March 1, 2016 deadline was included in error and urgency legislation (AB 21) is currently pending that would extend the deadline. Because such legislation has not yet been signed by the Governor, however, the March 1, 2016 remains the current deadline.
to be expressly prohibited by local ordinance, if the City wishes to do so. MMRSA is silent as to how the City must prohibit other type of commercial medical marijuana activities.

Although all medical marijuana-related uses and activities are already prohibited in the City pursuant to principles of permissive zoning and pursuant to the prohibition of illegal uses in ESMC § 15-2-2, staff nevertheless recommends adoption of an ordinance expressly stating that all such medical marijuana-related uses and activities are prohibited in all zones throughout the City. The ordinance is intended to clarify the City’s longstanding prohibition on medical marijuana uses and does not state a new or different rule of law.

The proposed ordinance is consistent with the City’s police powers under article XI, section 7 of the California Constitution and promotes the public health and safety. The act of cultivating and furnishing marijuana to another person for medicinal purposes poses several serious risks to the health, safety and welfare of both the individual and the people of the City at large and can cause adverse secondary effects, including, but not limited to, increased crime in the vicinity of collectives and marijuana cultivation operations. Other California cities that have permitted medical marijuana cultivation and distribution activities have experienced an increase in crime, such as burglary, robbery and sale of illegal drugs in areas immediately surrounding these activities. (See, e.g., White Paper on Marijuana Dispensaries, California Police Chiefs Association’s Task Force on Marijuana Dispensaries, April 22, 2009, pp. v, 8-9 and Richard Winton, Sheriff Says Pot Dispensaries Have Become Crime Targets, Los Angeles Times, September 2, 2010.)

Known secondary impacts of medical marijuana dispensaries include the attraction of street dealers that attempt to sell to patrons at a lower price, marijuana smoking in public, loitering and nuisances, robbery of patrons going to or leaving the dispensary, burglaries of the dispensaries and increased burglaries of neighboring businesses, loss of trade at neighboring businesses, and increased traffic accidents and DUI arrests where marijuana is implicated. (White Paper on Marijuana Dispensaries, California Police Chiefs Association’s Task Force on Marijuana Dispensaries, April 22, 2009, p. 11.) Because of federal regulations on the banking industry, marijuana collectives tend to operate on a cash basis. Large amounts of cash and marijuana onsite make them a prime target for burglaries and robberies. (Id. at pp. v, 7-9.)

Marijuana cultivation can also attract crime, lead to fires, expose minors to marijuana, negatively impact neighborhoods, damage buildings, require dangerous electrical alterations and use, and create the nuisance of strong and noxious odors. (White Paper on Marijuana Dispensaries, California Police Chiefs Association’s Task Force on Marijuana Dispensaries, April 22, 2009, p. 12.) Based on these studies and other evidence, there is a concern that the cultivation and distribution of medical marijuana in the City would result in increased crime and other negative secondary effects like those experienced in other communities throughout California. By clarify existing law to unambiguously prohibit medical marijuana dispensaries, collectives, distribution and cultivation, the City can further safeguard against the detrimental secondary impacts associated with such activities.

General Plan and Zoning Ordinance Consistency

3
The proposed amendments to the Zoning Ordinance are consistent with the General Plan. The General Plan’s goals, objectives, and policies do not permit or contemplate the establishment or operation of medical marijuana dispensaries or collectives, nor do they contemplate the cultivation or delivery of medical marijuana. This ordinance does not create new law; rather, it clarifies the City’s existing prohibitions on medical marijuana-related activities. The proposed clarifying amendment is also consistent with the purpose of the Zoning Ordinance, which is to serve the public health, safety, and general welfare, and the amendment is necessary to make the prohibition of medical marijuana cultivation and delivery, and medical marijuana dispensaries and collectives, clear and unambiguous.

IV. **Environmental Review**

The proposed ordinance does not have the potential to cause significant effects on the environment and, therefore, the project is exempt from the California Environmental Quality Act (CEQA) pursuant to 14 Cal. Code Regs. § 15061(b)(3). The ordinance amends the Municipal Code to make clear that commercial cannabis activities, medical cannabis deliveries, and medical marijuana dispensaries and collectives are not permitted in the City. The ordinance does not portend any development or changes to the physical environment. Following an evaluation of possible adverse impacts, Staff has concluded with certainty that there is no possibility that the ordinance will have a significant effect on the environment. In addition to the foregoing general exemption, the following categorical exemption applies: 14 Cal. Code Regs. § 15308 (actions taken for protection of the environment).

V. **Recommendation**

Planning staff recommends that the Planning Commission open the public hearing, receive testimony, consider the evidence, and then adopt Resolution No. 2786 recommending the City Council approve Environmental Assessment No. EA-1140 and Zone Text Amendment No. ZTA 15-02 regarding an express city-wide prohibition on medical marijuana-related land uses and activities.
RESOLUTION NO. 2786

A RESOLUTION OF THE EL SEGUNDO PLANNING COMMISSION RECOMMENDING THAT THE CITY COUNCIL ADOPT AN ORDINANCE ADDING CHAPTER 11 TO TITLE 7 AND CHAPTER 13B TO TITLE 15 OF THE EL SEGUNDO MUNICIPAL CODE TO CLARIFY THAT COMMERCIAL CANNABIS ACTIVITIES, CULTIVATION OF MEDICAL CANNABIS, DELIVERY OF MEDICAL CANNABIS, MEDICAL MARIJUANA DISPENSARIES, AND MEDICAL MARIJUANA COLLECTIVES ARE PROHIBITED IN ALL ZONES AND SPECIFIC PLAN AREAS OF THE CITY

(EA-1140 AND ZTA NO. 15-02)

The Planning Commission of the City of El Segundo does resolve as follows:

SECTION 1: The Planning Commission finds and declares that:

A. On November 5, 1996, the voters of the State of California approved Proposition 215, codified as Health and Safety Code Section 11362.5 et seq., and entitled the Compassionate Use Act of 1996 ("CUA"). The CUA exempts qualified patients and their primary caregivers from criminal liability under state law for the possession and cultivation of marijuana for personal medical use.

B. The intent of the CUA was to enable persons in the State of California who are in need of marijuana for medicinal purposes to obtain it and use it under limited, specified circumstances.

C. The State enacted Senate Bill 420 in October 2003, codified a Health and Safety Section 11362.7, et seq., ("Medical Marijuana Program Act," or "MMPA") to clarify the scope of the Compassionate Use Act of 1996 and to allow cities and other governing bodies to adopt and enforce rules and regulations consistent with SB 420. The MMPA created a state-approved voluntary medical marijuana identification card program and provided for certain additional immunities from state marijuana laws. Assembly Bill 2650 (2010) and Assembly Bill 1300 (2011) amended the Medical Marijuana Program to expressly recognize the authority of counties and cities to "[a]dopt local ordinances that regulate the location, operation, or establishment of a medical marijuana cooperative or collective" and to civilly and criminally enforce such ordinances.

D. The CUA and MMPA do not "legalize" marijuana, but provide limited defenses to certain categories of individuals with respect to certain conduct and certain state criminal offenses.
E. In *City of Riverside v. Inland Empire Patients Health and Wellness Center, Inc.* (2013) 56 Cal.4th 729, the California Supreme Court held that “[n]othing in the CUA or the MMP expressly or impliedly limits the inherent authority of a local jurisdiction, by its own ordinances, to regulate the use of its land. . . .” Additionally, in *Maral v. City of Live Oak* (2013) 221 Cal.App.4th 975, the Court of Appeal held that “there is no right – and certainly no constitutional right – to cultivate medical marijuana. . . .” The Court in *Maral* affirmed the ability of a local governmental entity to prohibit the cultivation of marijuana under its land use authority.

F. The Federal Controlled Substances Act, 21 U.S.C. § 801 et seq., classifies marijuana as a Schedule 1 Drug, which is defined as a drug or other substance that has a high potential for abuse, that has no currently accepted medical use in treatment in the United State, and that has not been accepted as safe for use under medical supervision. The Federal Controlled Substances Act makes it unlawful under federal law for any person to cultivate, manufacture, distribute or dispense, or possess with intent to manufacture, distribute or dispense, marijuana. The Federal Controlled Substances Act contains no exemption for medical purposes.

G. On October 9, 2015 Governor Brown signed three bills into law (AB 266, AB 243, and SB 643) which collectively are known as the Medical Marijuana Regulation and Safety Act ("MMRSA"). MMRSA established a State licensing scheme for commercial medical marijuana uses while protecting local control by requiring that all such businesses must have a local license or permit to operate in addition to a State license. MMRSA allows a City to completely prohibit commercial medical marijuana activities.

H. The Planning Commission finds that commercial medical marijuana activities, as well as cultivation for personal medical use as allowed by the CUA and MMP can adversely affect the health, safety, and well-being of City residents. Citywide prohibition is proper and necessary to avoid the risks of criminal activity, degradation of the natural environment, malodorous smells and indoor electrical fire hazards that may result from such activities. Further, as recognized by the Attorney General’s August 2008 Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use, marijuana cultivation or other concentration of marijuana in any location or premises without adequate security increases the risk that surrounding homes or businesses may be negatively impacted by nuisance activity such as loitering or crime.

I. The limited immunity from specified state marijuana laws provided by the Compassionate Use Act and Medical Marijuana Program does not confer a land use right or the right to create or maintain a public nuisance.
J. MMRSA contains language that requires the city to prohibit cultivation uses by March 1, 2016 either expressly or otherwise under the principles of permissive zoning, or the State will become the sole licensing authority. The MMRSA also contains language that requires delivery services to be expressly prohibited by local ordinance, if the City wishes to do so. MMRSA is silent as to how the City must prohibit other type of commercial medical marijuana activities.

K. While cultivation of medical marijuana and all commercial medical marijuana uses are already prohibited under the City’s permissive zoning regulations, the proposed ordinance would expressly make clear that all such uses are prohibited in all zones throughout the City. The ordinance is intended to clarify the City’s longstanding position on medical marijuana cultivation and distribution and does not state a new or different rule of law.

L. On December 22, 2015, City staff initiated an application for Environmental Assessment No. EA-1140 and Zone Text Amendment No. ZTA 15-02 to the El Segundo Municipal Code (“ESMC” to clarify that commercial cannabis activities, cultivation of medical cannabis, delivery of medical cannabis, medical marijuana dispensaries, and medical marijuana collectives are prohibited in all zones and specific plan areas of the City;

M. The application was reviewed by the City’s Planning and Building Safety Department for, in part, consistency with the General Plan and conformity with the ESMC;

N. The City reviewed the project’s environmental impacts under the California Environmental Quality Act (California Public Resources Code §§ 21000, et seq., “CEQA”) and the regulations promulgated thereunder (14 California Code of Regulations §§ 15000, et seq., the “CEQA Guidelines”), and the City’s Environmental Guidelines (City Council Resolution No. 3805, adopted March 16, 1993);

O. The Planning and Building Safety Department completed its review and scheduled the public hearing regarding the application before the Planning Commission for January 28, 2016;

P. On January 28, 2016, the Planning Commission held a public hearing to receive public testimony and other evidence regarding the proposed amendment, including, without limitation, information provided to the Planning Commission by City staff and public testimony; and

Q. This Resolution and its findings are made based upon the evidence presented to the Commission at its January 28, 2016, hearing including, without limitation, the staff report submitted by the Planning and Building
SECTION 2: General Plan Findings. The proposed amendments to the zoning regulations of the El Segundo Municipal Code (Title 15) are consistent with the General Plan. The General Plan’s goals, objectives, and policies do not permit or contemplate the establishment or operation of medical marijuana dispensaries or collectives, nor do they contemplate the cultivation or delivery of medical marijuana. This ordinance does not create new law; rather, it clarifies the City’s existing prohibitions on the distribution and cultivation of medical marijuana. The proposed clarifying amendment is also consistent with the purpose of Title 15, which is to serve the public health, safety, and general welfare, and the amendment is necessary to make the prohibition of medical marijuana cultivation and delivery, and medical marijuana dispensaries and collectives, clear and unambiguous.

SECTION 3: Recommendation. The Planning Commission recommends that the City Council adopt the ordinance set forth in attached “Exhibit A,” which is incorporated into this resolution by reference.

SECTION 4: Environmental Review. The Planning Commission finds that the proposed ordinance does not have the potential to cause significant effects on the environment and, therefore, the project is exempt from the California Environmental Quality Act (CEQA) pursuant to 14 Cal. Code Regs. § 15061(b)(3). The ordinance amends the Municipal Code to make clear that commercial cannabis activities, cultivation of medical cannabis, medical cannabis deliveries, and medical marijuana dispensaries and collectives are not permitted in the City. The ordinance does not portend any development or changes to the physical environment. Following an evaluation of possible adverse impacts, it can be seen with certainty that there is no possibility that the ordinance will have a significant effect on the environment. In addition to the foregoing general exemption, the following categorical exemption applies: 14 Cal. Code Regs. § 15308 (actions taken for protection of the environment).

SECTION 5: Reliance on Record. Each and every finding and determination in this Resolution is based on the competent and substantial evidence, both oral and written, contained in the entire record relating to the project. The findings and determinations constitute the independent findings and determinations of the Planning Commission in all respects and are fully and completely supported by substantial evidence in the record as a whole.
SECTION 6: Effective Date. This Resolution will become effective immediately upon adoption.

PASSED AND ADOPTED this _____ day of ____________________, 2016

____________________________________
Ryan Baldino, Chair
El Segundo Planning Commission

ATTEST:

____________________________________
Sam Lee, Secretary

APPROVED AS TO FORM
MARK D. HENSLEY, City Attorney

By: __________________________________
    David King, Assistant City Attorney
ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EL SEGUNDO ADDING CHAPTER 11 TO TITLE 7 AND CHAPTER 13B TO TITLE 15 OF THE EL SEGUNDO MUNICIPAL CODE TO CLARIFY THAT COMMERCIAL CANNABIS ACTIVITIES, CULTIVATION OF MEDICAL CANNABIS, DELIVERY OF MEDICAL CANNABIS, MEDICAL MARIJUANA DISPENSARIES, AND MEDICAL MARIJUANA COLLECTIVES ARE PROHIBITED IN ALL ZONES AND SPECIFIC PLAN AREAS OF THE CITY

The City Council of the City of El Segundo does ordain as follows:

SECTION 1: The City Council finds and determines as follows:

A. On November 5, 1996, the voters of the State of California approved Proposition 215, codified as Health and Safety Code Section 11362.5 et seq., and entitled the Compassionate Use Act of 1996 ("CUA"). The CUA exempts qualified patients and their primary caregivers from criminal liability under state law for the possession and cultivation of marijuana for personal medical use.

B. The intent of the CUA was to enable persons in the State of California who are in need of marijuana for medicinal purposes to obtain it and use it under limited, specified circumstances.

C. The State enacted Senate Bill 420 in October 2003, codified a Health and Safety Section 11362.7, et seq., ("Medical Marijuana Program Act," or "MMPA") to clarify the scope of the Compassionate Use Act of 1996 and to allow cities and other governing bodies to adopt and enforce rules and regulations consistent with SB 420. The MMPA created a state-approved voluntary medical marijuana identification card program and provided for certain additional immunities from state marijuana laws. Assembly Bill 2650 (2010) and Assembly Bill 1300 (2011) amended the Medical Marijuana Program to expressly recognize the authority of counties and cities to "[a]dopt local ordinances that regulate the location, operation, or establishment of a medical marijuana cooperative or collective" and to civilly and criminally enforce such ordinances.

D. The CUA and MMPA do not "legalize" marijuana, but provide limited defenses to certain categories of individuals with respect to certain conduct and certain state criminal offenses.

E. In City of Riverside v. Inland Empire Patients Health and Wellness Center, Inc. (2013) 56 Cal.4th 729, the California Supreme Court held that "[n]othing in the CUA or the MMP expressly or impliedly limits the inherent authority of a local jurisdiction, by its own ordinances, to regulate the use of its land. . . ." Additionally, in Maral v. City of Live Oak (2013) 221 Cal.App.4th 975, the Court of Appeal held that "there is no right – and
certainly no constitutional right – to cultivate medical marijuana. . . .” The Court in Maral affirmed the ability of a local governmental entity to prohibit the cultivation of marijuana under its land use authority.

F. The Federal Controlled Substances Act, 21 U.S.C. § 801 et seq., classifies marijuana as a Schedule 1 Drug, which is defined as a drug or other substance that has a high potential for abuse, that has no currently accepted medical use in treatment in the United State, and that has not been accepted as safe for use under medical supervision. The Federal Controlled Substances Act makes it unlawful under federal law for any person to cultivate, manufacture, distribute or dispense, or possess with intent to manufacture, distribute or dispense, marijuana. The Federal Controlled Substances Act contains no exemption for medical purposes.

G. On October 9, 2015 Governor Brown signed three bills into law (AB 266, AB 243, and SB 643) which collectively are known as the Medical Marijuana Regulation and Safety Act (“MMRSA”). MMRSA established a State licensing scheme for commercial medical marijuana uses while protecting local control by requiring that all such businesses must have a local license or permit to operate in addition to a State license. MMRSA allows a City to completely prohibit commercial medical marijuana activities.

H. The City Council finds that commercial medical marijuana activities, as well as cultivation for personal medical use as allowed by the CUA and MMP can adversely affect the health, safety, and well-being of City residents. Citywide prohibition is proper and necessary to avoid the risks of criminal activity, degradation of the natural environment, malodorous smells and indoor electrical fire hazards that may result from such activities. Further, as recognized by the Attorney General's August 2008 Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use, marijuana cultivation or other concentration of marijuana in any location or premises without adequate security increases the risk that surrounding homes or businesses may be negatively impacted by nuisance activity such as loitering or crime.

I. The limited immunity from specified state marijuana laws provided by the Compassionate Use Act and Medical Marijuana Program does not confer a land use right or the right to create or maintain a public nuisance.

J. MMRSA contains language that requires the city to prohibit cultivation uses by March 1, 2016 either expressly or otherwise under the principles of permissive zoning, or the State will become the sole licensing authority. The MMRSA also contains language that requires delivery services to be expressly prohibited by local ordinance, if the City wishes to do so. MMRSA is silent as to how the City must prohibit other type of commercial medical marijuana activities.

K. While the City Council believes that cultivation and all commercial medical marijuana uses are already prohibited under the City’s permissive zoning regulations, it desires to enact this ordinance to expressly make clear that all such uses are prohibited.
in all zones throughout the City. This ordinance is intended to clarify the City's longstanding position on medical marijuana cultivation and distribution and does not state a new or different rule of law.

L. The Planning Commission held a duly-noticed public hearing on January 28, 2016, at which time it considered all evidence presented, both written and oral, and voted to adopt a resolution recommending the City Council adopt this Ordinance.

M. The proposed amendments to the Zoning Ordinance are consistent with the General Plan. The General Plan's goals, objectives, and policies do not permit or contemplate the establishment or operation of medical marijuana dispensaries or collectives, nor do they contemplate the cultivation or delivery of medical marijuana. This ordinance does not create new law; rather, it clarifies the City's existing prohibitions on the distribution and cultivation of medical marijuana.

SECTION 2: Authority. This ordinance is adopted pursuant to the authority granted by the California Constitution and State law, including but not limited to Article XI, Section 7 of the California Constitution, the Compassionate use Act, the Medical Marijuana Program Act, and the Medical Marijuana Regulation and Safety Act.

SECTION 3: A new Chapter 11 entitled "Medical Marijuana" is added to Title 7 of the El Segundo Municipal Code to read as follows:

"Chapter 11

MEDICAL MARIJUANA

7-11-1: For regulations regarding medical marijuana and medical cannabis cultivation and distribution, see Title 15, Chapter 13B."

SECTION 4: A new Chapter 13B entitled "Medical Cannabis Cultivation and Distribution" is added to Title 15 of the El Segundo Municipal Code to read as follows:

"Chapter 13B

MEDICAL CANNABIS CULTIVATION AND DISTRIBUTION

15-13B-1: Definitions
15-13B-2: Prohibition

15-13B-1: DEFINITIONS

"Cannabis" has the same meaning as set forth in Business & Professions Code § 19300.5(f), as the same may be amended from time to time.
“Commercial cannabis activity” has the same meaning as that set forth in Business & Professions Code § 19300.5(k), as the same may be amended from time to time.

“Cultivation” has the same meaning as that set forth in Business & Professions Code § 19300.5(l), as the same may be amended from time to time.

“Delivery” has the same meaning as that set forth in Business & Professions Code § 19300.5(m), as the same may be amended from time to time.

“Dispensary” and “medical marijuana dispensary” have the same meaning as that set forth in Business & Professions Code § 19300.5(n), as the same may be amended from time to time.

“Medical marijuana collective” means a collective, cooperative, association, dispensary or similar entity that cultivates, distributes, dispenses, stores, exchanges, processes, delivers, makes available or gives away cannabis in the city for medical purposes to qualified patients, or primary caregivers of qualified patients pursuant to Health and Safety Code Section 11362.5 (adopted as Proposition 215, the “Compassionate Use Act of 1996”) or any State regulations adopted in furtherance thereof, including Health and Safety Code Section 11362.7 et seq., (adopted as the “Medical Marijuana Program Act”). Medical Marijuana Collective does not include the following uses, so long as such uses comply with this Code, the Health and Safety Code Section 11362.5, et seq., and other applicable law:

1. A clinic licensed pursuant to Chapter 1 (Section 1200 et seq.) of Division 2 of the Health and Safety Code.
2. A health care facility licensed pursuant to Chapter 2 (Section 1250 et seq.) of Division 2 of the Health and Safety Code.
3. A residential care facility for persons with chronic life-threatening illness licensed pursuant to Chapter 3.01 (Section 1568.01 et seq.) of Division 2 of the Health and Safety Code.
4. A residential care facility for the elderly licensed pursuant to Chapter 3.2 (Section 1569 et seq.) of Division 2 of the Health and Safety Code.
5. A hospice or a home health agency, licensed pursuant to Chapter 8 (Section 1725 et seq.) of Division 2 of the Health and Safety Code.

“Medical cannabis,” medical cannabis product,” or “cannabis product” has the same meaning as set forth in Business & Professions Code § 19300.5(ag), as the same may be amended from time to time.

15-13B-2: PROHIBITION

Commercial cannabis activities, cultivation of medical cannabis, delivery of medical cannabis, medical marijuana dispensaries (whether fixed or mobile in
nature), and medical marijuana collectives are prohibited in all zones and all specific plan areas in the City of El Segundo. No use permit, variance, building permit, or any other entitlement, license, or permit, whether ministerial or discretionary, can be issued or approved for any commercial cannabis activity, cultivation of medical cannabis, delivery of medical cannabis, medical marijuana dispensary (whether fixed or mobile in nature), or medical marijuana collective in the City, and it is unlawful for any person to establish or conduct such activities in the City."

SECTION 5: Environmental Review. The City Council finds that this ordinance does not have the potential to cause significant effects on the environment and, therefore, the project is exempt from the California Environmental Quality Act (CEQA) pursuant to 14 Cal. Code Regs. § 15061(b)(3). The ordinance amends the El Segundo Municipal Code to make clear that commercial cannabis activities, cultivation of medical cannabis, delivery of medical cannabis, and medical marijuana dispensaries and collectives are not permitted in the City. The ordinance does not portend any development or changes to the physical environment. Following an evaluation of possible adverse impacts, it can be seen with certainty that there is no possibility that the ordinance will have a significant effect on the environment. In addition to the foregoing general exemption, the following categorical exemption applies: 14 Cal. Code Regs. § 15308 (actions taken for protection of the environment).

SECTION 6: Construction. This Ordinance must be broadly construed in order to achieve the purposes stated in this Ordinance. It is the City Council's intent that the provisions of this Ordinance be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this Ordinance.

SECTION 7: Enforceability. Repeal of any provision of the El Segundo Municipal Code does not affect any penalty, forfeiture, or liability incurred before, or preclude prosecution and imposition of penalties for any violation occurring before this Ordinance's effective date. Any such repealed part will remain in full force and effect for sustaining action or prosecuting violations occurring before the effective date of this Ordinance.

SECTION 8: Severability. If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.

SECTION 9: The City Clerk is directed to certify the passage and adoption of this Ordinance, cause it to be entered into the city of El Segundo's book of original ordinances, make a note of the passage and adoption in the records of this meeting, and, within fifteen days after the passage and adoption of this Ordinance, cause it to be published or posted in accordance with California law.
SECTION 10: This Ordinance will take effect on the 31st day following its final passage and adoption.

PASSED AND ADOPTED this _____ day of __________________, 2016

__________________________
Suzanne Fuentes, Mayor

ATTEST:

__________________________
Tracy Sherrill Weaver, City Clerk

APPROVED AS TO FORM
MARK D. HENSLEY, City Attorney

By: _________________________
EL SEGUNDO CITY COUNCIL
AGENDA STATEMENT
MEETING DATE: February 16, 2016
AGENDA HEADING: Unfinished Business

AGENDA DESCRIPTION:
Consideration and possible action to authorize the City Manager to execute a contract amendment with Michael Baker International, Inc. (formerly RBF) for additional alternatives analysis and environmental review of the Park Place Grade Separation and Gap Closure Project. (Fiscal Impact: $108,745.00 in additional grant fund expenditures)

RECOMMENDED COUNCIL ACTION:
1. Authorize the City Manager to execute a contract amendment with Michael Baker International Company, in a form approved by the City Attorney, for additional alternatives analysis and environmental review for the Park Place Grade Separation and Gap Closure Project.
2. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
Scope of Work

FISCAL IMPACT: Budget Adjustment Required
Amount Budgeted: $321,424.00
Additional Appropriation: Yes $108,745.00
Account Number(s): 301-400-8203-6679

ORIGINATED BY: Stephanie Katsouleas, Public Works Director
REVIEWED BY: Sam Lee, Planning and Building Safety Director
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:
Approximately two years ago, staff initiated preliminary work to begin the Park Place Grade Separation and Gap Closure project between Nash St. and Sepulveda Blvd. As you may recall, this initial work included conducting an Alternatives Analysis to better understand what roadway and railroad realignments were both possible and optimal. The Alternatives Analysis, which evaluated five different alignment scenarios, was presented to City Council on October 21, 2014. All of the scenarios in the report called for some form of railroad track realignment for a variety of reasons, including concerns that the Public Utilities Commission (PUC) no longer allows at-grade crossings. Shortly thereafter, City Council awarded a contract to RBF Consulting (now Michael Baker International, Inc.) to begin the required California Environmental Quality Act (CEQA) analysis phase of the project, which called for investigating two of the report’s alignment options along with the “no build” alternative.

Last summer, as the project was just getting underway, staff met with the City Attorney regarding possible complication that could arise from a property within Park Place project limits that has contaminated soils but which would need to be utilized for track realignment in all of the design alternatives selected for environmental review. Due to concerns about the potentially
negative impact this property could have on the constructability and success of the Park Place project, staff reached out to the Public Utilities Commission to investigate whether the agency would, in fact, consider an at-grade crossing (should relocation of the railroad tracks become insurmountable). The PUC responded that at-grade crossings are feasible under certain circumstances, but that any formal response from the PUC would need to be addressed through the environmental review process. i.e., the proposed grade crossing must be part of the CEQA document. In an abundance of caution, this past fall staff investigated what would be needed to augment the environmental review process to include an analysis of two additional crossing alternatives, which include an at grade crossing and grade separated crossing for the eastern (BNSF) tracks, with minimal or no track relocation required. A grade separated crossing is already being evaluated for the western (UP) tracks due to the extreme elevation/grade differences at that location. Staff ultimately requested and recently received an estimate for the additional work, which is proposed at $108,745.00. This estimate is representative of and slightly less than the amount spent for the previous five design alternatives (see below). Funds are available from the three grants awarded for this project and will require no supplemental funds from the General Fund. The overall budget available and allocated is as follows:

Grant Awards Received:

<table>
<thead>
<tr>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>$735,000</td>
<td>Federal Earmark</td>
</tr>
<tr>
<td>$150,000</td>
<td>Private Match Funding</td>
</tr>
<tr>
<td>$350,000</td>
<td>Measure R South Bay Highway Program Funding</td>
</tr>
<tr>
<td>$1,235,000</td>
<td>Total Available</td>
</tr>
</tbody>
</table>

Project Expenditures/Encumbrances

<table>
<thead>
<tr>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>$629,780</td>
<td>Design Alternatives Analysis (5 alternatives plus no-build)</td>
</tr>
<tr>
<td>$271,424</td>
<td>Environmental Review</td>
</tr>
<tr>
<td>$50,000</td>
<td>Contingency</td>
</tr>
<tr>
<td>$25,000</td>
<td>Project Administration Assistance</td>
</tr>
<tr>
<td>$976,204</td>
<td>Total Encumbered</td>
</tr>
</tbody>
</table>

Available Balance: $258,769

Inclusion of this additional work will impact the environmental review process by an expected 6-9 months due the preliminary design analysis work that must be completed, some of it prior to environmental review. However, wherever possible the existing review work is being advanced without delay. The revised, anticipated completion date for environmental review is spring 2017 pending any unforeseen external agency delays. It is worth noting that Michael Baker International, Inc. plans to subcontract much of this work to NCM, the consultant that completed the original design alternatives work, which should help accelerate the work needed.

Therefore, staff recommends that City Council approved a contract amendment with Michael Baker International, Inc. in a form approved by the City Attorney, for $108,745 for two additional design alternatives and corresponding environmental review. A complete scope of work is attached.
ADDITIONAL WORK REQUEST SUMMARY

Client: City of El Segundo
Project: Park Place Extension and Railroad Grade Separation Project
Work Requested By: Mr. Paul Samaras, Principal Planner

Summary of Additional Work:

On November 10, 2015, the City of El Segundo (City) provided Michael Baker International (Michael Baker) direction to add two new build alternatives for analysis within the environmental document. These two new build alternative would include: 1) an alternative that leaves both the UPRR and BNSF rail alignments in place, and would include an extension of Park Place via two separate grade separations; and 2) an alternative that leaves both the UPRR and BNSF rail alignments in place, and would include a grade separation at the UPRR alignment and an at-grade crossing at the BNSF alignment. The addition of these two new build alternatives will require numerous revisions to Michael Baker’s original contract dated January 15, 2015. The following summarizes the services provided in response to this request.

**TASK 1: PRELIMINARY DESIGN FOR TWO NEW BUILD ALTERNATIVES (NCM ENGINEERING CORPORATION)**

Michael Baker has retained NCM Engineering Corporation to assist with preliminary design for the two new build alternatives. NCM will provide conceptual design for the following:

- Alternative 3A: Both UPRR and BNSF alignments remain in place and are grade separated from the Park Place extension.
- Alternative 3B: Both UPRR and BNSF alignments remain in place. UPRR is grade separated from the Park Place extension while a new at-grade crossing is constructed at the BNSF tracks.

The primary components of this effort will include:

1. Preliminary Alternative Design
   1a. Roadway Design: NCM will prepare roadway layout exhibits, profile exhibits, and roadway typical section for each of the two build alternatives.
   1b. Rail Design: NCM will prepare railroad layouts and profiles for each of the two build alternatives. It is anticipated that modifications to the BNSF tracks will include changes in profile to facilitate the at grade crossing with Alternative 3B as well as reconfiguration of the BNSF storage yard to minimize the tracks at the at-grade crossing or grade separation.
1c. Bridge Design: NCM will prepare a bridge General Plan for the railroad bridge associated with Alternative 3A.
1d. Stage Construction Concepts: NCM will develop stage construction concepts for each of the two alternatives, detailing the anticipated construction sequence as well as any temporary shoofly tracks that will be needed.

2. Utility Relocation Concepts: NCM will identify areas where the proposed build alternatives conflict with existing utilities and develop strategies for resolving those conflicts. We will prepare exhibits detailing the utility relocation concepts.

3. R/W Requirements: NCM will tabulate the R/W impacts and prepare R/W requirement maps for each of the two alternatives.

4. Ongoing Design Assistance: NCM will provide ongoing design assistance on a time and materials basis. This task is expected to include assistance to City and Michael Baker staff to clarify construction assumptions (staging, excavation depths, phasing, impact footprint, temporary rail impacts, etc.) and provide additional detail regarding conceptual design.

Deliverables associated with this task will include:

- Roadway layout exhibits at a scale of 1"=150' (Assumed 1 exhibit per alternative, 2 total)
- Roadway profile exhibits at a horizontal scale of 1"=100' and vertical scale of 1"=20' (Assumed 1 exhibit per alternative, 2 total)
- Roadway typical sections (Assumed 1 exhibit per alternative, 2 total)
- Rail layout exhibits at a scale of 1"=200' (Assumed 1 exhibit per alternative, 2 total)
- Rail profile exhibits at a horizontal scale of 1"=100' and vertical scale of 1"=20' (Assumed 2 exhibits per alternative, 4 total)
- Stage Construction Exhibits (Assumed 3 exhibits per alternative, 6 total)
- Utility Relocation Exhibits (Assumed 4 exhibits per alternative, 8 total)
- R/W Requirement Exhibits (Assumed 1 exhibit per alternative, 2 total)
- R/W Requirements in tabular form with APN numbers and acquisition and remainder areas.

**TASK 2:** REVISIONS TO EXISTING PRELIMINARY ENVIRONMENTAL STUDY (PES) FORM

The City recently received approval of the PES Form associated with the proposed project July 2015. Michael Baker will assist the City with revisions to the existing PES Form to account for the two new build alternatives (Alternatives 3A and 3B). It is anticipated that Caltrans will require revisions to the project description, inclusion of concept plans for the two new alternatives, and ensuring that the two new alternatives are reflected in the impact analysis within the PES. Michael Baker will assist the City with processing the revised PES Form through Caltrans District 7 Local Assistance for approval. This task assumes two rounds of review and revision based on City and/or Caltrans comments.
TASK 3: Revisions to Existing Initial Study/Notice of Preparation (IS/NOP)

Michael Baker will incorporate Alternatives 3A and 3B into the Administrative Draft IS/NOP for the proposed project. This task will include the inclusion of concept plans as exhibits within the document, updates to the project description to reflect a total of four build alternatives. The impact analysis will also be revised to ensure that the two new alternatives are adequately analyzed.

TASK 4: Revisions to Existing Technical Studies

The following technical studies will require revisions to accommodate the addition of Alternatives 3A and 3B. Primary components of this task include revisions to the project description, inclusion of concept plans for the two new alternatives, and ensuring that the two new alternatives are reflected in the impact analysis within each technical report. The studies will include:

- Natural Environment Study (NES)
- Visual Impact Assessment (VIA) Technical Memorandum and Checklist
- Phase I Initial Site Assessment (ISA)
- Air Quality Assessment
- Noise Study Report

This task includes costs associated with Geo-Environmental, Inc. (Phase I ISA) and Cogstone Resource Management (HPSR/ASR/HRER).

TASK 5: Analysis of Two Additional Build Alternatives in EIR/EA

Michael Baker will incorporate Alternatives 3A and 3B into the Environmental Impact Report/Environmental Assessment (EIR/EA) to be processed through Caltrans District 7. Michael Baker’s existing scope of work accounted for analysis of a No Build Alternative in addition to two build alternatives. As such, this task would account for the analysis of a No Build Alternative and increase the number of build alternatives in the EIR/EA to a total of four (Alternatives 1A, 1C, 3A, and 3B). Alternatives 3A and 3B will be addressed at a project-level of detail throughout the EIR/EA, consistent Caltrans requirements. Impacts will be analyzed on both a project-level and cumulative basis, as required by Caltrans. Short-term construction and long-term operational impacts will be evaluated. Consistent with the Caltrans Standard Environmental Reference (SER), the analysis will consider impacts for all build alternatives relative to the Human Environment, Physical Environment, and Biological Environment.

TASK 6: Project Management

Ms. Rita Garcia and Mr. Alan Ashimine will provide coordination and oversight of the work effort under this Additional Work Request. This task will include consultation with City and Caltrans staff, coordination
and management of NCM Engineering, correspondence/conference calls to discuss the two new build alternatives, and QA/QC of the deliverables identified above.

TOTAL FEE: $108,745 (Budget Detail is attached)

[Signature]
Alan Ashimine, Senior Associate

Accepted By / Date
## FEE ESTIMATE

### PARK PLACE EXTENSION & RAILROAD GRADE SEPARATION PROJECT

<table>
<thead>
<tr>
<th>Task</th>
<th>RG</th>
<th>AA</th>
<th>ES</th>
<th>EA</th>
<th>SUB</th>
<th>Total Hours</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0: Preliminary Design for 2 New Alternatives</td>
<td>2</td>
<td>12</td>
<td></td>
<td></td>
<td></td>
<td>14</td>
<td>$61,055.20</td>
</tr>
<tr>
<td>2.0: Revisions to Existing PES Form</td>
<td>1</td>
<td>8</td>
<td>10</td>
<td>24</td>
<td></td>
<td>43</td>
<td>$6,095.00</td>
</tr>
<tr>
<td>3.0: Revisions to Existing IS/NOP</td>
<td>2</td>
<td>4</td>
<td>10</td>
<td>24</td>
<td></td>
<td>40</td>
<td>$5,640.00</td>
</tr>
<tr>
<td>4.0: Revisions to Existing Technical Studies</td>
<td>1</td>
<td>6</td>
<td>30</td>
<td>40</td>
<td></td>
<td>77</td>
<td>$17,945.00</td>
</tr>
<tr>
<td>5.0: Analysis of 2 New Alternatives in EIR/EA</td>
<td>2</td>
<td>12</td>
<td>24</td>
<td>52</td>
<td></td>
<td>90</td>
<td>$12,630.00</td>
</tr>
<tr>
<td>6.0: Project Management</td>
<td>4</td>
<td>24</td>
<td></td>
<td></td>
<td></td>
<td>28</td>
<td>$4,780.00</td>
</tr>
<tr>
<td><strong>Total Labor Hours</strong></td>
<td></td>
<td></td>
<td>12</td>
<td>66</td>
<td>74</td>
<td>140</td>
<td>292</td>
</tr>
<tr>
<td><strong>% Labor Hours</strong></td>
<td></td>
<td></td>
<td>4%</td>
<td>23%</td>
<td>25%</td>
<td>48%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Total Labor Costs</strong></td>
<td>$2,460</td>
<td>$10,890</td>
<td>$10,730</td>
<td>$18,200</td>
<td>$65,855</td>
<td><strong>$108,145</strong></td>
<td></td>
</tr>
<tr>
<td>ODC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$300</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL COST</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>$108,445</strong></td>
<td></td>
</tr>
</tbody>
</table>

Notes: RG=Rita Garcia; AA = Alan Ashamne; ES=Environmental Specialist; EA = Environmental Analyst
### CITY OF EL SEGUNDO
### WARRANTS TOTALS BY FUND

<table>
<thead>
<tr>
<th>Code</th>
<th>Fund Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>001</td>
<td>GENERAL FUND</td>
<td>448,227.19</td>
</tr>
<tr>
<td>104</td>
<td>TRAFFIC SAFETY FUND</td>
<td>-</td>
</tr>
<tr>
<td>105</td>
<td>STATE GAS TAX FUND</td>
<td>-</td>
</tr>
<tr>
<td>108</td>
<td>ASSOCIATED RECREATION ACTIVITIES FUND</td>
<td>-</td>
</tr>
<tr>
<td>109</td>
<td>ASSET FORFEITURE FUND</td>
<td>76,46</td>
</tr>
<tr>
<td>111</td>
<td>COMM. DEVEL. BLOCK GRANT</td>
<td>-</td>
</tr>
<tr>
<td>112</td>
<td>PROP A' TRANSPORTATION</td>
<td>1,558.00</td>
</tr>
<tr>
<td>114</td>
<td>PROP C' TRANSPORTATION</td>
<td>52,50</td>
</tr>
<tr>
<td>115</td>
<td>AIR QUALITY INVESTMENT PROGRAM</td>
<td>-</td>
</tr>
<tr>
<td>116</td>
<td>HOME BOUND INSTALLATION FUND</td>
<td>1,749.20</td>
</tr>
<tr>
<td>117</td>
<td>HYPERTENSION MITIGATION FUND</td>
<td>410.30</td>
</tr>
<tr>
<td>118</td>
<td>TDA ARTICLE 3 - SB 821 BIKEWAY FUND</td>
<td>-</td>
</tr>
<tr>
<td>119</td>
<td>MTA GRANT</td>
<td>-</td>
</tr>
<tr>
<td>121</td>
<td>FEMA</td>
<td>-</td>
</tr>
<tr>
<td>120</td>
<td>C.O.P.S. FUND</td>
<td>965.49</td>
</tr>
<tr>
<td>122</td>
<td>L.A.W.A. FUND</td>
<td>-</td>
</tr>
<tr>
<td>202</td>
<td>ASSESSMENT DISTRICT #73</td>
<td>-</td>
</tr>
<tr>
<td>301</td>
<td>CAPITAL IMPROVEMENT FUND</td>
<td>30,531.57</td>
</tr>
<tr>
<td>302</td>
<td>INFRASTRUCTURE REPLACEMENT FUND</td>
<td>-</td>
</tr>
<tr>
<td>405</td>
<td>FACILITIES MAINTENANCE</td>
<td>99.64</td>
</tr>
<tr>
<td>501</td>
<td>WATER UTILITY FUND</td>
<td>58,040.61</td>
</tr>
<tr>
<td>502</td>
<td>WASTEWATER FUND</td>
<td>251,952.03</td>
</tr>
<tr>
<td>503</td>
<td>GOLF COURSE FUND</td>
<td>-</td>
</tr>
<tr>
<td>601</td>
<td>EQUIPMENT REPLACEMENT</td>
<td>6,313.46</td>
</tr>
<tr>
<td>602</td>
<td>LIABILITY INSURANCE</td>
<td>29.42</td>
</tr>
<tr>
<td>603</td>
<td>WORKERS COMP. RESERVE/INSURANCE</td>
<td>24,246.81</td>
</tr>
<tr>
<td>701</td>
<td>RETIRED EMP. INSURANCE</td>
<td>6,293.19</td>
</tr>
<tr>
<td>702</td>
<td>EXPENDABLE TRUST FUND - DEVELOPER FEES</td>
<td>570.35</td>
</tr>
<tr>
<td>703</td>
<td>EXPENDABLE TRUST FUND - OTHER</td>
<td>44,733.54</td>
</tr>
<tr>
<td>708</td>
<td>OUTSIDE SERVICES TRUST</td>
<td>492.50</td>
</tr>
</tbody>
</table>

**TOTAL WARRANTS**: $874,348.76

---

**STATE OF CALIFORNIA**
**COUNTY OF LOS ANGELES**

Information on actual expenditures is available in the Director of Finance's office in the City of El Segundo.

I certify as to the accuracy of the Demands and the availability of funds for payment thereof.

For Approval: Regular checks held for City council authorization to release.

**CODES:**

- **R** = Computer generated checks for all non-emergency/urgent payments for materials, supplies and services in support of City Operations

For Ratification:

- **A** = Payroll and Employee Benefit checks

**B - F** = Computer generated Early Release disbursements and/or adjustments approved by the City Manager. Such as: payments for utility services, petty cash and employee travel expense reimbursements, various refunds, contract employee services consistent with current contractual agreements, instances where prompt payment discounts can be obtained or late payment penalties can be avoided or when a situation arises that the City Manager approves.

H = Handwritten Early Release disbursements and/or adjustments approved by the City Manager.

**FINANCE DIRECTOR**

**CITY MANAGER**

**DATE:** 2-9-16  **DATE:** 2-9-16
CITY OF EL SEGUNDO
PAYMENTS BY WIRE TRANSFER
1/25/16 THROUGH 2/7/16

<table>
<thead>
<tr>
<th>Date</th>
<th>Payee</th>
<th>Payee Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/29/2016</td>
<td>CA Infrastructure Bank</td>
<td>110,776.12 Semi Annual Infrastructure payment</td>
</tr>
<tr>
<td>1/29/2016</td>
<td>Health Comp</td>
<td>1,671.45 Weekly claims</td>
</tr>
<tr>
<td>1/29/2016</td>
<td>Cal Pers</td>
<td>77,538.78 Persable Uniform and OT - Safety</td>
</tr>
<tr>
<td>1/29/2016</td>
<td>Cal Pers</td>
<td>6,061.41 Persable Uniform and OT - Non-Safety</td>
</tr>
<tr>
<td>1/29/2016</td>
<td>Manufacturers &amp; Traders</td>
<td>22,359.78 457 payment Vantagepoint</td>
</tr>
<tr>
<td>1/29/2016</td>
<td>Manufacturers &amp; Traders</td>
<td>487.31 IRA payment Vantagepoint</td>
</tr>
<tr>
<td>1/29/2016</td>
<td>South Bay Credit Union</td>
<td>10,000.38 Payroll credit union deduction pmt</td>
</tr>
<tr>
<td>1/29/2016</td>
<td>Nationwide NRS EFT</td>
<td>70,674.85 EFT 457 payment</td>
</tr>
<tr>
<td>1/29/2016</td>
<td>State of CA EFT</td>
<td>853.45 EFT Child support payment</td>
</tr>
<tr>
<td>2/1/2016</td>
<td>IRS</td>
<td>225,640.60 Federal 941 Deposit</td>
</tr>
<tr>
<td>2/1/2016</td>
<td>Employment Development</td>
<td>3,301.23 State SDI payment</td>
</tr>
<tr>
<td>2/1/2016</td>
<td>Employment Development</td>
<td>45,534.52 State PIT Withholding</td>
</tr>
<tr>
<td>2/3/2016</td>
<td>Cal Pers</td>
<td>95,909.43 EFT Retirement Misc</td>
</tr>
<tr>
<td>2/3/2016</td>
<td>Cal Pers</td>
<td>271,589.55 EFT Retirement Safety</td>
</tr>
<tr>
<td>2/3/2016</td>
<td>Cal Pers</td>
<td>1,655.39 EFT Retirement Safety-Police</td>
</tr>
<tr>
<td>2/3/2016</td>
<td>Cal Pers</td>
<td>23,011.12 EFT Retirement Misc</td>
</tr>
<tr>
<td>2/5/2016</td>
<td>Health Comp</td>
<td>6,058.58 Weekly claims</td>
</tr>
<tr>
<td>2/4/2016</td>
<td>Lane Donovan Golf Ptr</td>
<td>24,589.63 Payroll Transfer</td>
</tr>
<tr>
<td>1/25/16-1/31/16</td>
<td>Workers Comp Activity</td>
<td>16,986.42 SCRMA checks issued</td>
</tr>
<tr>
<td>1/25/16-1/31/16</td>
<td>Liability Trust - Claims</td>
<td>0.00 Claim checks issued</td>
</tr>
<tr>
<td>2/1/16-2/7/16</td>
<td>Liability Trust - Claims</td>
<td>1,301.10 Claim checks issued</td>
</tr>
</tbody>
</table>

**DATE OF RATIFICATION: 2/9/16**

**TOTAL PAYMENTS BY WIRE:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Semi Annual Infrastructure payment</td>
<td>110,776.12</td>
</tr>
<tr>
<td>Weekly claims</td>
<td>1,671.45</td>
</tr>
<tr>
<td>Persable Uniform and OT - Safety</td>
<td>77,538.78</td>
</tr>
<tr>
<td>Persable Uniform and OT - Non-Safety</td>
<td>6,061.41</td>
</tr>
<tr>
<td>457 payment Vantagepoint</td>
<td>22,359.78</td>
</tr>
<tr>
<td>IRA payment Vantagepoint</td>
<td>487.31</td>
</tr>
<tr>
<td>Payroll credit union deduction pmt</td>
<td>10,000.38</td>
</tr>
<tr>
<td>EFT 457 payment</td>
<td>70,674.85</td>
</tr>
<tr>
<td>EFT Child support payment</td>
<td>853.45</td>
</tr>
<tr>
<td>Federal 941 Deposit</td>
<td>225,640.60</td>
</tr>
<tr>
<td>State SDI payment</td>
<td>3,301.23</td>
</tr>
<tr>
<td>State PIT Withholding</td>
<td>45,534.52</td>
</tr>
<tr>
<td>EFT Retirement Misc</td>
<td>95,909.43</td>
</tr>
<tr>
<td>EFT Retirement Safety</td>
<td>271,589.55</td>
</tr>
<tr>
<td>EFT Retirement Safety-Police</td>
<td>1,655.39</td>
</tr>
<tr>
<td>EFT Retirement Misc</td>
<td>23,011.12</td>
</tr>
<tr>
<td>Weekly claims</td>
<td>6,058.58</td>
</tr>
<tr>
<td>Payroll Transfer</td>
<td>24,589.63</td>
</tr>
<tr>
<td>SCRMA checks issued</td>
<td>16,986.42</td>
</tr>
<tr>
<td>Claim checks issued</td>
<td>0.00</td>
</tr>
<tr>
<td>Claim checks issued</td>
<td>1,301.10</td>
</tr>
</tbody>
</table>

**1,016,001.10**

Certified as to the accuracy of the wire transfers by:

Deputy City Treasurer II

Director of Finance

City Manager

Information on actual expenditures is available in the City Treasurer’s Office of the City of El Segundo.
REGULAR MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, FEBRUARY 2, 2016 – 5:00 PM

5:00 P.M. SESSION

CALL TO ORDER – Mayor Fuentes at 5:00 PM

ROLL CALL

Mayor Fuentes - Present
Mayor Pro Tem Jacobson - Present
Council Member Atkinson - Present
Council Member Fellhauer - Present
Council Member Dugan - Present

PUBLIC COMMUNICATION – (Related to City Business Only – 5 minute limit per person, 30 minute limit total) None

SPECIAL ORDER OF BUSINESS:

1. Consideration and possible action to interview candidates for the Library Board of Trustees. (Fiscal Impact: None)

Interviewed candidates for the Library Board of Trustees.

CLOSED SESSION:

The City Council may move into a closed session pursuant to applicable law, including the Brown Act (Government Code Section §54960, et seq.) for the purposes of conferring with the City’s Real Property Negotiator; and/or conferring with the City Attorney on potential and/or existing litigation; and/or discussing matters covered under Government Code Section §54957 (Personnel); and/or conferring with the City’s Labor Negotiators; as follows:

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Gov’t Code §54956.9(d)(1): -1- matter

1. City of El Segundo vs. City of Los Angeles, et.al. LASC Case No. BS094279

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code §54956.9(d)(2): -1- matter.

DISCUSSION OF PERSONNEL MATTERS (Gov't Code §54957): -0- matter

APPOINTMENT OF PUBLIC EMPLOYEE (Gov't. Code § 54957): -0- matter

PUBLIC EMPLOYMENT (Gov't Code § 54957) -0- matter

CONFERENCE WITH CITY'S LABOR NEGOTIATOR (Gov't Code §54957.6): -6- matters

2. Employee Organizations: Police Management Association; Police Officers Association; Police Support Services Employees Association; Supervisory and Professional Employees Association; City Employees Association; Executive Management Group (Unrepresented Group).

   Agency Designated Representative: Steve Filarsky and City Manager

CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov't Code §54956.8): -0- matters

Adjourned at 6:50 PM
REGULAR MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, FEBRUARY 2, 2016 - 7:00 P.M.

7:00 P.M. SESSION

CALL TO ORDER – Mayor Fuentes

INVOCATION – Reverend Dina Ferguson, St. Michael Episcopal Church

PLEDGE OF ALLEGIANCE – Council Member Fellhauer

PRESENTATIONS - None

ROLL CALL

Mayor Fuentes - Present
Mayor Pro Tem Jacobson - Present
Council Member Atkinson - Present
Council Member Fellhauer - Present
Council Member Dugan - Present

PUBLIC COMMUNICATIONS – (Related to City Business Only – 5 minute limit per person, 30 minute limit total)
Fernando Aguilar, Tree Musketeers Youth Manager, invited the Community to Arbor Day, Saturday, March 5, 2016.
Jim Latta, resident, commented on the increase in homeless in our City and offered suggestions to the Council.
Lorretta Frye, resident, invited Senior Citizen’s and low income residents to the Joslyn Center on Tuesday’s from 11:00 AM - 3:00 PM for tax preparation. Call the Joslyn Center at 310-524-2705 for an appointment. Thanked the employees of the Joslyn Center for doing an excellent job in helping set up for the tax preparation.
Dr. Mendez, resident, commented on item #E4 and asked the item be pulled for further discussion.

CITY COUNCIL COMMENTS – (Related to Public Communications)

A. PROCEDURAL MOTIONS

Consideration of a motion to read all ordinances and resolutions on the Agenda by title only.

MOTION by Mayor Pro Tem Jacobson, SECONDED by Council Member Fellhauer to read all ordinances and resolutions on the Agenda by title only. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0
MOVED FORWARD ON THE AGENDA (#F12)

F. NEW BUSINESS

12. Consideration and possible action regarding acceptance of a contribution from Continental Development Corporation in the amount of $15,000.00 to assist with economic development for the City of El Segundo to be applied specifically towards targeted economic development advertising in FY2015-2016. (Fiscal Impact: $15,000.00 appropriation for the Economic Development Advertising and Publishing Account)

Greg Carpenter, City Manager, introduced the item.

Council thanked Richard Lundquist of Continental Development Corporation for the donation.

MOTION by Council Member Fellhauer, SECONDED by Council Member Atkinson to accept the contribution from Continental Development Corporation in the amount of $15,000.00 to assist with economic development for the City of El Segundo to be applied specifically towards targeted economic development advertising in FY2015-2016.

B. SPECIAL ORDERS OF BUSINESS (PUBLIC HEARING)

C. UNFINISHED BUSINESS

D. REPORTS OF COMMITTEES, COMMISSIONS AND BOARDS

Consideration and possible action to announce the appointment to the Library Board of Trustees.
(Fiscal Impact: None)

Mayor Fuentes announced the appointment of Jayne Pimlott to the Library Board of Trustees to a partial term ending June 2016 and a full 3 year term ending June 2019.

E. CONSENT AGENDA

All items listed are to be adopted by one motion without discussion and passed unanimously. If a call for discussion of an item is made, the item(s) will be considered individually under the next heading of business.
2. Approve Warrant Numbers 3009385 through 3009612 on Register No. 8 in the total amount of $1,222,085.28 and Wire Transfers from 1/11/2016 through 1/24/2016 in the total amount of $2,833,272.82. Authorized staff to release. Ratified Payroll and employee Benefit checks; checks released early due to contracts or agreement; emergency disbursements and/or adjustments; and wire transfers.


4. PULLED BY MAYOR PRO TEM JACOBSON

5. Adopt Resolution No. 4967 approving Plans and Specifications for Water Main Improvement at Center St., Walnut Ave. and Maple Ave., Project No. PW16-02. (Fiscal Impact: $2,000,000.00)

6. Adopt Resolution No. 4968 approving Plans and Specifications for Construction of American Disabilities Act (ADA) Sidewalk Ramps (CDBG Project) and authorize staff to advertise the project for receipt of construction bids. Project No. PW 15-24. (Fiscal Impact: $95,000.00 in federal Community Development Block Grant Funds (CDBG))

7. Approve a City policy regarding sidewalk inspection, maintenance and repair. (Fiscal Impact: N/A)

8. PULLED BY STAFF

9. Authorize the City Manager to execute a standard Public Works Contract No. 4979, in a form approved by the City Attorney, with Sancon Technologies, Inc. in the amount of $567,577.00 for Trenchless Sewer Main Improvement – Eastern Residential Zone, Project No. PW 16-03 and authorize an additional $85,423.00 for construction related contingencies. (Fiscal Impact: $653,000.00)

10. Approve the El Segundo Senior Housing Corporation 2016 Annual Budget for the Park Vista Apartments located at 615 East Holly Street. (Fiscal Impact: None)

11. Waive the second reading and adopt Ordinance No. 1517 to amend section 1-4-2 of the El Segundo Municipal Code ("ESMC") relating to the selection of mayor and mayor pro tem.

MOTION by Council Member Fellhauer, SECONDED by Mayor Pro Tem Jacobson to approve Consent Agenda items 2, 3, 6, 7, 9, 10 and 11. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0
4. Consideration and possible action to receive and file this report regarding emergency work to repair dwelling units at the Park Vista Senior Housing Facility due to water intrusion without the need for bidding in accordance with Public Contracts Code §§ 20168 and 22050 and El Segundo Municipal Code ("ESMC") §§ 1-7-12 and 1-7A-4. (Fiscal Impact: $50,000.00)

Mark Hensley, City Attorney, explained the process of placing this item on the Agenda continually until the work is complete.

Stephanie Katsouleas, Public Works Director, updated the Council on the Park Vista progress.

MOTION by Mayor Pro Tem, SECONDED by Council Member Fellhauer to receive and file the report regarding emergency work to repair dwelling units at the Park Vista Senior Housing Facility due to water intrusion without the need for bidding in accordance with Public Contracts Code §§ 20168 and 22050 and El Segundo Municipal Code ("ESMC") §§ 1-7-12 and 1-7A-4. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

F. NEW BUSINESS – MOVED FORWARD IN AGENDA

G. REPORTS – CITY MANAGER - None

H. REPORTS – CITY ATTORNEY - None

I. REPORTS – CITY CLERK - None

J. REPORTS – CITY TREASURER – Not Present

K. REPORTS – CITY COUNCIL MEMBERS

Council Member Fellhauer – Contacted by several residents concerning the recent the power outages and attended the ICA's (Independent Cities Association) Winter Conference in Santa Barbara.

Council Member Atkinson – None

Council Member Dugan – None

Mayor Pro Tem Jacobson – None

Mayor Fuentes – None
PUBLIC COMMUNICATIONS – (Related to City Business Only – 5 minute limit per person, 30 minute limit total)
Jack Axelrod, resident, mentioned a few items of concern.

MEMORIALS – None

ADJOURNMENT at 7:32 PM

Tracy Weaver, City Clerk
EL SEGUNDO CITY COUNCIL
AGENDA STATEMENT

MEETING DATE: February 16, 2016
AGENDA HEADING: Consent Agenda

AGENDA DESCRIPTION:
Consideration and possible action to receive and file this report regarding emergency work to repair dwelling units at the Park Vista Senior Housing Facility due to water intrusion without the need for bidding in accordance with Public Contracts Code §§ 20168 and 22050 and El Segundo Municipal Code ("ESMC")§ 1-7-12 and 1-7A-4. (Fiscal Impact: $50,000.00)

RECOMMENDED COUNCIL ACTION:
(1) Receive and file this report regarding emergency work to repair dwelling units at the Park Vista Senior Housing Facility due to water intrusion without the need for bidding in accordance with Public Contracts Code §§ 20168 and 22050 and El Segundo Municipal Code ("ESMC")§ 1-7-12 and 1-7A-4.

(2) Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
None

FISCAL IMPACT: Included in Adopted Budget
Amount Budgeted: $50,000.00
Additional Appropriation: No
Account Number(s): 405-400-0000-6215 (Facilities Maintenance: Repairs and Maintenance)

ORIGINATED BY: Stephanie Katsouleas, Director of Public Works
REVIEWED BY: Gregg Kovacevich, Assistant City Attorney
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:
Engineering staff scheduled a pre-construction meeting with Bino Construction the week of February 8th. As of the due date of this staff report, the meeting had not taken place. However, it is anticipated that commencement of construction will have been scheduled as of the date of this council meeting.

Public Contracts Code § 22050 (c) requires that the City Council receive updates at every regularly scheduled meeting until the emergency repair is completed. Therefore, staff recommends that City Council receive and file this report on the status of the emergency repair to address the water intrusion issues at Park Vista Senior Housing Facility.
AGENDA DESCRIPTION:
Consideration and possible action regarding adoption of Plans and Specifications for the FY 15-16 Slurry Seal Project in the area bounded by the north City boundary, Sheldon Street, Mariposa Avenue, and Sepulveda Boulevard. Project No.: PW 16-09 (Fiscal Impact: $400,000.00)

RECOMMENDED COUNCIL ACTION:
1. Adopt Plans and Specifications.
2. Authorize staff to advertise the project for receipt of construction bids.
3. Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
Location Map
Resolution

FISCAL IMPACT: Included in Adopted Budget
Amount Budgeted: $400,000.00
Additional Appropriation: N/A
Account Number(s): 106-400-8206-8943 (Gas Tax)

ORIGINATED BY: Cheryl Ebert, Senior Civil Engineer
REVIEWED BY: Stephanie Katsouleas, Public Works Director
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:
The Public Works Department administers a slurry sealing program as a preventative measure to extend the life of pavement Citywide. The slurry sealing process consists of the application of a thin asphalt slurry layer on existing asphalt pavement to prevent water intrusion.

The City is divided into five (5) areas for slurry; four quadrants west of Sepulveda Boulevard and one area east of Sepulveda Boulevard. Conventional pavement management practice indicates that asphalt pavement should be slurry sealed at least every eight years. The City’s cycle is within this guideline as we slurry seal the streets of these five quadrants every seven years on a rotating basis. The two years we are dormant allows the Public Works Department to accumulate enough Gas Tax Funding to ensure enough funding is available to cover most or all of the cost for slurry during the five-year active cycles. The City is currently in Year Four of its five-year rotation. The one remaining quadrant, which will be scheduled for FY 16/17, includes the entire area east of Sepulveda.
Staff has prepared plans and specifications for the Fiscal Year 2015/2016 Slurry Seal Program, which includes streets within the area bounded by the north City boundary, Sheldon Street, Mariposa Avenue, and Sepulveda Boulevard. Staff recommends that City Council adopt the plans and specifications and authorize the project for receipt of construction bids. Please note that we are bidding at this time to secure a preferred placement in the contractor's slurry schedule due to competition among cities for the seasonal work, but do not anticipate beginning slurry activities until June/July. Please note that the City's annual water main project will be occurring in this same quadrant. Therefore the affected streets are excluded from the slurry project, and instead will be slurried at the conclusion of the water main work (see attached map).

A total of $400,000 was allocated from Gas Tax funding for the capital improvement program. It is anticipated that additional funding may be required for slurry work depending on market conditions and bids received. Additional funds are available from the Gas Tax fund should they be needed.
RESOLUTION NO. _____

A RESOLUTION APPROVING THE DESIGN AND PLANS FOR THE CONSTRUCTION OF THE FY 14-15 SLURRY SEAL PROJECT PURSUANT TO GOVERNMENT CODE SECTION 830.6 AND ESTABLISHING A PROJECT PAYMENT ACCOUNT.

The City Council of the City of El Segundo does resolve as follows:

SECTION 1: The City Council finds and declares as follows:

A. The City Engineer prepared specifications and plans requesting Construction of the FY 15-16 Slurry Seal Project (the "Project"). These plans are complete. Bidding for construction of the Project may begin;

B. The City Council wishes to obtain the immunities set forth in Government Code § 830.6 with regard to the plans and construction of the Project.

SECTION 2: Design Immunity; Authorization.

A. The design and plans for the Project are determined to be consistent with the City's standards and are approved.

B. The design approval set forth in this Resolution occurred before actual work on the Project construction commenced.

C. The approval granted by this Resolution conforms with the City's General Plan.

D. The City Engineer, or designee, is authorized to act on the City's behalf in approving any alterations or modifications of the design and plans approved by this Resolution.

E. The approval and authorization granted by this Resolution is intended to avail the City of the immunities set forth in Government Code § 830.6.

SECTION 3: Project Payment Account. For purposes of the Contract Documents administering the Project, the City Council directs the City Manager, or designee, to establish a fund containing sufficient monies from the current fiscal year budget to pay for the Project ("Project Payment Account") following receipt of construction bids. The Project Payment Account will be the sole source of funds available for the Contract Sum, as defined in the Contract Document administering the Project.

SECTION 4: The City Clerk is directed to certify the adoption of this Resolution.
SECTION 5: This Resolution will become effective immediately upon adoption.

PASSED AND ADOPTED this 16th day of February, 2016.

Suzanne Fuentes, Mayor

APPROVED AS TO FORM:
Mark D. Hensley, City Attorney

By: ________________
David H. King, Assistant City Attorney
AGENDA DESCRIPTION:

Consideration and possible action regarding the acceptance of grant funding from the U.S. Department of Homeland Security, through the Office of Grants and Training, under Fiscal Year 2014 State Homeland Security Grant Program (SHSGP). (Fiscal Impact: $4,932)

RECOMMENDED COUNCIL ACTION:

1. Authorize the acceptance of $4,932 in grant funds from the SHSGP 2014 grant program.
2. Authorize the City Manager to sign an Agreement with the County of Los Angeles who will serve as the grant administrator for the grant;
3. Alternately, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

1. Sub-recipient Agreement.

FISCAL IMPACT:

- Amount Budgeted: $4,932
- Additional Appropriation: Yes
- Account Number(s): 124-300-3202-3766 (SHSGP)
  124-400-3766-4103 (Overtime grant fund)

ORIGINATED BY: Carol Lynn Anderson, Sr. Management Analyst
REVIEWED BY: Breck Slover, Interim Fire Chief
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:

The City of El Segundo has been allocated $4,932 in State Homeland Security Grant Program (SHSGP) funding, which is passed to the local area through Los Angeles County via a Sub-Recipient agreement. Funding was carved out for the City of El Segundo to provide federal funding to cover overtime and back-fill expenses associated with staff attending Homeland Security Exercise Programs. This program is part of a regional effort to provide three operational area Urban Search and Rescue (USAR) Mobilization exercises for fire personnel to attend.

In accordance with the City Council Policy regarding grant submissions:
1. The grant award is made by the U.S. Department of Homeland Security, through the Office of Grants and Training. The grant is administered by the County of Los Angeles.
2. The total amount being requested is: $4,932
3. Matching Funds Cost-Share: N/A
4. Source of Matching Funds Cost Share: N/A
5. The grant does not provide up-front funding. Municipalities submit reimbursement requests to the grant administrator after expenditures are made and processed for payment. Approved requests are reimbursed by the County of Los Angeles.
January 7, 2016

Breck Slover, Interim Fire Chief  
El Segundo Fire Department  
314 Main Street  
El Segundo, CA 90245

Dear Chief Slover:

2014 HOMELAND SECURITY GRANT PROGRAM  
SUBRECIPIENT AGREEMENT

The County of Los Angeles (County) Board of Supervisors has accepted the 2014 State Homeland Security Program (SHSP) for the Los Angeles County Operational Area, and received the requisite State approvals to proceed with the allocation of funds to program Subrecipients. In order to facilitate this effort, the County requires a formal Subrecipient Agreement between the City of El Segundo and the County which outlines the requirements of the grant and provides the guidelines to follow for SHSP reimbursement of eligible expenses.

Enclosed please find two copies of the Subrecipient Agreement (SA) between the City of Segundo and the County of Los Angeles. Each copy of the SA requires original signatures (in blue ink), with complete contact information listed in Section 1, Paragraph 102.A.2 and signed Exhibit pages A, B, C and D (with D needing each page initialed in the lower right corner) by the appropriate staff of your city. Details of your 2014 approved project(s) can be found under Exhibit E. Please return both signed agreements to:

Chief Executive Office  
Attn: Craig Hiraoka  
County Disaster Administrative Team  
222 S. Hill Street, 2nd Floor, Suite 200  
Los Angeles, CA 90012

"To Enrich Lives Through Effective And Caring Service"  
Please Conserve Paper – This Document and Copies are Two-Sided  
Intra-County Correspondence Sent Electronically Only
Mr. Hirakawa will obtain the required County signatures and return a fully executed original of the SA to you. Please be aware that any sole source, aircraft, watercraft, and/or environmental clearances must be approved by the State prior to your jurisdiction incurring any costs related to the item(s) requiring such clearances.

If you have any questions, your staff may contact Mr. Hirakawa at (213) 974-1127 or by email at chirakawa@ceo.lacounty.gov.

Sincerely,

SACHI A. HAMAI
Chief Executive Officer

[Signature]

Alvia Shaw
Interim Director

CH:AS:sc

Enclosures

c: Greg Carpenter, City Manager, City of El Segundo (w/o enclosure)
<table>
<thead>
<tr>
<th>Sub-Recipient</th>
<th>Item Number</th>
<th>Project</th>
<th>Project Name</th>
<th>Funding Source</th>
<th>Discipline</th>
<th>Solution Area</th>
<th>Solution Area Sub-Category</th>
<th>Total Obligated</th>
</tr>
</thead>
<tbody>
<tr>
<td>El Segundo</td>
<td>47</td>
<td>F</td>
<td>Homeland Security Exercise, Evaluation and Training Programs</td>
<td>HSGP-SHSP</td>
<td>FS</td>
<td>Exercise</td>
<td>Conduct/Attend/Evaluate</td>
<td>4,932</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sub-Recipient</th>
<th>Project #</th>
<th>Project</th>
<th>Exercise Title</th>
<th>Funding Source</th>
<th>Discipline</th>
<th>Solution Area</th>
<th>Solution Area Sub-Category</th>
<th>Expenditure Category</th>
<th>EHP Approval Date</th>
<th>Date of Exercise</th>
<th>Exercise Activity</th>
<th>Identified Host</th>
<th>Date of AAR entered into HSEP</th>
<th>Part of a Procurement over 100k</th>
<th>Sole Source Involved</th>
<th>Estimated Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>El Segundo</td>
<td>47</td>
<td>F</td>
<td>Three Operational Area USAR Mobilization Exercise. Casual incident, Valley incident and Santa Clarita Incident. Exercises will simulate an earthquake scenario with approximately four (4) to six (6) different rescue situations that will include shoring, BMS delivery, and metal cutting.</td>
<td>HSGP-SHSP</td>
<td>FS</td>
<td>Conduct/Attend/Evaluate</td>
<td>OT &amp; Backfill</td>
<td>TBD</td>
<td>TBD</td>
<td>Functional Host</td>
<td>Long Beach Fire Department</td>
<td>No</td>
<td>No</td>
<td>4,932</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
EL SEGUNDO CITY COUNCIL
AGENDA ITEM STATEMENT

MEETING DATE: February 16, 2016
AGENDA HEADING: New Business

AGENDA DESCRIPTION:

Consideration and possible action regarding acceptance of the terms and conditions from a grant award by Chevron U.S.A., Inc. in the amount of $200,000.00 to assist in Economic and Business Development within the City of El Segundo over the next two fiscal years. (Fiscal Impact: $200,000.00 Revenue for the Economic Development Grant Account)

RECOMMENDED COUNCIL ACTION:

1. Authorize the City Manager to execute the Grant Agreement with Chevron U.S.A., Inc.;
2. Appropriate grant funding for FY2015-16 in the Economic Development Grant Account; and/or,
3. Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

Chevron USA, Inc. Grant Agreement

FISCAL IMPACT: $200,000.00 Revenue for the Economic Development Grant Account

<table>
<thead>
<tr>
<th>Amount Budgeted:</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Appropriation:</td>
<td>N/A</td>
</tr>
<tr>
<td>Account Number(s):</td>
<td>001-281-0000-1281</td>
</tr>
</tbody>
</table>

PREPARED BY: Barbara Voss, Economic Development Manager
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND & DISCUSSION:

In August of 2015, Staff applied for a grant with Chevron Corporate Social Investment Program which makes available financial resources for community investment within the communities they maintain operations in the form of competitive grants. This is the third time El Segundo has been awarded. Council accepted a grant for $200,000.00 in 2013 and $175,000.00 in 2014. On February 2, 2016, Chevron is awarding the City of El Segundo a grant in the amount of $200,000.00.

Upon execution by both parties of the Chevron USA, Inc. Grant Agreement, a one-time $200,000.00 payment will be made to the City of El Segundo tendered either by check or wire transfer within 30 days. Staff intends to recommend that the City Council program these funds for marketing and branding efforts in FY16-17.

Staff request Council to formally authorize the City Manager to appropriate $200,000.00 contribution from Chevron for FY15-16 in the Economic Development Grant Account.
CHARITABLE GRANT AGREEMENT

BETWEEN

CHEVRON U.S.A. INC.

AND

CITY OF EL SEGUNDO

Effective Date: December 18, 2015
## CHARITABLE GRANT AGREEMENT

### TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>SECTION</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGREEMENT</td>
<td>1</td>
</tr>
<tr>
<td>1. DEFINITIONS AND EXHIBITS</td>
<td>1</td>
</tr>
<tr>
<td>2. THE GRANT AND USE OF GRANT FUNDS</td>
<td>2</td>
</tr>
<tr>
<td>3. FINANCIAL MATTERS</td>
<td>2</td>
</tr>
<tr>
<td>4. EFFECTIVENESS AND TERMINATION</td>
<td>3</td>
</tr>
<tr>
<td>5. ADDITIONAL OBLIGATIONS</td>
<td>3</td>
</tr>
<tr>
<td>6. RECIPIENT PROGRAM UPDATE REPORTS AND OVERSIGHT SITE VISITS</td>
<td>4</td>
</tr>
<tr>
<td>7. TAXES</td>
<td>5</td>
</tr>
<tr>
<td>8. INTELLECTUAL PROPERTY AND TRADEMARK</td>
<td>6</td>
</tr>
<tr>
<td>9. INDEMNIFICATION</td>
<td>8</td>
</tr>
<tr>
<td>10. INSURANCE</td>
<td>8</td>
</tr>
<tr>
<td>11. GOVERNING LAW AND RESOLUTION OF DISPUTES</td>
<td>8</td>
</tr>
<tr>
<td>12. GENERAL PROVISIONS</td>
<td>9</td>
</tr>
<tr>
<td>13. OTHER REGULATIONS</td>
<td>11</td>
</tr>
<tr>
<td>EXHIBIT A – PROGRAM DESCRIPTION</td>
<td>12</td>
</tr>
</tbody>
</table>
CHARITABLE GRANT AGREEMENT

This CHARITABLE GRANT AGREEMENT (the “Agreement”), dated as of December 18, 2015 (the “Effective Date”), by and between Chevron U.S.A. Inc., a Pennsylvania corporation with its principal offices at 6001 Bollinger Canyon Road, San Ramon, CA 94583 (“Chevron”) and City of El Segundo, a municipal corporation, with its principal offices at 350 Main Street, El Segundo, CA 90245 (“Recipient”).

RECITALS

A. Recipient is a non-profit, public charity incorporated under the laws of California.

B. Chevron has decided to support Recipient’s Program.

AGREEMENT

In consideration of the mutual covenants and undertakings of the Parties set out under this Agreement the Parties agree as follows:

1. DEFINITIONS AND EXHIBITS

1.1 Definitions. As used in this Agreement, these words or expressions have the following meanings:

“Agreement” has the meaning given in the introductory paragraph.

“Affiliate” means any legal entity which controls, is controlled by or is under common control with, another legal entity. An entity is deemed to “control” another if it owns directly or indirectly at least fifty percent of the shares or interests entitled to vote.

“Chevron” has the meaning given in the introductory paragraph.

“Chevron Group” means Chevron, Chevron’s Affiliates and the directors, officers and employees of all of them.

“Chevron Licensed Marks” has the meaning given in Section 8.

“Confidential Information” has the meaning given in Section 12.7.

“Effective Date” means the date defined as “Effective Date” in the introductory paragraph.

“Government Official” means any officer or employee of any government (including federal, state, local and national governments), Public International Organization, or political party (including any department, agency, company or other instrumentality of any government or, Public International Organization) or any candidate for political office

“Grant Funds” has the meaning given in Section 2.1.

“Marks” has the meaning given in Section 8.
“Party” means Chevron or Recipient and “Parties” mean both of them.

“Personal Data” means any information that can be used directly or indirectly, alone or in combination with other information, to identify an individual.

“Program” means the City of El Segundo Economic and Business Development Program as further described in Exhibit A – Program Description.

“Program Reports” has the meaning given in Section 6.1.

“Public International Organization” means an international organization formed by states, governments, or other public international organizations, whatever the form of organization and scope of competence.

“Recipient” has the meaning given in the introductory paragraph.

“Recipient Group” means Recipient, Recipient’s shareholders, Recipient’s Affiliates, subcontractors, and directors, officers, employees and other personnel of all of them, and any person acting on behalf of any of them in connection with this Agreement.

“Recipient Licensed Marks” has the meaning giving in Section 8.

“Term” has the meaning given in Section 4.1.

1.2 Exhibits.

(A) The Exhibit A – Program Description that is attached to the body of this Agreement is an integral part of this Agreement and is incorporated by reference into this Agreement.

(B) If a conflict exists between the body of this Agreement and the Exhibit A – Program Description, the body prevails to the extent of the conflict.

2. THE GRANT AND USE OF GRANT FUNDS

2.1 Grant Funds. Chevron will provide a grant to Recipient of Two Hundred Thousand dollars US$200,000 subject to this Agreement (the “Grant Funds”) for the Program.

2.2 Additional Funds, Goods or Services. Any additional funds or goods or services by Chevron must be approved by Chevron in advance and in writing.

2.3 Use of Grant Funds. Recipient agrees to use the Grant Funds exclusively for the Program in accordance with this Agreement and any applicable law.

3. FINANCIAL MATTERS

3.1 Payment. Chevron will pay the Grant Funds to Recipient by any of the means indicated in Section 3.2 within thirty days of the execution of this Agreement:

3.2 Payment Information. Chevron will make the Grant Funds payment to Recipient by check or wire transfer.
3.3 **Award.** In acknowledgement of Chevron’s donation of the Grant Funds Chevron will be provided with the recognition as further described in Exhibit A – Program Description.

4. **EFFECTIVENESS AND TERMINATION**

4.1 **Term.** Unless terminated as provided in Section 4.2, this Agreement is effective from the Effective Date until the completion of the Program or expenditure of all Grant Funds, whichever first occurs, unless terminated earlier as provided in this Agreement ("Term").

4.2 **Early Termination.** Chevron may terminate this Agreement and discontinue funding under this Agreement with immediate effect in the following events:

(A) At any time, by giving notice to the Recipient if the Recipient does not comply with all the terms and conditions under this Agreement.

(B) In accordance with Section 5.4.

(C) In accordance with Section 7.5.

5. **ADDITIONAL OBLIGATIONS**

5.1 **Warranty.** Recipient represents and warrants for itself and on behalf of Recipient Group that no event has occurred prior to the Effective Date which, had it occurred after the Effective Date, would constitute a violation of Section 5.2 or Section 5.3.

5.2 **Conflicts of Interest.** No member of Recipient Group may engage in any of the following activities:

(A) Give to or receive from any director, employee or agent of Chevron or its Affiliate in connection with this Agreement, any gift, entertainment or other benefit of significant cost or value, or any commission, fee or rebate.

(B) Enter into any business arrangement with any director, employee or agent of Chevron or its Affiliate (other than as a representative of Chevron or its Affiliate) without Chevron’s prior written consent.

5.3 **Improper Influence.** No member of Recipient Group may offer or make any payment, or offer or give anything of value to any Government Official, any immediate family member of a Government Official or any political party to influence any act or decision by any Government Official, government, government instrumentality, party, or public organization, or to gain any other advantage for Chevron Group, Recipient Group or any of them arising out of this Agreement. In addition, no member of Recipient Group may offer or make any payment or offer or give anything of value to any person if the member knows or has reason to believe that any portion of the payment or thing of value will be given directly, indirectly or through a third party to any Government Official, any immediate family member of any Government Official or any political party.
5.4 **Reporting Violations, Reimbursement and Termination.** Recipient shall immediately notify Chevron of any violation of Section 5.2 or Section 5.3, or breach of the warranty set out in Section 5.1. In addition to any other remedies to which Chevron may be legally entitled and notwithstanding termination of this Agreement, Recipient shall reimburse or issue a credit to Chevron equal to any benefit that was realized or paid in violation of these Sections. Chevron has the right to terminate this Agreement at any time pursuant to Section 4.2 for any violation of Section 5.2 or Section 5.3, or breach of warranty set out in Section 5.1.

5.5 **Records Retention and Right to Audit.** Recipient shall maintain and retain, and ensure that other members of Recipient Group maintain and retain, true and correct records in connection with all matters related to this Agreement until at least twenty-four months from the end of the calendar year in which this Agreement is terminated. Chevron (or its representative) may inspect all records at any time within the stated retention period to determine Recipient’s compliance with the terms of this Agreement. For the records pertaining to taxes or Recipient’s tax-exempt status, Recipient and Recipient Group shall maintain and Chevron may inspect such records for so long as the longest applicable statute of limitations remains open.

5.6 **Data Privacy.** Recipient will process all Personal Data it processes on behalf of Chevron in accordance with all applicable laws and Chevron's reasonable requests with respect to protecting Personal Data, including but not limited to: restricting employee and agent/subcontractor access to Personal Data, following Chevron's instructions in connection with processing Personal Data, not disclosing Personal Data to any third party without Chevron's written permission, applying appropriate security measures to protect Personal Data, and deleting any Personal Data in its possession or control at the expiry or termination of this Agreement unless otherwise agreed between the Parties. In the event of any unauthorized, unlawful, and/or unintended processing, access, disclosure, exposure, alteration, loss, or destruction of Personal Data, Recipient will immediately notify Chevron and cooperate with Chevron's reasonable requests to investigate and remediate such incident and provide appropriate response and redress. "Personal Data" means any information that can be used directly or indirectly, alone or in combination with other information, to identify an individual.

5.7 **Testimonials and Stories.** If any testimonials or stories related to the Program are provided to Chevron, the Recipient is responsible for complying with applicable law and its own policies with respect to giving notice and obtaining consent from individuals who provide testimonials or stories before providing them to Chevron. The notice to the individuals must include that the testimonials provided will be transferred to other countries, including the United States, and may be used by Chevron or any of its Affiliates for commercial or any other purposes without any royalty or other compensation of any kind to the Recipient or the individuals who provided the testimonials or stories.

6. **RECIPIENT PROGRAM UPDATE REPORTS AND OVERSIGHT SITE VISITS**

6.1 **Program Reports.** Recipient shall provide Chevron with detailed written reports regarding the status of the Program (the "Program Reports") annually at the end of each year.
6.2 **Oversight Visits.** Recipient shall make commercially reasonable efforts to accommodate any person identified by Chevron to conduct a site visit of the Program.

7. **TAXES**

7.1 Recipient represents that it has received written confirmation from the United States Internal Revenue Service (the “IRS”) that Recipient is classified as a “Public Charity” and as an organization exempt from federal income tax under section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended from time to time (the “IRC”). Recipient warrants that it is currently exempt from Federal income tax pursuant to IRC section 501(c)(3); is not a private foundation; is not an organization described in IRC section 4966(d)(1); and has received no notice or information that the determination letter that the IRS issued to it has been revoked, modified, suspended or superseded by IRS action or otherwise.

7.2 Recipient agrees not to expend any Grant Funds in such a way as to constitute an attempt to influence legislation under section 501(h) or a taxable expenditure described in IRC section 4945, that is any of the following:

(A) To carry on propaganda or otherwise attempt to influence legislation.

(B) To influence the outcome of any specific public election or to carry on, directly or indirectly, any voter registration drive.

(C) For any grant to an individual which does not comply with the requirements of IRC section 4945(d)(3) or (4).

(D) For any purpose other than one specified in IRC section 170(c)(2)(B), i.e., a religious, charitable, scientific, literary or educational purpose.

7.3 Recipient is in full compliance with Executive Order 13224 and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56; also known as the USA Patriot Act). Recipient shall not disburse Grant Funds to any person or organization who, at the time of signing this Agreement or at the time of payment of any grant, is listed on any of the following: the United States Treasury – Office of Foreign Assets Control List (also known as Specially Designated Nationals List or SDN List); the Secretary of State Terrorist Exclusion List; the United Nations Security Council Committee’s “1267 List”; and the European Union List published by the Council of the European Union (collectively, the “Terrorist Watch Lists”). Recipient shall also not disburse Grant Funds to any organization with officers or key employees on one of the Terrorist Watch Lists. Recipient shall assist Chevron in obtaining such documents as, in the good faith judgment of Chevron, are necessary or appropriate to assure Chevron that the contribution is not directly or indirectly supporting terrorist groups or individuals.

7.4 Recipient shall provide Chevron with immediate written notification of all the following:

(A) Any changes in its tax-exempt status described in Section 7.1 above (whether or not appealed).
(B) Inability to expend the Grant Funds for the Program.

(C) Any payment (inadvertent or otherwise) to an organization or individual listed on a Terrorist Watch List.

(D) Any payment (inadvertent or otherwise) to an organization with an officer or key employee listed on a Terrorist Watch List.

(E) Any expenditure from the Grant Funds made for any purpose other than the Program.

7.5 Chevron may, after notice to Recipient of its intent to do so, cancel its participation in the Program for which the Grant Funds are granted, in the event Chevron, in its sole judgment, finds any of the following:

(A) Recipient has failed to make substantial progress in the completion of the Program.

(B) Recipient has failed to comply with the terms of this Agreement.

(C) Any such cancellation is necessary to comply with the requirements of law.

(D) Recipient’s tax-exempt status described in Section 7.1 is changed in any way.

7.6 Recipient makes no representation or warranty with respect to the tax treatment of any payment by Chevron to Recipient whether under this Agreement or otherwise.

7.7 Upon receipt of the Grant Funds, Recipient shall provide Chevron with written confirmation of: the total amount of the gift, the total value, if any, of services or property that Chevron or any related company received or will receive from Recipient.

7.8 Recipient is responsible for all liabilities or claims for taxes (including income, capital, sales or use, value added, goods and services, excise, property, personnel, among other taxes) that any taxing authority claiming jurisdiction over this Agreement may assess or levy against Recipient relating to this grant or this Agreement. Recipient shall comply with all applicable tax requirements, file all registrations and reports, and take all actions necessary to make its tax payments. Chevron is responsible for all liabilities of claims for taxes that any taxing authority claiming jurisdiction over this Agreement may assess or levy against Chevron. Chevron will, as appropriate, report, withhold and pay to the taxing authorities, any taxes levied or assessed on account of this grant or this Agreement. Chevron will provide Recipient with tax receipts (or other proof of payment if receipts are not available) for any withheld taxes, but will not reimburse Recipient for these withheld taxes.

8. INTELLECTUAL PROPERTY AND TRADEMARK

8.1 Chevron Trademarks. Chevron hereby grants to the Recipient a limited non-exclusive license to use the Chevron trademarks and the corresponding logos as instructed in writing by Chevron (the “Chevron Licensed Marks”) during the Term in connection with the Program, subject to the following conditions:
(A) Recipient recognizes the exclusive rights of Chevron and Affiliates of Chevron in the Chevron Licensed Marks and shall not contest, directly or indirectly, or in any way impair such exclusive ownership of the Chevron Licensed Marks or aid or encourage others to do so, both during the Term and afterwards.

(B) Recipient further recognizes that all use of the Chevron Licensed Marks by Recipient must at all times inure to the benefit of Chevron and/or its Affiliates, and that Recipient acquires no right, title or interest in or to the Chevron Licensed Marks except as expressly and temporarily provided in this Section 8.1.

(C) Recipient shall obtain Chevron’s prior written approval before using the Chevron Licensed Marks. Recipient's uses of the Chevron Licensed Marks must conform to Chevron's style and usage guides. Chevron may reasonably withhold approval or require cessation as to any uses by Recipient that do not conform to such guidelines; Chevron will provide a copy of such guidelines to Recipient and will provide additional information to Recipient regarding the implementation of said guidelines.

(D) Recipient shall make no use of the Chevron Licensed Marks except as specifically approved in writing by Chevron. Recipient shall immediately withdraw any uses that Chevron deems improper. In the event Recipient seeks the consent or approval of Chevron for promotional materials, Chevron shall use reasonable efforts to respond promptly. Recipient shall not sublicense or otherwise transfer the use of the Chevron Licensed Marks to any person or entity.

(E) Upon termination of this Agreement, Recipient shall promptly deliver to Chevron or destroy all material bearing the Chevron Licensed Marks. Notwithstanding the foregoing, Recipient is not required to deliver or destroy any materials bearing Chevron Licensed Marks in any of the following events:

1. Chevron is listed as a sponsor along with other sponsors provided that the materials are not displayed, shown or in any other way used in a public venue or distributed to anyone other than an employee or volunteer of Recipient.

2. Chevron agrees in writing to allow Recipient to retain such materials for use in subsequent years.

8.2 **Recipient Trademarks.** Recipient hereby grants to Chevron and its Affiliates a limited non-exclusive license to use the Recipient trademarks and the corresponding logos as instructed in writing by Recipient (the “Recipient Licensed Marks”) during the Term in connection with the Program, subject to the following conditions:

(A) Chevron recognizes the exclusive rights of Recipient and/or and the subsidiaries and Affiliates of Recipient in the Recipient Licensed Marks and shall not contest, directly or indirectly, or in any way impair such exclusive ownership of the Recipient Licensed Marks.

(B) Chevron further recognizes that all use of the Recipient Licensed Marks by Chevron will at all times inure to the benefit of Recipient and/or its Recipient Affiliates, and that Chevron and its Affiliates acquire no right, title or interest in
or to the Recipient Licensed Marks except as expressly and temporarily provided in Section 8.2 and Section 8.3.

(C) Chevron shall immediately withdraw any uses that Recipient demonstrates to Chevron to be improper. In the event Chevron seeks the consent or approval of Recipient for promotional materials, Recipient shall use reasonable efforts to respond promptly. Other than to a Chevron Affiliate, Chevron shall not sublicense or otherwise transfer the use of the Recipient Licensed Marks to any person or entity.

(D) Except as provided in Section 8.3, upon termination of this Agreement, Chevron shall cease use of the Recipient Licensed Marks.

8.3 **Chevron's Right.** Chevron and its Affiliates are permitted and retain a right after the Term to refer to Recipient and/or use Recipient trademarks and corresponding logos to identify Recipient as the beneficiary and recipient of the Grant Funds.

9. **INDEMNIFICATION**

9.1 Recipient agrees to indemnify, defend and hold harmless Chevron Group, its successors and assigns from and against any and all third party claims, damages, liabilities, costs and expenses, including reasonable legal fees and expenses arising out of or related to Recipient's performance of and obligations and representations under this Agreement.

10. **INSURANCE**

10.1 Without in any way limiting Recipient's indemnification obligations under this Agreement Recipient shall maintain, at all times during the Term, the insurance required by applicable law.

11. **GOVERNING LAW AND RESOLUTION OF DISPUTES**

11.1 **Governing Law.** This Agreement and the subjects contained in it are governed by and interpreted under the laws of the State of California, without regard to its choice of law rules.

11.2 **Resolution of Disputes.** If any dispute arises out of or in relation to this Agreement and if the dispute cannot be resolved by direct negotiations, either Party may initiate mediation by giving notice to the other. If the Parties fail to resolve the dispute within sixty days from notice of mediation, either Party may initiate binding arbitration in accordance with this Section 11.2. The place of arbitration must be San Ramon, California. One arbitrator (or three arbitrators if the monetary value of the Dispute is more than US$5,000,000 or its currency equivalent) must conduct the arbitral proceedings, in English, in accordance with United Nations Commission on International Trade Law ("UNCITRAL") Arbitration Rules. The American Arbitration Association is the appointing authority (in the case of disputes involving all U.S. parties). The International Centre for Dispute Resolution is the appointing authority (in the case of disputes involving a non-U.S. party). The arbitration award is final and binding and must be issued within three months from completion of the hearing, or as soon as possible thereafter. The arbitrator(s) is not empowered to award punitive
damages. Regardless of which Party prevails, all arbitration fees and costs must be paid equally and each Party shall bear its own attorneys’ fees and costs in connection with such arbitration. This Section 11.2 must not be interpreted to prevent a Party from seeking injunctive relief and/or from seeking to enforce any award rendered by the arbitrator(s) in such arbitration from the United States District Court Northern District of California or the Superior Court for the county of Contra Costa, California. This arbitration provision is enforceable under the Federal Arbitration Act, 9 U.S.C. §1, et seq. Any disputes relating to or in connection with the enforceability of this arbitration provision must be brought only in the United States District Court Northern District of California or the Superior Court for the county of Contra Costa, California, and each Party consents to the exclusive jurisdiction of the United States District Court Northern District of California or the Superior Court for the county of Contra Costa, California for that purpose. If for any reason such a proceeding cannot be brought in federal court, the proceeding may be brought in California State court.

12. GENERAL PROVISIONS

12.1 Proper Authority. Each of the Parties and their officers represent and warrant that they are authorized to enter into this Agreement and execute the same without further authority.

12.2 Prior Agreements. This Agreement comprises the complete and exclusive agreement between the Parties regarding the subject matter of this Agreement and, except as provided in this Section 12.2, supersedes all oral and written communications, negotiations, representations or agreements in relation to that subject matter made or entered into before the Effective Date.

12.3 Amendment. No amendment to this Agreement is effective unless made in writing and signed by duly authorized representatives of all the Parties.

12.4 Waiver. Any failure of either Party to pursue remedies for breach of this Agreement does not constitute a waiver by such compliant Party of any breach of this Agreement by the non-compliant Party, or raise any defense against claims against the non-compliant Party, for breach of this Agreement. The waiver or failure to require the performance of any agreement or obligation contained in this Agreement, or failure to pursue remedies for breach of this Agreement, does not waive a later breach of that agreement or obligation.

12.5 Notices. All notices required or permitted under this Agreement must be in writing and delivered by mail (postage prepaid) or by hand delivery to the address of the receiving Party set out in the signature page to this Agreement. Notices sent by email are ineffective. Notices are effective when received by the recipient during the recipient’s regular business hours. Notices which do not comply with the requirements of this Agreement are ineffective, and do not impart actual or any other kind of notice.

12.6 Assignment. Neither Party may assign its rights or obligations under this Agreement without the prior written consent of the other Party except that Chevron may assign this Agreement to its Affiliates.

12.7 Confidentiality. Recipient shall treat all information arising out of or provided to Recipient under this Agreement (“Chevron Confidential Information”) as valuable,
proprietary and confidential and shall not disclose, and shall ensure that all members of Recipient Group do not disclose, any such Chevron Confidential Information to any other person without the prior written consent of Chevron.

12.8 **Relationship of Parties.** Each Party is independent and no partnership, joint venture or agency relationship will be deemed to be formed under this Agreement. Neither Party shall have the right, power or authority to in any way bind the other to any contract or other obligation.

12.9 **Third Party Rights.** No person who is not a Party to this Agreement has any rights under this Agreement or may enforce any provision in this Agreement.

12.10 **Severability.** Each provision of this Agreement is severable and any determination of invalidity does not affect those portions of this Agreement that are valid.

12.11 **Survival.** All provisions in this Agreement containing representations, warranties, releases, defense obligations and indemnities, and all provisions relating to tax, audit, confidentiality, conflict of interest, improper influence, intellectual property and trademarks, insurance, disclaimer of certain remedies, limitations of liability, ownership or use or return of Confidential Information, retention and inspection of records, dispute resolution and governing law, and all causes of action which arose prior to completion or termination, survive indefinitely until, by their respective terms, they are no longer operative or are otherwise limited by an applicable statute of limitations.

12.12 **Public Announcements.** Recipient shall not issue any public announcement or statement concerning this Agreement without obtaining Chevron's prior written consent. Chevron may disclose that it has donated the Grant Funds to Recipient for the Program without any consent from Recipient.

12.13 **Counterparts.** This Agreement may be executed in multiple counterparts, all of which together will be considered one and the same agreement.
13. OTHER REGULATIONS

13.1 The Parties to this Agreement acknowledge that one or both of the Parties is organized in the United States and subject to the laws of the United States, including economic sanctions and trade restrictions imposed by the United States government. Therefore, Recipient represents and warrants to Chevron that no member of Recipient Group is a person or entity who is the subject of, or is owned or controlled by any country, institution, organization, entity, or person that is the target of, economic sanctions and trade restrictions imposed by the United States government.

IMPORTANT NOTICE: THIS AGREEMENT CONTAINS PROVISIONS REGARDING INDEMNITIES AND WARRANTIES THAT EXPRESS THE AGREEMENT OF THE PARTIES CONCERNING CLAIMS ARISING OUT OF THIS AGREEMENT.

The Parties have executed this Agreement as evidenced by the following signatures of authorized representatives of the Parties:

CHEVRON:
CHEVRON U.S.A. INC.

Signature: __________________________

Name: Linda D. Padon
Title: Attorney-in-Fact

RECIPIENT:
CITY OF EL SEGUNDO

Signature: __________________________

Name: Greg Carpenter
Title: City Manager

ADDRESS FOR NOTICES:

Chevron U.S.A. Inc.
324 W. El Segundo Blvd.
El Segundo, CA 90245

Attention: Lily Craig
Manager, External Relations

ADDRESS FOR NOTICES:

City of El Segundo
350 Main Street
El Segundo, CA 90245

Attention: Greg Carpenter
EXHIBIT A - PROGRAM DESCRIPTION

Social investment partnership application

Please complete and return this application form. You do not need to provide a significant level of detail; as a guide, two to three pages is ideal. When we receive your form, we will evaluate your application and respond to let you know the outcome. We may contact you in the interim for further information if we need it.

Please complete all questions and provide the documentation requested to allow us to fully evaluate your request for funding. Incomplete information may delay our ability to respond to you in a timely way.

<table>
<thead>
<tr>
<th>Section one: About your organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of Organization:</td>
</tr>
<tr>
<td>Mailing Address:</td>
</tr>
<tr>
<td>Phone Number:</td>
</tr>
<tr>
<td>Email Address:</td>
</tr>
<tr>
<td>Name and Type of Opportunity (Program, Project or Event):</td>
</tr>
<tr>
<td>Opportunity Description:</td>
</tr>
<tr>
<td>Organization’s Mission Statement:</td>
</tr>
<tr>
<td>Amount of Funding Requested from Chevron:</td>
</tr>
<tr>
<td>Total Program/Project/Event cost:</td>
</tr>
<tr>
<td>Other Sources of Funding (known and anticipated):</td>
</tr>
<tr>
<td>Project Timing and Anticipated Length of Commitment:</td>
</tr>
<tr>
<td>Have you applied for, or received, funding from Chevron previously? (Yes – 2013/2014 - $200,000; and 2014/2015 - $175,000)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Section two: About your request for funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issue focus area</td>
</tr>
<tr>
<td>Which of the following best describes your project’s focus area? (Check the appropriate box):</td>
</tr>
<tr>
<td>☐ STEM Education</td>
</tr>
<tr>
<td>☐ Career/Vocational Training</td>
</tr>
<tr>
<td>☑ Small Business Support</td>
</tr>
</tbody>
</table>

The project idea

What are the project’s objectives? How will these objectives be achieved?
The overarching function of the Economic and Business Development Program is to promote sustainable growth in each of the business sectors of El Segundo including: commercial sector east of Sepulveda Avenue, Smoky Hollow District and the Downtown Corridor. This primary objective is accomplished by a series of objectives that focus on: Business Retention, Business Expansion and Business Attraction.

Fundamentally, the three primary objects are based upon a series of sub-objectives that include: site selection assistance, acting as an ombudsman (championing a specific project through the entitlement/permitting process), citywide and project specific marketing (business attraction, existing business promotion, development of a public facility corporate branding program), business outreach to determine if a rapid response and identification of specific resources is required for expansion or retention, and other long term projects that would add value to a specific sector (i.e. the Smoky Hollow review by the Urban Land Institute to determine how to the City can best position itself for market forces penetrating the district).

Recently, the City launched a public relations campaign to ‘tell the story’ of El Segundo’s pro-business climate and exceptional quality of life. Currently, El Segundo is challenged by many regional/national business decision makers that have either no perception or a misguided perception of El Segundo and where it is located and how it compares to other communities in the Los Angeles area and more specifically West Los Angeles and the South Bay. The Economic Development Advisory Council (EDAC) believes this public relations campaign will provide the advantage needed to draw the attention of desirable businesses to replace previously occupied space by defense related companies. This infusion of businesses would also create further diversification of El Segundo’s business base and be less susceptible to substantial reductions in jobs from any one particular industry. To date, the public relations firm, Paolucci Salling & Martin Communication Arts, hired by the city, has begun working closely with stakeholders to promote local business successes within El Segundo. Additionally, the firm has begun the launch of a large scale business attraction marketing campaign. This campaign includes the redesign and modernization of the City’s existing dedicated business attraction website (www.elsgundobusiness.com). In addition, a number of marketing collateral materials have been developed for networking and trade events as well as a banner program along Sepulveda Blvd, Rosecrans Ave and Imperial Hwy. the focus of these materials is to capture the attention of individuals driving through El Segundo and attendees at various trade and networking events.

Promotion of sustainable growth in El Segundo is critical in light of the complexion of the community business base. El Segundo has traditionally been dominated by the defense industry; the same industry that has and continues to decline due to shrinking Federal budgets. The year-over-year loss of jobs has caused El Segundo and the South Bay a tremendous hardship for municipalities and residents. First, due to the constant reduction in the defense industry, residents of the South Bay and specifically El Segundo has fallen victim to lay offs. From a municipal perspective, job losses and an ever shrinking industrial complex has had a direct correlation to revenue losses. These losses have caused further loss of services to residents and reduced city services. Without a concerted effort to address the lost jobs, further deterioration of City services and infrastructure is sure to result.

As a component of the City of El Segundo and its Economic Development Advisory Council’s objective to spread the public outreach campaign, “El Segundo – Where Big Ideas Take Off”, the group is planning to incorporate that message into the upcoming City Centennial Celebration throughout the year of 2017. The 100th Birthday of the City presents a unique opportunity to promote the City to current and potential
businesses. Current plans include the potential to participate in the 2017 Tournament of Roses Parade, which boasts a viewership of over 53 million individuals, including 28 million international viewers. Additionally, EDAC will be having or participating in various events that promote El Segundo. One particular event is the second annual Los Angeles Economic Development Corporation (LAEDC) Innovation Week in the fall. It will be a county-wide celebration of innovation. The City of El Segundo will participate and may even host the event which will include a summit, symposium, mixer, community lab, hackathon, etc.

Community impact

Who will benefit from the project and how many beneficiaries will you reach? How will your project improve quality of life for underserved communities?

Along with the City of El Segundo, the entire southbay region and its residents would be the primary beneficiaries by rebuilding a once stout business base that was powered by the residents of El Segundo and the South Bay. Residents of the South Bay will benefit by additional job opportunities and increased property values. By specifically targeting private reinvestment in the form of increasing the business base, El Segundo and the South Bay can lower unemployment and underemployment rates. The underlying effect will stabilize and ultimately increase quality of life and property values; further staving off poverty and increases in underserved communities within the South Bay.

The impact of this Program will directly impact the small, medium and large businesses within El Segundo and southbay. The Program will also reduce overall commercial vacancy throughout El Segundo’s commercial corridors: increasing employment opportunities for residents and reducing City revenue shortfalls through increased business license tax revenues.

Additionally, the City Centennial Celebration will be used as a means to increase local economic development activity and engagement among the businesses that currently call El Segundo home. Plans currently include the potential of participation in the Tournament of Roses Parade which would encourage community participation and foster civic engagement. Much of the funds utilized will be largely the efforts of fundraising and collaboration among the business community.

Chevron involvement

What opportunities, if any, exist for increased Chevron involvement? (Eg general or skilled volunteerism opportunities, speakers, or other creative ways to engage Chevron’s people and resources.)

Leading upto the city’s Centennial Celebration, the City of El Segundo’s Economic and Business Development Program would appreciate the opportunity to leverage Chevron presence and prominence in a number of ways. These requests would be made over the two year funding period and may include: usage of corporate facilities for events (i.e. business development seminars, meetings), participation in business development forums by facility staff, video clips, photos and any other non-confidential media for incorporation into marketing materials, co-funding additional parking and/or signage for the Smoky Hollow district directly adjacent (north side) of Chevron’s El Segundo Refinery.

As a potential contributor to the Rose Parade float, Chevron and its employees would have opportunities to be recognized throughout the community in newspaper, advertisements, public meetings, and events. Thousands of volunteer hours will be required to complete the float.
Public awareness

How will Chevron be identified with your organization? Do you plan to involve any other partners or stakeholders in this project? If so, please describe who and in what capacity.

The City of El Segundo Economic and Business Development Program can include Chevron’s logo as a “Corporate Partner” on future marketing brochures, banners and other visual medium including online and social media campaigns. Other opportunities may include placement of logo/branding on public facilities and light standard banners along and through the Downtown Corridor. For specific business development/outreach events, Chevron logo/brand would be included as a major sponsor in economic development and the community.

The City Centennial Celebration and potential Rose Parade participation would be a collaboration of Chevron and other business partners, community members, City staff, and elected officials. As a contributor to funding the celebration, Chevron will be recognized at events and in printed media.

The organization

Tell us about your organization. What knowledge, experience or capacity does it have that gives it confidence it can successfully implement the proposed project?

The City’s leadership establishes policy and makes decisions that guide the community. The direction and consistency of these policies and decisions sends a message to the business community about the City’s openness to development and business growth. While some communities have a reputation of being divisive and unfocused, El Segundo has a track-record of maintaining and developing business-friendly city policies. The advisory body that makes recommendations to the City Council is the EDAC which is comprised of 15 members that represent various aspects of the community. These members collectively boast in excess of 300 years of experience in business fundamentals, finance, real estate development, strategic planning, consensus building and leadership. Strategic planning is a primary component of this Body in the field of economic and business development. The day-to-day duties outlined in the Strategic Plan are carried out by a full time, seasoned economic development manager. In addition, the economic development manager provides the EDAC with routine reports on the progress of identified metrics of the Plan. Finally, a compliment of strategic resources within the community are also available to assist with specific resources on unique projects which may include the South Bay Workforce Investment Board, Small Business Development Center, Los Angeles Economic Development Corporation and a number of others are available for more specific assistance.

Measuring results

What are the intended results of the project and what plans do you have for project monitoring and evaluation?

The long term goals of the project would directly correlate with the organizations mission statement: retain and expand El Segundo’s business base through business diversification, utilizing a pro-business climate and partnering with a public relations firm to ‘get the word out’ out. Program staff will conduct at least 30 visits per year to local businesses. The primary objective of these visits is to identify struggling businesses and provide resources needed to successfully retain (and in some cases expand) the business while remaining a part of the existing business base.
Program staff will successfully attract new businesses to reduce vacancies in retail storefronts in the Downtown area, creative office industry tenants to the Smoky Hollow district and target commercial vacancies on the east side of Sepulveda Blvd. with new and expanding (existing) office and advanced manufacturing firms. The retail-oriented business will provide an immediate influx of job creation and a revenue source to the City. This will include staff attendance and City presence at targeted industry trade shows and networking events. The business-to-business firms will provide job creation for the community’s skilled workforce.

Virtual presence maintenance, updates and greater presence campaign. Under this activity, the existing www.elsegundosbusiness.com website will be updated and maintained on a more frequent basis (providing up to date information for those seeking information about El Segundo’s business climate). Further virtual communication will span through a social media campaign.

City Marketing/Branding will continue and expand to identify specific industries on a regional, national and global level. Marketing format may include any/all of the following: ad placements (paper and online publications), press releases, attendance at trade shows and networking events, seek targeted awards from notable organizations for high level, low cost exposure (i.e. Most Business Friendly City Award).

Implement findings and recommendations as approved by the El Segundo City Council from the Urban Land Institute’s Technical Assistance Panel results for the Smoky Hollow district.

Please also complete the separate ‘target metrics’ form and submit along with your application.

Sources of funding

List current sources of unrestricted and restricted funding (e.g., from corporations, foundations, government, individuals, etc.) for the organization and for the project proposed. Is the project sustainable beyond the period of Chevron funding? If so, how will sustainability be achieved?

- $176,000 annually for the economic development manager
- $120,000 budget for advertising/publishing for 2015/16
- $100,000 budget for contractual services for 2015/16
- $37,000 annually for service charges

Project/Program is considered sustainable after period of Chevron funding. The requested funding from Chevron will cover one-time and start up costs (i.e. establishment of a branding campaign, etc.) Chevron’s contribution will provide for higher visibility of marketing and allow limited staffing resources to focus more on maintenance and updates of online presence. Additionally, Chevron’s contribution will also be applied to strategic/long-range planning that includes specific and attainable goals and measurable outcomes to ensure staff efforts continue to address key goals and concepts.

When you submit your application form, please also provide the following:

- The completed ‘target metrics’ form
- A budget for the project and the organization. The project budget should distinguish between the items Chevron is being asked to support and what others will support
- Proof of your organization’s IRS 501(c)(3) or equivalent Not-For-Profit Status
- A list of board members

**El Segundo Economic and Business Development Program Board Members**

El Segundo’s Economic and Business development Program is comprised of two bodies. El Segundo City Council approves recommendations for policy direction and fiscal resources. The second body, the Economic Development Advisory Council (EDAC), makes recommendations to the City Council on economic and business development related matters. El Segundo’s City Council is comprised of residents with a diverse background and skill set. The EDAC is comprised of residents and individuals that conduct business within El Segundo. These experience and skill set of these individuals span primarily within different business sizes, real estate development and brokers, entrepreneurs and chamber of commerce representatives.

**City Council**

- Suzanne Fuentes, Mayor
- Carl Jacobson, Mayor Pro Tem
- Dave Atkinson, Council Member
- Marie Fellhauer, Council Member
- Michael Dugan, Council Member

**Economic Development Advisory Council**

- Drew Boyles, Chair
- Al Keahi, Vice Chair
- Lily Craig
- Richard Lundquist
- Sandra Jacobs
- Michael Mothner
- Bob Healey
- Morris Chernick
- Neal Perky
- Jeffrey Lesker
- Robert Gray
- Gary Horwitz
- Alex Abad
- Lance Ralls
- Rob Croxall

END OF EXHIBIT A